



*Creating  
value...*



Mumbai, India



*Integrated annual report 2019*

A close-up photograph of a young man with dark hair and glasses, smiling broadly. He is wearing a black t-shirt and holding a smartphone in his right hand. In the foreground, the hands of another person, wearing a red plaid shirt, are visible, suggesting they are interacting with the man or the phone.

*...by improving*  
**lives**

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In the following pages we share our story – who we are and why we are here; how we create value for all our stakeholders; our performance and progress in this financial year; and where we are heading.



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**29%<sup>(1)</sup>**

growth in group revenues  
to US\$19.0bn

**22%<sup>(1)</sup>**

growth in trading profit  
to US\$3.3bn

**60%**

improvement in free cash flow

**>1.3bn**

online users around the world

**26%**

increase in core headline  
earnings to US\$3.0bn

**29%**

IRR realised, following the  
disposal of our interest in  
Flipkart for US\$2.2bn

**“Naspers is a strategic  
investor and operator.  
We support exceptional  
companies and  
entrepreneurs for  
the long term ...”**

Bob van Dijk  
Chief executive

#### Notes

<sup>(1)</sup> On an economic-interest basis. Growth in local currency, excluding acquisitions and disposals.

<sup>(2)</sup> Fintech or financial technology covers new applications, processes, products or business models in the financial services industry.

<sup>(3)</sup> Using online technology to improve education.

# Investing in improving lives around the world

**Naspers is a global consumer internet group and one of the largest and most successful technology investors in the world.**

We are committed to investing in entrepreneurs and in technologies that improve people's lives. From India to Brazil to South Africa to Russia – well over a billion people around the world benefit from Naspers-backed businesses. Billions more are within our reach and we're keen to help them too. We continue to grow and address big societal needs and, in turn, create greater value over time.

Naspers builds leading companies that empower people and enrich communities by operating and investing in countries and markets with long-term growth potential across the world. The group operates or partners with a number of leading internet businesses across Africa, Central and Eastern Europe, the Americas and Asia in sectors that include online classifieds, food delivery, payments and fintech<sup>(2)</sup>, travel, education<sup>(3)</sup>, health, and social and internet platforms.

Every day, hundreds of millions of people use the products and services of companies that Naspers has invested in, acquired or built, including Avito, Brainly, BYJU'S, Codecademy, eMAG, Honor, ibibo, iFood, letgo, Media24, Movile, OLX, PayU, SimilarWeb, Swiggy, Takealot and Udemy.

Similarly, hundreds of millions of people have made the platforms of our associates part of their daily lives: Tencent ([www.tencent.com](http://www.tencent.com); SEHK 00700), Mail.ru ([www.corp.mail.ru](http://www.corp.mail.ru); LSE: MAIL), MakeMyTrip Limited ([www.makemytrip.com](http://www.makemytrip.com); NASDAQ: MMYT) and Delivery Hero ([www.deliveryhero.com](http://www.deliveryhero.com); Xetra: DHER).

Today, Naspers companies and associates help improve the lives of around one fifth of the world's population. We actively search for new opportunities to partner with exceptional entrepreneurs who are using technology to address big societal needs.

Naspers has a primary listing on the JSE Limited's stock exchange (NPN.SJ) and a secondary listing on the A2X Exchange (NPN.AJ) in South Africa, and has an ADR listing on the London Stock Exchange (LSE: NPSN).

# About this report

The Naspers integrated annual report assesses our performance for the financial year ended 31 March 2019, focusing on the value we created for our key stakeholders. The aim is to provide a picture of our progress and impact.

## Our purpose (Why we're here)

**From India to Brazil to South Africa to Russia – well over a billion people around the world benefit from Naspers-backed businesses. Billions more are within our reach and we're keen to help them too.**



### Chief executive's review

Read more on page 09

## Who we are (What we do)

**We are a global consumer internet group and one of the largest and most successful technology investors in the world. We are committed to investing in entrepreneurs and technologies that improve people's daily lives.**



### Group overview

Read more on page 05

## The Naspers approach (How we do it)

**We think global and support local teams. We rigorously manage our assets and capital allocation for growth. We understand the importance of making a positive impact on society.**



### Business model

Read more on page 16

## Managed on strong foundations (How we do it)

**We understand the risks we take and manage these to minimise their impact on our business and results.**

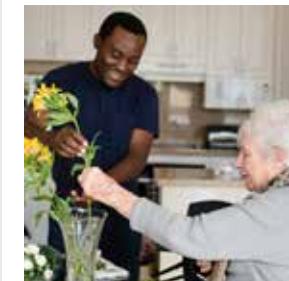


### Governance

Read more on page 55

## Creating a positive impact (The outcomes)

**Delivering financial performance and value for our stakeholders.**



### Value creation

Read more on page 72

## Reporting

**In line with best practice for integrated reporting, we report on the six capitals that together provide a true picture of value across the group.**

**This way of telling a comprehensive, connected story fits well with our holistic view of value and our focus on creating sustainable value for long-term good.**



Financial



Human



Manufactured



Intellectual



Social and relationship



Natural



Chief executive's STI achievements

## About this report

*continued*

### How it all fits together

We measure our performance by evaluating how we create value for our key stakeholders, taking account of the six capitals<sup>(1)</sup>, as well as progress against our strategy, and by regularly measuring returns on invested capital. We understand the risks we take and manage these to minimise their impact on our business and results.

We pursue growth by building leading companies that empower people and enrich communities.

### Listing information

Naspers has its primary listing on the JSE Limited's stock exchange (JSE) (NPN.SJ) and a secondary listing on the A2X Exchange (NPN.AJ) in South Africa, where it forms part of the Top 10 index and where most of its shares trade. It also has a level I American Depository Receipt (ADR) programme listing on the London Stock Exchange (LSE) (NPSN) and trades on an over-the-counter (OTC) basis in the United States (US). International investors are therefore able to buy and sell Naspers securities through the OTC market on the LSE or JSE (details on page 02). Naspers's indirect wholly owned subsidiary, Prosus N.V. (Prosus), formerly Myriad International Holdings N.V., also has three bonds listed on the Irish Stock Exchange (ISE).

### Scope and boundary of reporting

#### Financial and non-financial reporting

This report extends beyond financial reporting. It reflects on non-financial performance, opportunities, risks and outcomes attributable to or associated with key stakeholders who have a significant influence on our ability to create value.

It includes the financial performance of Naspers and its subsidiaries, associates and joint ventures (the group). The scope of reporting on non-financial performance is indicated in this report.

### Notes

<sup>(1)</sup> As identified in the Framework of the International Integrated Reporting Council: financial, human, intellectual, manufacturing, social and relationship, and natural capitals.

Media24, a South African subsidiary, publishes a separate integrated annual report ([www.media24.com](http://www.media24.com)). Group reporting standards are continually being developed to make disclosure meaningful and measurable for stakeholders. Given the highly competitive environment in which we operate, this report mostly excludes financial targets or forward-looking statements other than as explained on page 04.

Where relevant, we have adjusted amounts and percentages for the effects of foreign currency as well as acquisitions and disposals. Such adjustments (pro forma financial information) are quoted in brackets after the equivalent metrics reported under International Financial Reporting Standards (IFRS). Refer to page 91 of the summarised consolidated annual financial statements for a reconciliation of these metrics with the equivalent amounts reported under IFRS. Financial commentary and segmental reviews are prepared on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated. We presented our Video Entertainment segment as a discontinued operation for financial reporting purposes following the distribution of MultiChoice Group to shareholders in the current year. Unless otherwise stated, all financial information and related commentary relates to continuing operations.

### Sustainability

Through our policies and governance structures, we demonstrate our commitment to ethical and sustainable entrepreneurship. We also recognise that our stakeholders are taking a growing interest in the sustainability of our operations and our approach to corporate citizenship. We take our responsibility seriously and are fully aware of the impact of our actions on our social and relationship capital. We are proud to support the United Nations' Sustainable Development Goals (SDGs) and we are committed to identifying and focusing on the goals our

business aligns with. We discuss this alignment and our activities in support of the SDGs in this report.

### The legislation and frameworks that inform our reporting

This integrated annual report was prepared against local and global standards, including:

- Framework of the International Integrated Reporting Council (IIRC): this principles-based approach promotes the concept of the six capitals, which considers material inputs and resources required to create and sustain value in the long term. We describe key components of the Naspers value chain (business model) that creates and sustains value for our stakeholders.
- South African Companies Act No 71 of 2008, as amended (Companies Act).
- King IV Report on Corporate Governance<sup>TM(2)</sup> in South Africa 2016 (King IV).
- IFRS.

### Materiality and material matters

We apply the principle of materiality in assessing what information to include in our integrated report. This report focuses particularly on those issues, opportunities and challenges that impact materially on the group, as well as its ability to be a sustainable business that consistently delivers value to key stakeholders, including our shareholders.

### 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 performance or achievements to differ materially from those in the forward-looking statements include changes to IFRS and associated interpretations, applications and practices as they apply to past, present and future periods; ongoing and future acquisitions; changes to domestic and international business and market conditions such as exchange rate and interest rate movements; changes in domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political conditions; any 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 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 correct and investors are cautioned not to place undue reliance on any forward-looking statements in this report.

### Assurance

Financial information contained in this report and that has been extracted from the audited Naspers Limited consolidated annual financial statements for the year ended 31 March 2019 was audited by PricewaterhouseCoopers Inc. (PwC) (refer to page 74 for its report). PwC also performed specific procedures on material non-financial information in this report. South African broad-based black economic empowerment (BBBEE) information was assured by EmpowerLogic (for Naspers and Media24).

The group has a combined assurance model for internal use. This model is designed to cover the key risks through a combination of assurance service providers and functions as appropriate for Naspers.

## Statement of the board of directors on the integrated annual report

*This report is primarily intended to address the information requirements of long-term investors (our equity shareholders, bondholders and prospective investors). We also present information relevant to the way we create value for other key stakeholders, including our employees, clients, regulators and society.*

*After being reviewed by the audit committee and board, the board approved the integrated annual report. The summarised consolidated annual financial statements were prepared in accordance with IFRS and the Companies Act, while the integrated annual report was prepared using the IIRC framework and recommendations of King IV. In our opinion, the integrated annual report and annual financial statements fairly reflect the financial position of the group at 31 March 2019 and its operations for this period.*

### On behalf of the board

Koos Bekker  
Chair

Bob van Dijk  
Chief executive

Cape Town  
21 June 2019

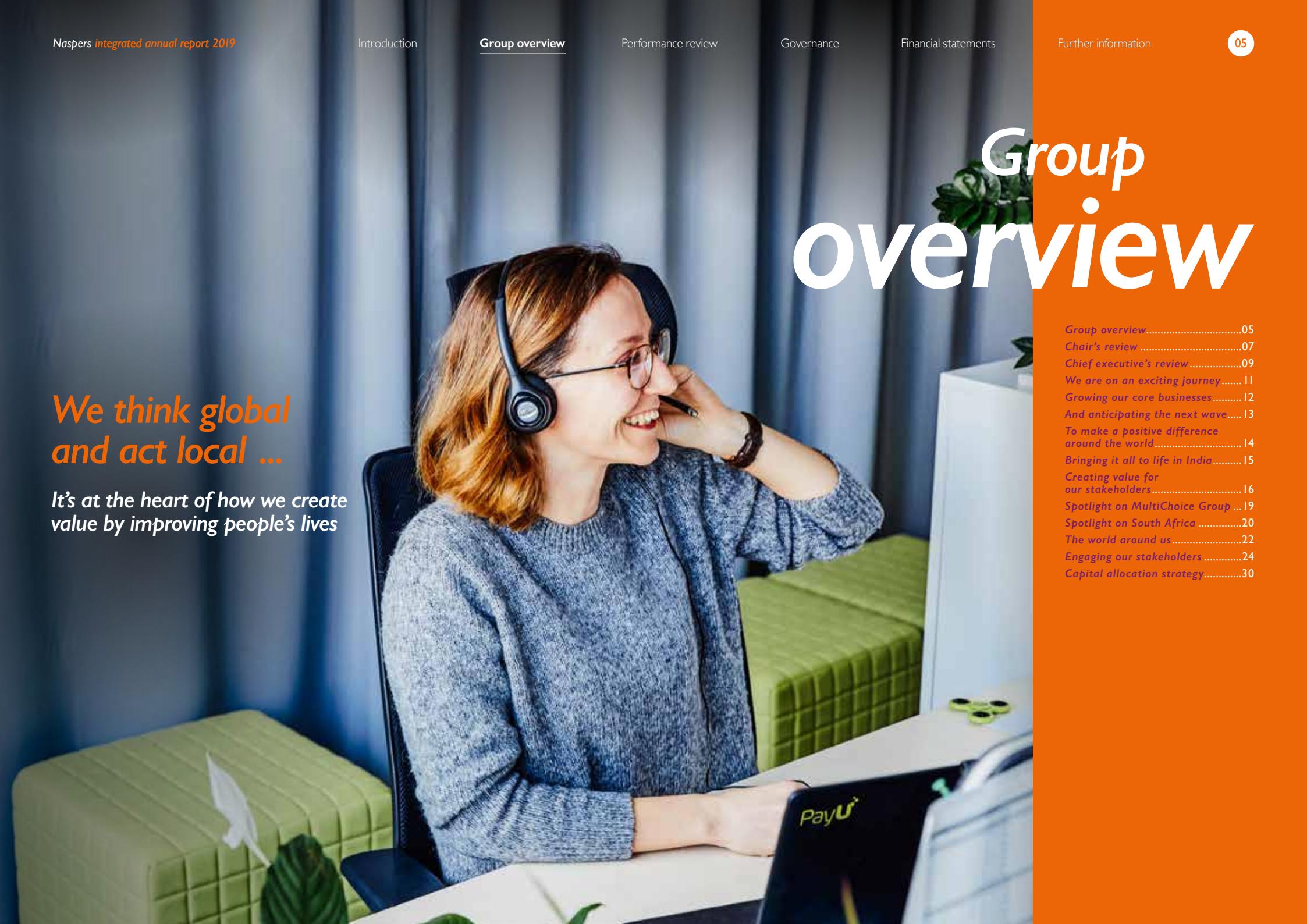
An overview of combined assurance per key risk is reported for consideration by the joint audit and risk committees.

The scope for our group internal audit and risk support function includes all controlled assets. The head of internal audit and risk support reports to the audit committee and presents for its approval an objective-driven, risk-based internal audit plan. Where required, external parties support the internal audit function, such as forensic specialists and data-analytics experts. Other external assurance providers are enlisted as needed. In our more regulated businesses (like PayU), regulatory inspectors visit on a periodic, ongoing basis.

The audit committee recommends to the shareholders the appointment of the external auditor, reviews the auditor's independence annually and oversees the external audit. The committee makes recommendations to the board and assists the board in ensuring the integrity of external reports. The chief executive/chief financial officer's (CFO) annual sign-off process also covers financial reporting.

<sup>(1)</sup> As identified in the Framework of the International Integrated Reporting Council: financial, human, intellectual, manufacturing, social and relationship, and natural capitals.

<sup>(2)</sup> The Institute of Directors in Southern Africa NPC (IoDSA) owns all copyright and trademarks for King IV.

A photograph of a woman with short brown hair and glasses, wearing a blue cable-knit sweater and a black headset with a microphone. She is smiling and looking towards the right. She is seated at a white desk with a laptop that has "PayU" written on its back. Behind her is a green upholstered chair. To her left is a white shelving unit with some plants. The background is a dark blue wall.

**We think global  
and act local ...**

*It's at the heart of how we create  
value by improving people's lives*

# Group overview

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# Group overview

We focus on internet services, where we have investments in classifieds, payments and fintech, food delivery, etail and travel, as well as new ventures and social and internet platforms. We also have a media business.

## Market leaders

We are market leaders in many of the businesses and markets where we operate. Our most significant markets are Africa, China, Russia, Central and Eastern Europe, North America, Latin America, India, Southeast Asia and the Middle East.



## Global consumer internet portfolio (ecommerce)

Classifieds OLX Group	Payments and Fintech	Food Delivery	Etail	Travel <sup>(2)</sup>	Ventures	Social and internet platforms	Media
REVENUE <sup>(1)</sup> <b>US\$875m</b> up 39%	REVENUE <sup>(1)</sup> <b>US\$360m</b> up 22%	REVENUE <sup>(1)</sup> <b>US\$377m</b> up >100%	REVENUE <sup>(1)</sup> <b>US\$1 847m</b> down 10%	REVENUE <sup>(1)</sup> <b>US\$234m</b> up 11%	REVENUE <sup>(1)</sup> <b>US\$241m</b> up 8%	We also hold investments in listed internet companies: Tencent (31.1%), China's largest and most-used internet-services platform, and Mail.ru Group (28.0%) is the leading internet company in Russian-speaking markets.	REVENUE <sup>(1)</sup> <b>US\$326m</b> down 36%
TRADING PROFIT <sup>(1)</sup> <b>US\$2m</b> up >100%	TRADING LOSS <sup>(1)</sup> <b>US\$43m</b> up 33%	TRADING LOSS <sup>(1)</sup> <b>US\$171m</b> down >100%	TRADING LOSS <sup>(1)</sup> <b>US\$150m</b> up 44%	TRADING LOSS <sup>(1)</sup> <b>US\$37m</b> up 39%	TRADING LOSS <sup>(1)</sup> <b>US\$214m</b> down 23%		TRADING LOSS <sup>(1)</sup> <b>US\$14m</b> down >100%
EMPLOYEES <b>5 614</b>	EMPLOYEES <b>1 449</b>		EMPLOYEES <b>6 259</b>		EMPLOYEES <b>2 802</b>		EMPLOYEES <b>3 579</b>
Our footprint spreads across 38 countries. Our companies OLX, Avito and letgo were ranked the number 1 mobile classifieds app in more than 22 countries.	PayU is one of the largest online payment service platforms in the world, with operations in 18 markets across Africa and the Middle East, Central and Eastern Europe, India and Latin America. Included in this segment are the group's fintech and credit associates Remitly, PaySense and ZestMoney.	This portfolio consists of food-delivery businesses that lead in 36 markets globally, including iFood, Delivery Hero and Swiggy.	This comprises our etail subsidiaries, eMAG and Takealot, and, until its disposal, our associate Flipkart. Operations are spread across Central and Eastern Europe and South Africa.	MakeMyTrip, listed on the NASDAQ, is a leading Indian online travel company. It provides online travel services, including flight tickets, domestic and international holiday packages, hotel reservations, and bus tickets.	movile SimilarWeb Udemy JOYMODE SOLEARN cadeacademy honor dott BRAINLY BYJU'S	Tencent 腾讯 careers24 news24 @ mail.ru group	Media24 is Africa's leading media group with interests in digital media and services, newspapers, magazines, ecommerce, book publishing, print and distribution. It publishes some 30 magazines and 80 newspapers and reaches more than 16 million average daily unique browsers across its digital platforms.
Consumer brands				make my trip			
Read more on page 33	Read more on page 35	Read more on page 37	Read more on page 39	Read more on page 41	Read more on page 42	Read more on page 43	Read more on page 44

### Notes

<sup>(1)</sup> Results reported on an economic-interest basis.

<sup>(2)</sup> In April 2019, we announced that, subject to customary closing conditions, including obtaining the requisite regulatory approvals, we will exchange our 43% effective interest in MakeMyTrip for an approximate 6% effective interest in Ctrip. This transaction is expected to close in the second half of 2019.

# Chair's review

**Naspers tries to create value by improving people's lives around the world. We do it by backing entrepreneurs and new technologies that address societal needs.**

This year we made some significant changes in our business, notably unbundling our Video Entertainment business to create a standalone African entertainment powerhouse, MultiChoice Group, and announcing our intention to list our international internet assets on Euronext Amsterdam. We are now a pure global consumer internet company that is ready to further transform.

## Creating sustainable value

At heart, we are entrepreneurs who want to have a positive impact on the world.

We aim to change people's lives for the better by backing people, technology and businesses that meet fundamental human needs. We focus on creating sustainable, all-round value for our different stakeholders. We measure and report on this value across the six capitals: financial, human, intellectual, manufacturing, social and relationship, and natural capital.

We also support the United Nations' Sustainable Development Goals (SDGs) and are working to identify and focus on the SDGs our business aligns with – the ones where we can make the biggest positive difference. Through this report we highlight examples of our impact against these SDGs.

## Sharing a strong culture

Our commitment to creating sustainable value is reinforced by our culture. Across our wide-ranging businesses, we share the same entrepreneurial spirit and pride in performance. This culture reflects our purpose and is key to our employees' engagement, retention and productivity.

## Investing in South Africa

Our ongoing commitment to South Africa was demonstrated this year in a number of ways.

Through Naspers Foundry, we have allocated R1.4bn to invest in South African startups over the next three years. This complements R3.2bn already committed to our existing South African businesses. In addition, through Naspers Labs, we are piloting an innovative programme designed to help address South Africa's youth unemployment crisis. We also contributed significantly in terms of tax. In total, Naspers group paid R6.9bn in taxes in South Africa during the year.

## Working together to succeed

Our growth and success depends above all on the commitment and contributions of everyone in Naspers. On behalf of the board, I thank all our people.

Our executives, led by Bob van Dijk, continued to implement our strategy with energy and skill.

Board members provided valuable guidance and support during a year that demanded an unusual number of meetings.

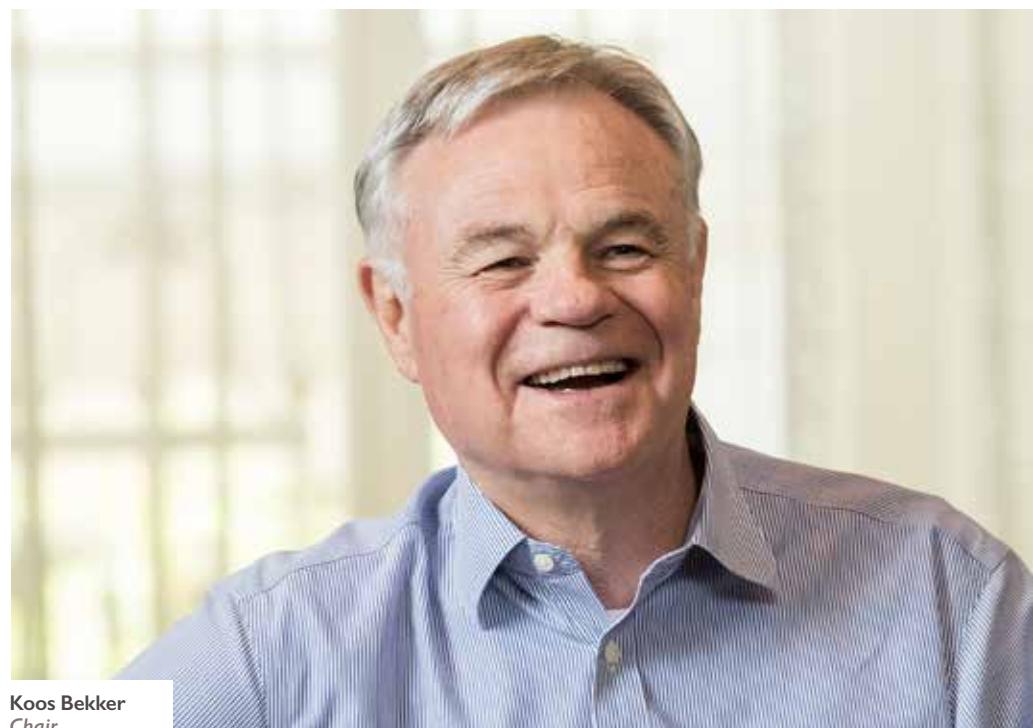
We also recognise the contributions of our many partners and suppliers, as well as collaboration with governments and regulatory bodies in numerous countries.

## Ensuring good governance

We are committed to good governance. As a multinational group, our risks differ depending on local jurisdictions, market dynamics, culture and opportunities. We try to manage all these risks rigorously. More information appears in our risk management section on page 52. We aim to conduct the group's business with integrity, applying appropriate corporate governance policies and principles around the world.

Where Naspers subsidiaries are governed by independent boards of directors, these apply suitable governance practices and their committees are mandated to comply with relevant requirements. Naspers has a legal compliance programme, detailed on page 52.

The board's audit and risk committees also monitor the group's compliance with the listings requirements of the JSE Limited (JSE), London Stock Exchange (LSE) and Irish Stock Exchange (ISE).



Koos Bekker  
Chair

## PROPOSED DIVIDEND

**715  
SA cents**

715 SA cents (previously 650 SA cents) per listed N ordinary share, and 143 SA cents (previously 130 SA cents) per unlisted A ordinary share.

The board is informed of subsidiary activities via a disciplined reporting structure. Strategies and business plans for financial and non-financial elements of operations are regularly reviewed. Part of management's remuneration is based on performance against financial and operational targets as well as against individual and group objectives linked to strategic objectives.

We continually evaluate areas where governance can be improved. This is detailed in our application of King IV in the governance frameworks of Naspers and Media24 in the full online governance report.

**“Throughout its long history, Naspers has kept changing. Change is a core characteristic of our entrepreneurial spirit and critical to our ongoing growth.”**

## Chair's review continued

**"This has been a landmark year of growth and transformation for Naspers."**

### Board changes

Having reached the age of 73 and after several years of valuable contributions to the Naspers board, Guijin Liu has stepped down from the board effective 25 February 2019. The board expressed its gratitude to Guijin Liu.

As a consequence of the listing of MultiChoice Group on the JSE in South Africa on 27 February 2019, and the subsequent unbundling of the Video Entertainment business to Naspers shareholders, Nolo Letele became a non-executive director.

Furthermore, we announced on 6 May 2019 that Manisha Girotra will be appointed as an independent non-executive director after the listing of Naspers's subsidiary Prosus on Euronext Amsterdam (with a secondary listing on the JSE), which is expected to be in September 2019. Manisha will also serve on the board of Prosus, and as a member of the Naspers and Prosus audit committees.

As per the company's memorandum of incorporation, one third of non-executive directors retire annually and reappointment is not automatic. Debra Meyer, Steve Pacak, Cobus Stofberg, Ben van der Ross and I retire by rotation at the annual general meeting but, being eligible, offer ourselves for re-election. At this meeting, shareholders will be asked to consider the re-election of these directors (see notice on page 94).

Don Eriksson, Ben van der Ross and Rachel Jafta are members of the audit committee. The board recommends to shareholders that they be reappointed to this committee. This is a demanding committee of any board.

In compliance with the Companies Act, shareholders will be asked to consider these proposals at the annual general meeting. Please see directors' curricula vitae on pages 56 and 57.

### Dividend (in South African cents)

The board recommends that the annual gross dividend be increased by 10% to 715 cents (previously 650 cents) per listed N ordinary share, and 143 cents (previously 130 cents) per unlisted A ordinary share.

If confirmed by shareholders at the annual general meeting on 23 August 2019, dividends will be payable to shareholders recorded in the books on Friday 13 September 2019 and paid on Monday 16 September 2019.

The last date to trade cum dividend will be on Tuesday 10 September 2019 (shares trade ex-dividend from Wednesday 11 September 2019). Share certificates may not be dematerialised or rematerialised between Wednesday 11 September 2019 and Friday 13 September 2019, both dates inclusive.

The dividend will be declared from income reserves. It will be subject to the dividend tax rate of 20%, yielding a net dividend of 572 cents per listed N ordinary share and 114 cents per unlisted A ordinary share to those shareholders not exempt from paying dividend tax. Dividend tax will be 143 cents per listed N ordinary share and 29 cents per unlisted A ordinary share. The issued ordinary share capital as at 21 June 2019 was 438 656 059 N ordinary shares and 907 128 A ordinary shares. The company's income tax reference number is 9550138714.

### Looking ahead

This has been a lively year of growth and evolution for Naspers. On behalf of the board, I thank everyone involved and look forward to our continued journey ahead as a pure consumer internet company.

Koos Bekker  
Chair

21 June 2019

### Focusing on sustainability

We are working on refining and evolving our sustainability strategy in line with the United Nations' Sustainable Development Goals (SDGs). As a responsible business committed to making a lasting positive difference in the world, we want to make sure we identify and focus on the goals where we can have the greatest impact.

The next steps for us on this journey will be to define our sustainability objectives; identify the key SDGs where we have the greatest impact; set key performance indicators; and measure our success and impact in relation to sustainability.

### The global goals for sustainable development



# Chief executive's review



**Bob van Dijk**  
Chief executive

**"This was a standout year for Naspers – a period of continued strong growth and performance across our businesses and a year of great transformation as we achieved our aim to become a 100% global consumer internet company."**

Over recent years, we have been on a deliberate and disciplined journey to grow and excel in creating value by improving people's lives. It is a journey that has seen us pass through three key strategic phases. In 2014–2015, we reset the business – organising ourselves into global segments, establishing an excellent ecommerce team, and divesting of low-potential assets. Over 2016–2017, we accelerated ecommerce growth, consolidated for leadership, exited peak-value businesses, and executed quality growth investments. This in turn enabled us to focus over the past two years on growing ecommerce to profitability, developing core segments into US\$5–10bn+ businesses and planting seeds for longer-term growth.

**Transforming to excel**  
This year we achieved a landmark in our transformation – listing and unbundling our Video Entertainment business and completing our evolution into a global consumer internet company. This step unlocked considerable value for shareholders and allows the new MultiChoice Group to excel as Africa's leading entertainment business. It also enables us to focus with even greater intensity on fulfilling our purpose and ambitions as a pure global consumer internet company.

This is an exciting time to be part of the Naspers family. Collectively, we are now one of the world's top 10 internet companies by market capitalisation,

with around a fifth of the people on the planet using the products and services of our companies and associates to improve their daily lives. We have now laid the foundation to take our growth and success to the next level.

## Playing our part in South Africa's success

While transforming, we have stayed true to our South African roots and are committed to the continued growth and success of this amazing country. With the new MultiChoice Group, we were very pleased to be able to create further value for Phuthuma Nathi shareholders who, through MultiChoice South Africa (MCSA), have already participated in one of South Africa's most successful empowerment schemes. Phuthuma Nathi shareholders were allocated an additional 5% stake in the issued share capital of MCSA for no consideration. As a result, their indirect interest in MCSA has risen from 20% to 25%.

With Naspers Labs and Naspers Foundry, we are bringing our commitment to life through two initiatives focused on helping and investing in the next generation of South African talent and tech entrepreneurs.

## Tackling youth unemployment

Naspers Labs is our flagship social impact project designed to transform and launch South Africa's unemployed youth into economic activity.

The programme has been designed to remove the unique barriers to entering the economy for impoverished South

African youth. Our ambition is to be a driving force behind increasing access to economic opportunity for millions of young people living in low income peri-urban areas of South Africa.

## Backing entrepreneurial talent

Naspers Foundry is our startup funding initiative focused on helping talented and ambitious South African tech entrepreneurs develop and grow businesses that improve peoples' lives. We have allocated R1.4bn to invest in South African tech startups over three years. This complements the R3.2bn already committed to developing the group's existing South African businesses.

## Growing revenues and profitability

Alongside our transformation, and indeed helping to fuel it, we delivered another strong year of growth. Group revenue from continuing operations on an economic-interest basis was US\$19bn, up 16% on last year (or 29% in local currency and adjusted for acquisitions and disposals).

Our core focus areas – Classifieds, Payments and Fintech, and Food Delivery – were key in delivering this growth. On the same basis, group trading profit from continuing operations rose 10% to US\$3.3bn (or 22% in local currency and adjusted for acquisitions and disposals).

Core headline earnings from continuing operations was up 26% on last year at US\$3bn.

## Key events through the year

2018

May

Naspers invests US\$35m in Honor, enabling the health innovator to grow its national network of home-care agencies.

OLX Group invests US\$89m in Frontier Car Group to continue expanding and disrupting the used-car sector in high-growth markets.

Jun

OLX Group and Properati agree to join forces in Latin America, strengthening its presence in that real estate market.

Jul

Naspers further commits to Indian food-delivery business Swiggy, investing US\$79m as part of a US\$210m investment round.

**US\$79m**

Aug

Movile announces a new round of investment, led by Naspers with participation by Brazilian investment fund, Innova Capital (Innova), with a combination of primary and secondary investment totalling US\$124m.

PayU invests US\$12m in PaySense. PaySense is a fintech startup based in Mumbai India. The company is focused on digital lending, serving short-duration microloans to Indian consumers.

Sept

Naspers disposes of its 12% stake in Indian ecommerce company, Flipkart, to US-based retailer Walmart for US\$2.2bn, delivering a 29% internal rate of return on investment.

**29%**

internal rate of return on investment in Flipkart

Naspers invests US\$5.6m in SoloLearn to enable the education innovator to fund product enhancement, global expansion and launch a career service for the community.

## Chief executive's review continued

### Strengthening our core

We have a range of excellent businesses in the group and we cover their performance in some detail later in this report, but I touch on a few key highlights here.

As a pure global consumer internet company, we are currently focusing on three core areas where we can work to create value by improving people's lives: Classifieds, Payments and Fintech, and Food Delivery. In all three areas, we had a strong year.

In Classifieds, OLX Group achieved its first year of profitability and annual revenues exceeded target.  We continued to invest and expand, notably into car, real estate and convenience offers, while reorganising and streamlining, where necessary, to increase efficiency and customer focus.

In Payments and Fintech, the core payments business of PayU continued to grow and recorded its first profit on a standalone basis.  We continued to build on core payments and moved progressively into broader fintech credit services, with additional investments in PaySense and ZestMoney.

**"Across our chosen areas of focus, we want to take a much bigger space in the hearts and minds of internet consumers around the world. So we back excellent entrepreneurs building great business models with very strong local components."**

In the fast-growing sector of Food Delivery, we increased our focus and investment.  Along with Innova Capital we committed to invest additional capital of US\$400m in iFood to enable iFood to accelerate growth by expanding coverage and investment in first-party delivery capabilities, speed up product development and innovation, and deliver personalised experiences to its customers. We also invested US\$716m in Indian food-delivery leader, Swiggy. We believe technology will transform the way people eat, and we are investing in that.

While concentrating on the core, we also continued to identify, explore and build the next wave of growth for Naspers. Investments ranged from adding to our education portfolio with an investment in Indian educational company BYJU'S by investing US\$383m, to taking an initial stake in healthcare innovator, Honor.

Our investments in social and internet platforms also performed well. Tencent continued to excel in China while Mail.ru consolidated its position as Russia's leading internet group.

**US\$ 716m**  
Investment in Indian food-delivery leader Swiggy

**US\$ 383m**  
Investment in Indian educational company BYJU'S

These businesses are leaders in two of the world's most dynamic high-growth markets.

### Developing and encouraging our people

Another key asset for us is, of course, our outstanding people. They are at the heart of everything we do at Naspers. The experience we give our customers, the value we deliver to our shareholders, the success of the business – all these rest on the quality and commitment of our people. So we work hard to recruit, develop and retain the best people throughout the group.

One of the ways we are developing and encouraging all our people to be their best is through MyAcademy, our global learning and development platform. It operates as an online learning hub and is supplemented by classroom training and is open to all our people, including employees in our minority investments. We offer a range of experiences that allow our people to enhance their skills in areas such as leadership, technology, cybersecurity, machine learning, business and commercial skills, and foreign languages. MyAcademy is an engine and enabler of growth and change across the group. We use it to amplify and accelerate innovation and entrepreneurship and to ensure our people have the right knowledge to support our priorities and ambitions.

### Making the most of machine learning

Across all our businesses, we are increasingly investing in and making the most of machine learning (ML). 

From image recognition to the ability to interpret text, ML has advanced rapidly in recent years. As a data-rich business, we have the fundamental asset – the essential ingredient – to make the most of technology's strengths and potential. We are using ML to create value in different ways across the group, such as increasing the trust and safety of interactions between buyers and sellers, and making services simpler and more streamlined.

### Looking ahead

Looking ahead, we have only just begun to capitalise on the added drive, focus, energy and opportunities that come from being a pure global consumer internet company.

Towards the end of our financial year, we announced the next major step in our ongoing journey – our intention to list our international internet assets on Euronext Amsterdam.

The new company, Prosus, will likely be the largest listed consumer internet group in Europe by asset value, comprising some of the world's leading and fastest-growing internet companies in some of the most interesting markets on the planet.

This is a significant step for Naspers, which will own at least 73% of Prosus. We believe that the listing will present an appealing new opportunity for global tech investors to have access to our unique portfolio of international internet assets. As well as opening up investment to a broader category of investors, the listing aims to reduce our weighting on the JSE, which we believe will help us maximise shareholder value over time.

I am pleased and proud to say that we have an even more exciting future ahead. A future in which more and more people can share – customers, investors, our teams, and our key stakeholders. I look forward to continuing to help shape this future.



**Bob van Dijk**  
Chief executive

21 June 2019

Oct

Naspers boosts the South African technology sector with a R4.6bn commitment over the next three years: R1.4bn will be invested in startups through Naspers Foundry and R3.2bn in further developing the group's existing South African businesses.

**R4.6bn**

Nov

Naspers confirms it is piloting Naspers Labs – its holistic programme to address youth unemployment in South Africa.

Movile receives a new funding commitment from Naspers and Innova to invest an additional US\$400m in iFood, to enable iFood to accelerate growth by expanding coverage and investment in first-party delivery capabilities, speed up product development and innovation and deliver personalised experiences to its customers.

**US\$400m**

Dec

Naspers invests in dott to transform city mobility in Europe.

Naspers invests US\$383m as part of a US\$540m investment round in BYJU'S, one of the world's largest education companies. The funds will fuel international expansion and further personalise learning.

Jan

Naspers shares approved for inclusion in the list of qualifying equity securities to be traded on A2X from 27 December 2018.

Naspers invests US\$637m as part of a US\$1bn investment round in Swiggy, India's largest food-delivery platform.

Feb

OLX Group invests US\$1.16bn to acquire the share capital held by non-controlling shareholders of Avito, the leading online general classifieds and property platform in Russia, taking its effective interest to 100%.

Mar

MultiChoice Group lists on the JSE.

Video Entertainment business unbundled.  
Naspers announces its intention to list its international assets on Euronext Amsterdam.

**100%**

# We are on an exciting journey...

**A journey to back entrepreneurs with differential ideas and businesses that change the world for the better – improving the lives of billions of people from Cape Town to Kolkata, São Paulo to Saint Petersburg, and beyond.**

It is an ongoing journey that involves looking ahead and moving forward, spotting the best opportunities and investing in them in the long term. A journey that has seen us continue to grow and focus to become a pure global consumer internet company.

From food delivered fast to your door, to easier ways to pay for everyday things while you're out and about – we know that digital technology can transform people's lives for the better. We also know this transformation has only just begun. We are deeply committed to it, and we are in it for the long haul.

## Our journey so far

### 1. Reset

- Organised in global segments
- Established an ecommerce team
- Divested low-potential assets

### 2. Accelerate

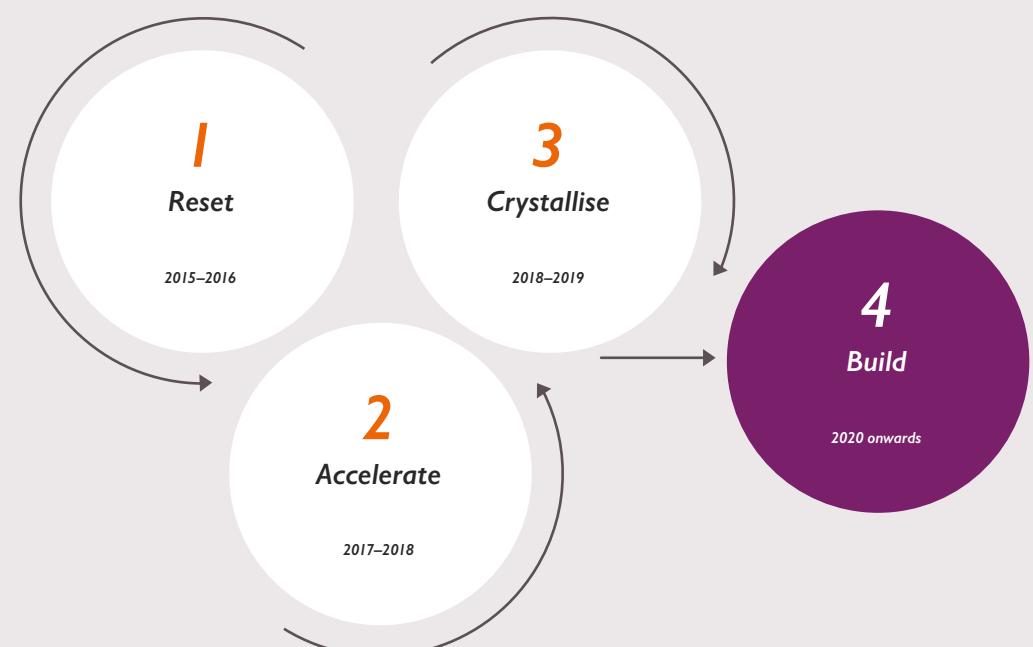
- Accelerated ecommerce growth
- Consolidated for leadership
- Exited peak-value businesses
- Executed quality growth investments

### 3. Crystallise

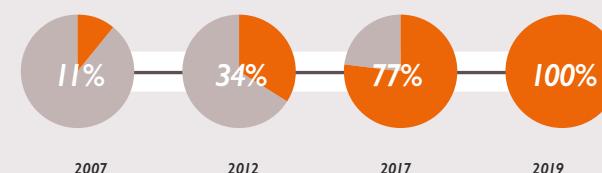
- Grow commerce and profitability
- Develop core segments into US\$5–10bn+ businesses
- Plant seeds for longer-term growth

### 4. Build

- Continue to invest and grow in core areas
- Pioneer more improvements in people's lives



## Our journey to online



● Online revenue  
● Video Entertainment and Media revenue

# ...growing the next wave...

We focus on where we can make the biggest, most positive long-term difference to people's lives around the world.

## Making a big difference

We think global and act local – backing entrepreneurs and businesses using technologies to address big societal needs. This is at the heart of how we fulfil our purpose to create value by improving people's lives around the world.

## Global online food delivery market

US\$ 65.91 bn

Market value in 2017



US\$ 161.74 bn

Revenue expected in 2023



Source: Adroit Market Research

## Our core businesses



...and

# anticipating

the next wave...

As well as focusing on our core segments, we also explore and back businesses in other key areas where consumer-focused technology can change people's lives for the better.

#### **Always looking ahead**

We keep looking ahead and anticipating the next wave for consumers.

We are, for example, exploring a number of newer areas such as education and health.

From making it easier for people to learn new skills to enabling the elderly to have great home care – as entrepreneurial investor-operators, we never stop searching for new opportunities to create value by improving people's lives around the world.

**5% CAGR**

Growth in spend on education over 2015-2020

**US\$6 tr**

Value of global education by 2020



Global spend on education

#### **Our next-wave businesses**

**movile**

**SOLOLEARN**

**codecademy**

**BYJU'S  
The Learning App**

**JOYMODE**

**Udemy**

**SimilarWeb**

**honor**

**dott**

**BRAINLY**



#### Embracing our responsibilities

We are proud to make a positive difference around the world. We invest in and operate companies in some 80 markets and countries, with thousands of people building products and services used by hundreds of millions of consumers every day. As we go about our business, we take our responsibility to hold ourselves to the highest standards, seriously.

#### Having a real impact

The companies we back, the people we employ and the taxes we pay all create value, helping to build stronger economies in the countries we invest, work and live in. We support a range of corporate social initiatives that make a real difference to the people and communities who benefit from them.

Our governance structures, code of business ethics and conduct, and various policies provide the frameworks and guidance for our people to do the right thing.

#### Investing in the future

Launched in 2019, Naspers Foundry is a great example of our commitment to making a positive difference around the world. We have allocated R1.4bn to invest in helping talented and ambitious South African tech entrepreneurs develop and grow their startup businesses over the next three years. We are proud of our roots and committed to the continued growth and success of South Africa.

1/5

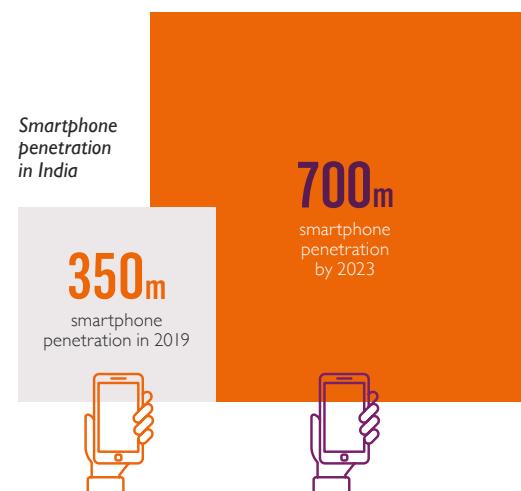
Naspers companies and associates help improve the lives of around one fifth of the world's population



...to make a positive  
**difference**  
around the world



# Bringing it all to life in India



75%

of new users will access internet in vernacular languages by 2050

50%

of new internet users will be rural by 2050

45%

of new internet users will be over the age of 35 by 2050



The world's fastest-growing large economy, a vibrant democracy of over 1.3 billion people, home to some of the planet's most talented entrepreneurs – we love India.

We've been investing in India for more than a decade – over US\$2bn, or around 20% of our worldwide investment in the last decade. This long-term commitment has seen us create considerable value by supporting home-grown businesses that are pioneering great change and improvements for people across the country.

We are growing fast in India in our core segments of Food Delivery, Payments and Fintech, and Classifieds. Our Ventures team is also forging ahead with the next wave, notably in education.

## **Investing in India's most-loved food-delivery brand**

During the year, we invested an additional US\$716m in Swiggy, India's most-loved food-delivery brand. Providing excellent service to consumers through over 85 000 restaurant partners and 170 000 delivery partners across more than 130 cities, Swiggy is an Indian success story we are proud to be part of.

## **Pioneering payments and fintech**

PayU is focused on increasing its leadership in payments and fintech in India and launching innovative products and services, such as convenient credit options for consumers. We aim to keep building on our Payments and Fintech success through investments in startups such as ZestMoney and PaySense.

## **Revolutionising learning**

In December 2018, we invested US\$383m in Indian online tutorial startup BYJU'S. Valued at US\$3.5bn, BYJU'S has grown rapidly and now has 2 million paid subscribers and over 30 million general users.

## **Our key businesses in India** Payments and Fintech

### Food Delivery

### Classifieds

### Ventures

The Learning App

# Creating value for our stakeholders

## Our business model

In line with best practice for integrated reporting, we report on the six capitals that together provide a true picture of value across the group: financial capital, human capital, manufactured capital, intellectual capital, social and relationship capital, and natural capital.

### We anticipate changes in the world around us...

Machine learning and artificial intelligence will soon become an integral part of everything we do.

 Read more on page 48

### ...we take into account the views of our stakeholders...

Engaging with our stakeholders, understanding their perspectives and feedback.

 Read more on pages 24 to 29

### ...and we align our value creation to the UN Sustainable Development Goals.

 Read more on pages 58 to 66



### The resources we need (Our six capitals)



#### Financial

The financial funds and assets across the group.



#### Human

The skills, development, opportunities and well-being of people, notably the thousands of people we employ around the world.



#### Social and relationships

The relationships we build with customers, communities, trade organisations and other groups we work with and contribute to.



#### Manufactured

Our investments in the facilities and technologies across the group.



#### Intellectual property

The ideas, information, inventions, procedures, source code, domains, know-how and knowledge we create, own and protect through, for example, patents, copyrights and trademarks.



#### Natural resources

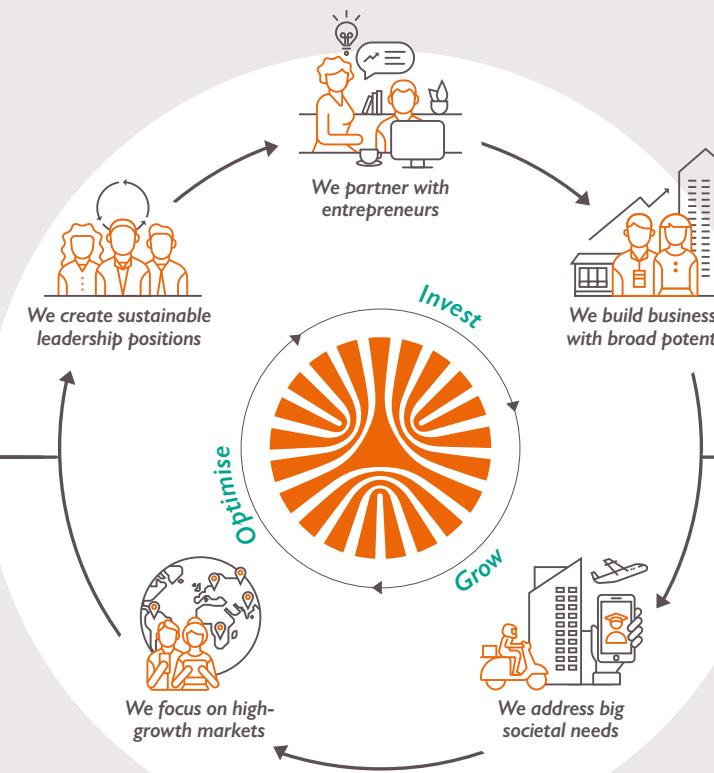
The natural resources we have an impact on, for example, the energy we use and the water we conserve.

 Read more on page 18

### How we add value

We pursue growth by building leading companies that empower people and enrich communities.

#### What we do:



Underpinned by our active capital allocation and strategy.

We ensure we optimise our portfolio for growth and competitiveness.

 Read more on page 30

### For all our stakeholders

#### Customers

Provide exciting and innovative products and services to improve our customers' lives.

#### Employees

Create a compelling place to work where our people are engaged and motivated to achieve their full potential.

#### Shareholders and investors

Deliver long-term shareholder value through disciplined capital allocation, differentiated execution and strong financial performance.

#### Suppliers and partners

Treat our suppliers fairly and drive high social, ethical and environmental standards in the products and services we buy.

#### Local communities

Invest in improving the communities we operate, live and work in.

 Read more on page 28

#### Industry

Use our global scale to ensure industry development considers and benefits stakeholders.

#### Regulators

Engage in developing dialogue and policy that support vibrant industries and benefit stakeholders.

We create value for key stakeholders across all our businesses.

 Read more on pages 24 to 29

# Creating value for our stakeholders

## Value creation this year

We create value for key stakeholders through our business model, drawing on our pool of six capitals and in line with the UN Sustainable Development Goals (SDGs). In this section we highlight the value we created this year for our different stakeholders.

- For more information on our sustainability journey, see pages 16 to 18
- For more information on risks and opportunities, see pages 52 to 54

### Taxes paid

As a global company, we recognise that the tax we pay is an important element of our broader economic and social contribution to the countries where we operate.

**US\$23.4bn**

direct, indirect and induced taxes paid

► Read more on pages 49 and 50



Governments and indirectly local communities

### Financial returns for shareholders

We manage our finances rigorously to maximise performance. In 2019 we performed strongly, with significant growth in core headline earnings. All figures are from continuing operations, ie excluding the Video Entertainment segment.

► Read more on page 51

**26%**

growth in core headline earnings

**10%**

growth in proposed annual dividend (growth in SA rand terms)



Shareholders and investors

#### Revenue (US\$m)<sup>(1)</sup>

2019	18 990
2018	16 352

#### Trading profit (US\$m)<sup>(1)</sup>

2019	3 304
2018	2 994

#### Core EPS (US cents)<sup>(1)</sup>

2019	6.94
2018	5.53

Note

<sup>(1)</sup> Presented on an economic-interest basis and from continuing operations.



Two of the 2018 Innovation Award winners.



### Innovation and product development

We look for and back innovation across the group, making sure we protect the resulting intellectual property and make the best use of it. In 2019, we continued to encourage, invest in and protect innovation.

#### INVESTING IN MACHINE LEARNING

From image recognition to the ability to interpret text, machine learning (ML) technology has advanced rapidly in recent years. As a data-rich business we have the fundamental asset, the essential ingredient, to really make the most of this technology's strengths and potential. We use ML to create value in different ways across the group. For example, to increase the trust and safety of interactions between buyers and sellers and to make services simpler and more streamlined.

► Read more on page 48



Customers and industry

**80%**

customer satisfaction score (NPS or Net Promoter Score)



### Economic contribution

We aim to make a positive, lasting economic contribution to the countries we live and work in around the world.

#### PLAYING OUR PART IN INDIA'S GREAT GROWTH

India is the world's fastest-growing large economy, a vibrant democracy of over 1.3 billion people and home to some of the planet's most talented entrepreneurs. We've been investing in India for over a decade – over US\$2bn, around 20% of our worldwide investment in the last decade. This long-term commitment has seen us create considerable value by supporting home-grown businesses that are pioneering great change and improvements for people across the country. We're growing fast in India in our core segments of Food Delivery, Payments and Fintech, and Classifieds. And we're also investing in the next wave, notably in education.

► Read more on page 15



Industry, employees and local communities

## Creating value for our stakeholders continued

### Value creation this year continued



### Unbundling of MultiChoice Group

This year we took the landmark decision to separately list and unbundle our Video Entertainment business. This exciting step unlocked considerable value for shareholders and allows the newly named MultiChoice Group to excel as Africa's leading entertainment business. It also enables us to focus even more intensely on fulfilling our purpose and ambitions as a pure global consumer internet company.

[Read more on page 19](#)



**Shareholders, employees and local communities**



### Reinvesting in our South African roots

We are proud of our South African roots and remain committed to invest in the success of the country. Through Naspers Foundry, we have allocated R1.4bn to South African startups over the next three years, and through Naspers Labs we are pioneering an innovative social impact initiative to tackle South Africa's youth unemployment crisis.

**R4.6bn**

In total, we have committed to investing R4.6bn in South African businesses over the next three years.

[Read more on pages 20 and 21](#)



**Industry, employees and local communities**



### Natural resources

Across the group, we endeavour to minimise the impact on the environment.

#### ENVIRONMENT

All emissions (scope 1 and scope 2) totalled some 363 485.22 (2018: 87 022.47) tonnes of CO<sub>2</sub>e with electricity the highest contributor of total measured emissions at 93%. MultiChoice Group being the largest contributor within the scoped entities, representing 59% of the total emissions. The carbon footprint excluded MultiChoice Group for March 2019 as the listing and unbundling of MultiChoice Group took place on 27 February and 4 March 2019 respectively.

#### REDUCING ENVIRONMENTAL IMPACT

Businesses across the group are reducing their environmental impact in different ways. For example, Takealot has introduced 100% recyclable packaging for its deliveries, including the voids that protect products inside the packaging. It has also updated its transport fleet to newer, larger and more energy-efficient vehicles. In addition, more energy-efficient LED lighting is being introduced in the distribution centres. And, where possible, Takealot is using seafreight rather than airfreight – more cost efficient and more environmentally friendly.



### Industry and local communities



### Meaningful careers for our employees

We are committed to supporting and encouraging all our people to develop their skills and capabilities to the full. In 2019, we delivered on this commitment in a number of ways – from further enhancing our global online learning platform and delivering classroom training under the MyAcademy banner to talent development efforts at the individual level through personal development plans.

#### Number of employees<sup>(i)</sup>

<b>2019</b>	20 196
<b>2018</b>	17 823

[Read more on page 45](#)



#### Employees

<sup>(i)</sup> Excludes the Video Entertainment segment.

**US\$995m**

in salaries, wages and employee benefits

**US\$10m**

investment in employee training

**>25 000**

people accessed content on MyAcademy online

**>180 000**

hours of online lectures watched by active learners



### Manufactured capital

We invest heavily in technology, notably in machine learning (ML) across our businesses, to improve products and services, enhance the customer experience and increase operational efficiencies.

#### Investment in CAPEX (US\$m)

<b>2019</b>	152
<b>2018</b>	138



**Industry, employees and local communities**

# Spotlight on MultiChoice Group



## Industry, employees and local communities

### A great step forward

This year, we took the landmark decision to separately list and unbundle our Video Entertainment business. This step unlocked considerable value for shareholders and allows MultiChoice Group to excel as Africa's leading entertainment business. It also enables us to focus even more intensely on fulfilling our purpose and ambitions as a pure global consumer internet company.

### A new era

On 27 February 2019, MultiChoice Group was successfully listed on the JSE Limited in South Africa, to the traditional sound of the kudu horn. This marked the beginning of a new era for MultiChoice Group, our former Video Entertainment business, and for Naspers.

As part of Naspers, the business grew to become Africa's video-entertainment leader with around 14 million subscribers across the continent. A profitable cash-generative business offering an unmatched selection of local and original content as well as world-class sport coverage. It is a classic example of our approach in action – building leading companies that improve the daily lives of the millions of people who use their products and services.

### Looking ahead

As a standalone company, MultiChoice Group is now well positioned to capture the significant growth opportunities offered by Africa's ascendance.

### Unlocking considerable value

The unbundling unlocks the value we have created in MultiChoice Group for our shareholders. We were also very pleased to be able to create further value for Phuthuma Nathi (PN) shareholders who, through MultiChoice

South Africa (MCSA), had already participated in one of South Africa's most successful empowerment schemes. PN shareholders were allocated an additional 5% stake in the issued share capital of MCSA for no consideration. As a result, PN shareholders' indirect interest in MCSA has increased from 20% to 25%, which will increase their share of dividend flows by 25%.

### Focusing wholeheartedly

The unbundling completed the transformation of Naspers to a pure global consumer internet company, with effectively 100% of our revenues and profits now coming from online.

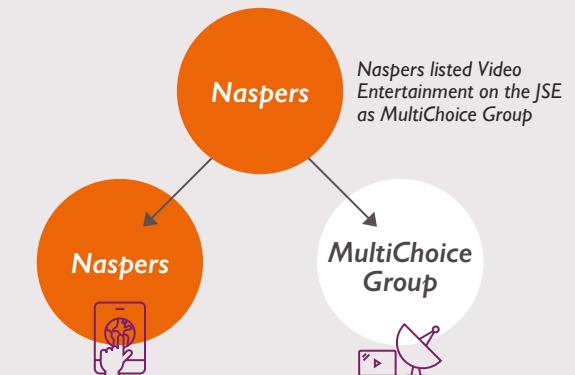
Now we can focus our energy and experience, our talent and resources, our hearts and minds on building leading technology companies and identifying new waves of growth to create value by improving people's lives around the world.

Not just for our shareholders, but for everyone who works in our companies, the many millions of people who use our products and services, their communities and society at large.

## THREE KEY BENEFITS

- **Completes Naspers's transformation into a pure global consumer internet company**  
– one of the leading players in the world of tech, transforming people's lives for the better.

- Allows **MultiChoice Group to continue growing** as Africa's leading entertainment business.
- Creates considerable **value for shareholders**.



From  
**80%** to  
**100%**

of Naspers revenues generated by internet segment after Video Entertainment was unbundled

**R47.1 bn** >90 000

revenues  
Phuthuma Nathi shareholders

# Spotlight on South Africa



**Industry, employees  
and local communities**

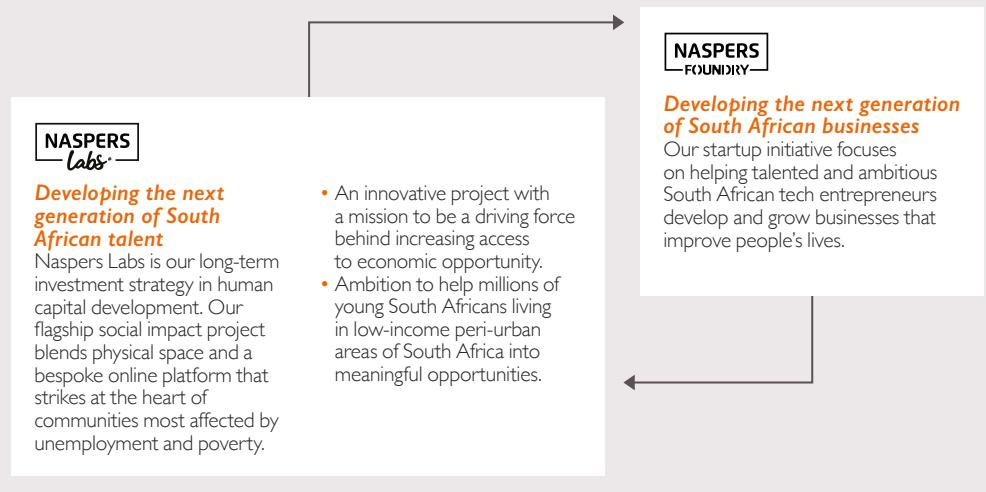
**"Our gravest and most pressing challenge is youth unemployment. It is therefore a matter of great urgency that we draw young people in far greater numbers into productive economic activity."**

President Cyril Ramaphosa  
March 2019

## **Investing in the next generation of South African talent**

We are proud of our South African roots and are committed to the continued growth and success of this country. With Naspers Labs and Naspers Foundry, we are bringing this commitment to life through two initiatives focused on helping and investing in the next generation of South African talent.

### TWO COMPLEMENTARY INITIATIVES



### Naspers Labs

#### **Developing the next generation of South African talent**

Naspers Labs is our long-term investment strategy in human capital development. Our flagship social impact project blends physical space and a bespoke online platform that strikes at the heart of communities most affected by unemployment and poverty.

#### **Investing in the future**

At Naspers, we aim to create value by improving lives. We don't just do this by investing in technologies, entrepreneurs and businesses that address big societal needs.

We also seek to improve lives through social investment that makes a real difference to the communities we live and work in around the world.

For us, investing in local entrepreneurs and investing in local communities are two sides of the same core story of improvement.

In South Africa, we are pioneering Naspers Labs and Naspers Foundry – two complementary initiatives that together are focused on helping current and future generations of young South African talent achieve their true potential and, in so doing, transform the country for the better.

### Naspers Labs

#### **Empowering the young people of South Africa**

Through Naspers Labs we are zeroing in on youth unemployment, a systemic and growing challenge that we are determined to help address.

Building on our expertise and experience in technology-enabled learning and development businesses such as Udemy and Brainly, and partnering with local expertise in the youth development sector, our ambition is to tackle the problem at scale and be a driving force behind transforming the lives of millions of unemployed young South Africans.

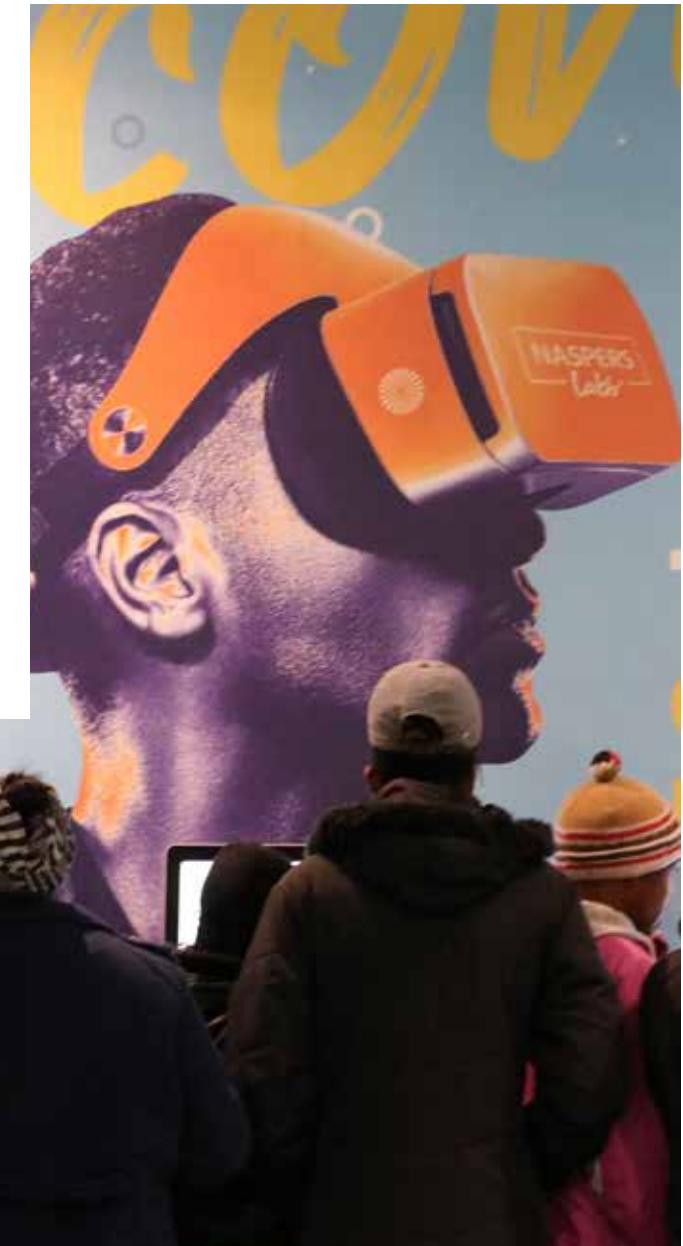
The three pillars of Naspers Labs that trigger this youth transformation are firstly, personalised learning through an adaptive online learning and development platform that includes hard and soft skills.

**27%**

over 6 million of South African 18 to 24-year-olds are unemployed

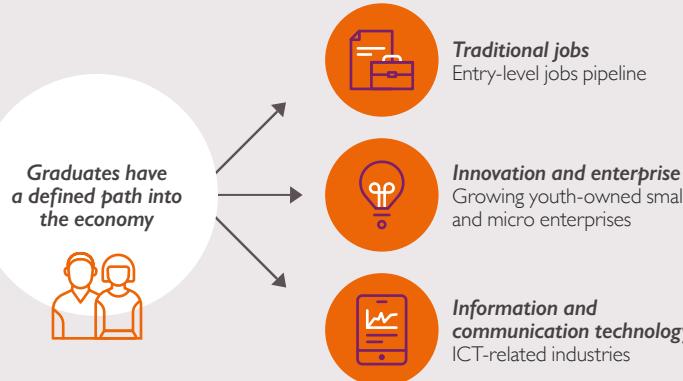
**"With Naspers Labs, young people can come and learn skills that they didn't think they would learn. They should be learning about virtual reality, they should be learning to code – they should literally be designing the future. They innovate out of necessity, so if they go into the workforce with the same determination and the same ability to innovate – imagine what they'll do."**

Allan van der Muelen  
Naspers Labs



## Spotlight on South Africa continued

### NASPERS LABS



Secondly, is peer-to-peer youth cafés using the unique locally developed socio-economic model that has been tried and tested by social enterprise and project partner RLabs.

And thirdly, our project unlocks the potential of township economies by supporting and incubating new micro- and small businesses to absorb young people into dignified employment.

With Naspers Labs, young people go on a structured three-stage journey. It starts with enabling them to believe in their potential, unlocking their hopes and dreams.

This is the essential foundation for them focusing on personalised training and learning modules to create the future they want. This in turn leads to the third stage where we prepare them for the world of work and secure their first work opportunity.

Their first job is the first step for Naspers Labs graduates who are motivated and stay in the programme to keep learning so they may achieve their goals.

Vitally, Naspers Labs cafés are in communities where unemployed young people live – spaces where dedicated Naspers Labs ambassadors help them make the most of the programme and digital platform. It is this unique blend of the best of technology with the best of human potential that unlocks the full potential of young people.

This year we piloted the project in two impoverished communities, with encouraging results.

Next year we are testing two further labs. Subject to the results of the pilot labs, our aspiration is to roll out the project to low-income peri-urban areas of South Africa, starting in priority provinces.

**Sustainability**  
As part of our commitment to improving lives and aligning to the United Nations' Sustainable Development Goals (SDGs), we are proud that 65% of Labs attendees were female and the programme launched almost 600 graduates into the economy. This is a great example of our support for the SDGs, in particular SDG 5 and SDG 8



**"Technology innovation is transforming the world. The Naspers Foundry aims to encourage and back South African entrepreneurs to create businesses that ensure South Africa benefits from this technology innovation. The Naspers group started in South Africa and we understand the innovative and entrepreneurial spirit of South Africans."**

**We believe the best ideas often start locally, with passionate entrepreneurs starting businesses that meet the needs of the communities they know best. And when those needs are universal across the markets we know well, with the right backing, there is the potential for their businesses to grow beyond their home markets."**

**Bob van Dijk**  
Chief executive

### Naspers Foundry

#### **Backing talented and ambitious South African tech entrepreneurs**

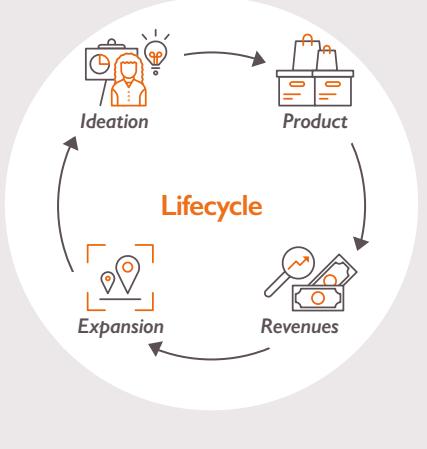
Over the next three years, Naspers Foundry will invest R1.4bn to help talented and ambitious South African tech entrepreneurs develop and grow their startup businesses.

Naspers Foundry will strengthen and encourage the South African tech ecosystem and will seek to invest in tech startups, focussing on those that address big societal needs: unemployment, education, safety and security, and economic resilience, among others.

Naspers Foundry fully aligns with our groupwide approach to backing and growing great entrepreneurs and businesses around the world. So we are looking to back South African entrepreneurs with unique insights into their local communities.

### NASPERS FOUNDRY

- Encouraging the South African startup ecosystem
- Supporting tech startups that address big societal needs
- Building the tech businesses of the future
- Stimulating local economies
- Creating jobs and opportunities for South Africans



At Naspers we believe that when we invest in an entrepreneur, we are able to bring much more to the table than funding. Through the Naspers group network, international expertise will be on hand to help startups accelerate their growth. The aim is to provide long-term help and support to encourage and nurture the future stars of the South African tech ecosystem.

We are focusing on creating businesses that have a positive impact on the communities they serve, the local economy and, ultimately, South Africa at large, prioritising broad-based black economic empowerment (BBBEE).

We aim to bring the scale and expertise of Naspers to bear on the businesses we back, helping them grow and expand beyond their local market, across Africa and beyond.

**R1.4bn**

allocated to South African startups over three years

**R3.2bn**

already committed to developing the group's existing South African businesses

In June 2019, Naspers Foundry announced its first investment, investing R30m into SweepSouth, an innovative new business co-founded by Aisha Pandor and Alen Ribic.

All the workers, predominantly single mothers with dependants, are interviewed by SweepSouth before they start using the platform. SweepSouth aims to launch similar services in Kenya, Botswana, Nigeria and Ghana. It's a great Naspers Foundry-backed success story in the making.

# The world around us

**Key trends are profoundly changing the world around us. We believe these trends play to our purpose and strengths as a global consumer internet company focused on addressing big societal needs to improve people's daily lives in high-growth markets.**

## Key trends

1

On core measures – such as levels of poverty and life expectancy – the world is improving

2

Global economic energy is shifting east

3

The internet continues to transform people's lives – and there is much more to come

4

Machine learning is at the heart of the new wave of improvements

5

Innovation, responsibility and customer focus are pivotal for success

6

The global shortage of digital talent continues

## Macroeconomic trends

### Changing for the better

From the rise of China and India to the rapid spread of digital technologies – the world is changing fast. And in many key ways, it is changing for the better, with major improvements in the levels of poverty, child mortality, youth illiteracy and life expectancy.

### The growth of the global middle class

Half of the world's population can now be considered middle class. This key group drives 90% of gross domestic product (GDP) growth.

### The shift east

The centre of economic gravity is shifting from west and north to east and south. Developing economies have accounted for almost two thirds of global GDP growth and more than half of new consumption in the past 15 years.

Gurgaon, India



### The best decade in human history

#### EXTREME POVERTY (%)

2018	8.6
2008	18.1

#### CHILD MORTALITY (%)

2018	3.9
2008	5.8

#### YOUTH ILLITERACY (%)

2018	8.6
2008	11.3

#### LIFE EXPECTANCY (YEARS)

2018	72.2
2008	69.8

#### MACROECONOMIC TRENDS

**91%**

of global consumption growth is generated by middle-class people (2015–2030)

**1/2**

A global tipping point: Half the world is now middle class or wealthier

## Technology trends

### The accelerating pace and impact of technology

Technology continues to transform people's lives around the world. There are, for example, now 3.5 billion active smartphones. By 2025, 71% of the global population will have a smartphone. And people are spending more time, more frequently, online, and doing more while they're online. We're heading towards an 'everyone always on' world.



### TECHNOLOGY TRENDS

**3.5bn**

active smartphones globally

**71%**

of the global population will have a smartphone by 2025

**<40%**

of industries on average are digitised

### Industries are increasingly digital

From music to retail – the internet is shifting whole industries to digital, transforming the way things are done, the products and services offered, the experiences customers can have and the winners and losers across different sectors. It is a great time for entrepreneurs with new ideas and business models.

### There are still big changes to come

The use of the internet is only just beginning. On average, industries are less than 40% digitised. But the impact is increasingly revolutionary, with the emergence of a next generation of global platforms that are pushing boundaries to create more seamless experiences for consumers.

We may well be on the verge of a second internet revolution – one that deals with the digitisation of the 'real' offline world.

### The rise of machine learning

ML has moved out of the labs to power application platforms and consumer services across many aspects of life. ML is on a path to transform economies and societies, just as other revolutionary general-purpose technologies – such as electricity and the internet – have done in the past. ML's impact has already been massive and, by 2030, it could add as much as US\$13tr to global output.

## The world around us

continued



### Market trends

#### An age of big winners

In the internet age, we have seen the emergence of a few big winners – 2018 marked the first trillion-dollar companies. But continued leadership is not guaranteed; to stay ahead, one has to keep investing, innovating and taking care of one's customers. In China, for example, a next generation of players has already popped up – born in the mobile age and focused on the newest iteration of online services, fuelled by ML and sharing.

#### Leveraging tech to improve lives

As the power and impact of technology grows, there is increasing pressure to demonstrate good governance and ethical business practices. Now, more than ever, being a tech business that aims to act responsibly is critical.

#### Constant improvement is key

Continually delivering technology-driven customer-centric improvements at scale makes all the difference.

### Regulatory trends

There are increasingly assertive moves by governments across the globe to regulate internet businesses and their impact on the economy and society. This is particularly true for larger internet businesses where governments are intensely focused on data privacy, market dominance, platform regulation, and appropriate taxation. Some of the public policies and regulations that may result from these developments could have an impact on the sustainable long-term prospects of different internet business models.

It is therefore necessary that we work with policy-makers and other stakeholders to help to shape regulation that benefits our customers, our shareholders, and the communities in which we operate. We aim to act responsibly and with accountability in a transparent manner – a trusted thought leader for policy-makers. Our 'third way' as an investor in high-growth markets, a global partner empowering local entrepreneurship, having genuine local impact and value creation – including employment, innovation and fiscal contribution – sets us apart.

We believe that innovative local entrepreneurs are the heart of a vibrant, inclusive society. We therefore support policies that:

- Encourage entrepreneurs. Entrepreneurs take the lead in transforming society through their ideas, vision and determination. Successful entrepreneurs can have a positive impact on the world and bring many benefits to their communities.
- Embrace the power of technology. Technological progress can create significant value. We highlight the ways in which our businesses have used technological innovation to improve and even transform people's everyday lives.



- Promote global trade and investment. But doing so in a way that is respectful of our stakeholders' interests and the communities in which we operate. More than what we do, it's who we are: we create value and improve lives.

### Talent trends

There is a global shortage of digital skills, and the best people have real choices about where to deploy their talents.

Regardless of where in the world we are operating, the competition for software developers, product designers, machine learning specialists, data scientists, digital marketers and digital content creators, to name just a few skillsets, is fierce.

#### Global competition

This competition is increasingly global, with talented people being courted by global players and having the opportunity to work outside their home country if they choose to do so.

Additionally, the structure of work is changing, and individuals no longer strive for the relative security of a big organisation, often preferring to be self-employed in the 'gig economy' or having the confidence to start their own business straight out of university.

#### Change of employer

In this environment, employees are likely to change employers much more frequently than in the mid-to-late 20th century, and expect an employer with a clear societal purpose and a compelling proposition for them: a place where they can do meaningful work and where they can learn and grow within a relatively flexible structure.

To be successful, digital companies must be effective at competing for and retaining talented people.

#### A diverse and inclusive workplace

The challenge of creating a diverse and inclusive workplace is one shared by employers across many industries. Prospective and existing employees will consider the approach to diversity and inclusion as they evaluate employers. Gender diversity is a particular challenge across the consumer internet sector globally, and the representation of women in senior executive and technical roles and their experience in the workplace, has received much media attention recently.

### WHAT THIS MEANS FOR NASPERS

	Key themes	Strategic implications
Growth	<ul style="list-style-type: none"> <li>• Centre of gravity shifting to global growth markets</li> </ul>	<ul style="list-style-type: none"> <li>▶ Focus on India and other top-growth markets</li> <li>▶ Continue to address big societal needs in core areas</li> </ul>
Technology	<ul style="list-style-type: none"> <li>• ML supercharging companies and society</li> </ul>	<ul style="list-style-type: none"> <li>▶ Accelerate deployment of ML</li> </ul>
Market	<ul style="list-style-type: none"> <li>• Ongoing investment in innovation is critical</li> </ul>	<ul style="list-style-type: none"> <li>▶ Ramp up investment in innovative customer-centric products and services</li> </ul>
Regulation	<ul style="list-style-type: none"> <li>• Role and power of platforms, globally and locally</li> </ul>	<ul style="list-style-type: none"> <li>▶ Aspire to act responsibly and with accountability</li> <li>▶ Transparent, trusted thought leader for policy-makers</li> </ul>
Talent	<ul style="list-style-type: none"> <li>• Global shortage of digital talent</li> </ul>	<ul style="list-style-type: none"> <li>▶ Focus on attracting, developing and retaining the best people</li> <li>▶ Emphasis on a diverse and inclusive workplace</li> </ul>

# Engaging our stakeholders

We aim to build constructive relationships with our key stakeholders. This is critical to our business. We are focused on long-term success and making a lasting difference around the world. It is about creating sustainable value in the broad sense – one that plays out across the six capitals and considers, engages and involves all our stakeholders. We have identified seven distinct groups:

## Our key stakeholders and why they matter to us

### **Customers and users**

*Our products and services are enjoyed by millions of customers around the world – from individuals to businesses. We want to delight them.*

### **Employees**

*Our employees are at the heart of our success – their commitment and entrepreneurial drive make all the difference.*

### **Government and regulators**

*We recognise how important it is to work with governments and regulators, particularly given that many of our businesses have such a big impact on people's lives.*

### **Investors and shareholders**

*We want to be an industry leader that works closely with partners across the group.*

### **Industry bodies**

*We want to be an industry leader that works closely with partners across the group.*

### **Society**

*We are committed to making a lasting positive impact. We want to make a difference for society, the world we live in.*

### **Media**

*As part of the media we know the responsibility, we have to report honestly and transparently to those who wish to engage with us. We want to be a partner of choice for other members of the sector.*

## **Stakeholder relationships**

Representatives of our businesses manage various external and internal stakeholder relationships. Our businesses manage their stakeholder relationships based on a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the businesses.

To support the board in fulfilling its governance role, the Naspers social and ethics committee receives reports on stakeholder management across the group – refer to the social and ethics committee's report in the 2019 governance report.

An overview of our stakeholders and stakeholder engagement is provided on page 25.

## Engaging our stakeholders continued

### The issues that matter most

#### Reputation

We focus on managing reputational risks, notably the risks of a misalignment of our values or deviation from our desired business culture across our diverse, geographically dispersed group.

[Read more on page 54](#)

#### Operations

Throughout our group, we build trust with our customers, colleagues and communities by behaving openly and actively tackling key threats such as online fraud.

[Read more on pages 32 to 44](#)

#### Financial sustainability

We closely manage our assets and capital allocation to deliver strong returns on investment.

[Read more on page 51](#)

#### Contribution to society

We aim to take a responsible approach to tax, making sure we pay full and fair taxes in local jurisdictions around the world to contribute to communities in which we operate.

[Read more on pages 49 and 50](#)

#### Privacy and cybersecurity

We focus a great deal of expertise and resources on ensuring privacy and cybersecurity for our customers and across our group.

[Read more on pages 64 to 66](#)



#### ENSURING DATA PRIVACY

We have a groupwide policy on data-privacy governance that sets out the responsibilities, principles and programmes for ensuring data privacy. It is designed to define and document how data privacy is managed in the group; to promote best practice; to accommodate the different business models, resources, culture and legal requirements across the group; and to support trust in our businesses' products and services.

#### User experience

Our businesses focus on making their products and services as easy, enjoyable and useful as possible for our millions of customers around the world.

#### MAKING SELLING SIMPLE

Our fast-growing Classifieds business has released several machine learning tools to automate and streamline the selling experience. With OLX's deep learning image processing, for instance, images of items on sale are optimised for quality and automatically categorised and labelled. This makes selling simpler and it makes the items easier to find for prospective buyers.

[Read more on pages 33 and 34](#)

#### Customer satisfaction

Across our group, we focus a great deal on understanding and meeting the needs of our customers.

[Read more on pages 24 to 29](#)

#### Competing fairly

We seek to compete successfully and fairly around the world, complying with international and local competition law.

[Read more on pages 64 to 66](#)

#### Our employee value proposition

We aim to provide our people with meaningful jobs with line of sight to business outcomes and the opportunity to learn and grow professionally, in a purpose-driven environment that they enjoy; where they are recognised for a job well done and are paid fairly in line with personal and company performance.

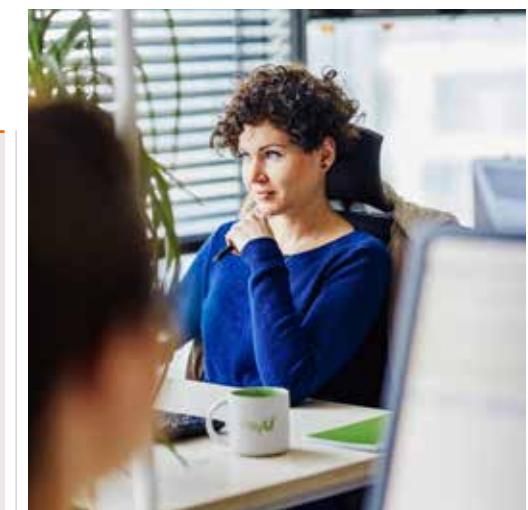


US\$10m

invested in learning and development

[Read more on pages 67 to 71](#)

[Read more about remuneration in the 2019 remuneration report](#)



#### Social mobility and financial inclusion

We support social mobility and financial inclusion across the group.

#### CREDIT TO THE UNBANKED<sup>(i)</sup>

PayU specialises in innovative products and services that improve access to credit in high-growth markets across the globe. These include India, Africa and Brazil, and have typically lacked widespread access to credit, and in turn to opportunity and economic growth.

PayU is dedicated to removing risks to merchants and allowing customers to use credit in ways that suit them. This dedication connects customers to businesses and enables finance access to a great number of previously underserved citizens and small businesses.

Note

<sup>(i)</sup> Source: <https://corporate.payu.com/credit>.

## Engaging our stakeholders continued

### MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

#### **Customers and users**



Our products and services are enjoyed by millions of customers around the world – from individuals to businesses. We want to delight them.

#### HOW DO WE ENGAGE WITH THEM?

- Call centres, showrooms and client relationship managers (CRMs)
- Electronic communication (email, SMS, apps, web and social media platforms)

- Surveys and market research

#### MAIN ISSUES

- Good customer/user service and experience (fast delivery, return, feedback)
- Competitive pricing and range of products

- Content preference
- Trust
- Product safety
- Data privacy

#### OUR RESPONSE AND IMPACT

We work to continuously improve our range of products, customer experience and ensure that we fairly price our offerings.

- Products/services and experience  
Listening to our customers – we have engaged in several ways:
  - Call listening sessions are done every week between team leaders and agents to assess customer service.
  - Specialised employees assist with email queries, ensuring a 24-hour turnaround.
  - eMAG – we have expanded the team, offering a permanent call-centre service (24/7) with improved client waiting times. We have also introduced a dedicated team for social media channel support on order tracking.
  - Movile – responded to 100% of complaints and 70% of customers believed the problem had been solved; 70% of all clients who had issues would do business with Movile apps and platforms again.
  - Takealot – promotional email and push notifications are unidirectional and intended only to keep customers informed of promotions that may interest them.

- Media24 – we continue to invest in improving user experience and content to ensure our products remain relevant to our audiences. Where we received reader feedback the editors, at their discretion, engage with readers by publishing their letters in the newspapers or magazines or respond via social media platforms or on our websites.
- PayU – we are pioneering credit for underbanked people in India, where millions of people have not had access to credit, by investing in PaySense, which focuses on digital lending serving short-duration microloans to customers in India.
- Trust and safety
  - OLX – we have planned to revamp the trust and safety initiative within OLX Group in the 2020 financial year and all trust and safety initiatives now sit with our chief product officer.
  - Naspers has a data-privacy programme led by the global head of data privacy, and adopted a group cybersecurity policy and a data-privacy governance policy.

### MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

#### **Employees**



Our employees are at the heart of our success – their commitment and entrepreneurial drive make all the difference.

#### HOW DO WE ENGAGE WITH THEM?

- In person through managers, executives, employee forums, onboarding sessions, employee networks and training
- Online via intranets, apps, surveys and remote training and development

- Where appropriate, we also engage formally through employment equity forums (South Africa) and workplace forums

#### MAIN ISSUES

- Talent – recruitment, retention and development
- Impact of business restructuring

- Culture – including diversity, employee wellbeing

#### OUR RESPONSE AND IMPACT

- Investing in talent  
Offering fair and competitive pay practices. Employee engagement surveys and related plans to improve employee confidence. Continuous conversations between people and their managers on performance, career development plans and recognition. Development programmes delivered through our ML programme, MyAcademy, graduate programmes and local programmes on high performance.
- eMAG – monthly tech talks, annual 24-hour coding hackathon, tech blog, eMAG culture book launch and warehouse quarterly print magazine.
- Transparency  
Ensuring clear and regular communication on business performance and strategy by leadership.
- PayU – executive team site visits used to update employees in person. This is based on the company strategy which is cascaded internally.

- Diverse and inclusive cultures – diversity awareness programmes
  - CEO sponsorship of gender-diversity efforts – see page 47
  - Takealot – rolled out wellness initiatives based on company needs' assessment.
  - Media24 – employment equity plan has identified barriers to transformation and action plans to address these.
  - OLX – diversity and inclusion team established, with a subject specialist running a number of programmes such as unconscious bias training and iFood Pôlen, a broad-based diversity committee.

## Engaging our stakeholders continued

### MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

#### **Investors and shareholders**



We are a for-profit organisation committed to growing and increasing value for our investors.

#### HOW DO WE ENGAGE WITH THEM?

- Financial results calendar: including annual financial statements, interim and provisional reports and financial results presentations
- Integrated annual report, annual financial statements, interim and provisional reports
- Corporate website and corporate documents (including factsheet)
- Investor days, results presentations, business visits and meetings (face-to-face and teleconferences)

- Press and SENS announcements
- Dedicated email communications ([Investorrelations@Naspers.com](mailto:Investorrelations@Naspers.com))
- Directors are available at the annual general meeting to respond to queries

### MAIN ISSUES

- Strategy to sustain good returns over the long term
- Holding company discount
- Remuneration policy and disclosure

- Control structure
- Investment and development spend
- Strategy for online food delivery

### OUR RESPONSE AND IMPACT

- Openly exploring and acting on measures to reduce discount.
- Unbundled MultiChoice Group and sold stake in Flipkart.
- Have management on the road with greater frequency, including a remuneration road show with the chief people officer.

- Continue to improve disclosure in annual and interim results.
- Focused messaging on the segments' profit strategy and future potential of online food delivery.
- Update internal rate of return data (for total portfolio and ecommerce) biannually.
- An expanded investor relations team is in place.

### MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

#### **Governments and regulators**



We recognise how important it is to work with governments and regulators, particularly given that many of our businesses have such a big impact on people's lives.

#### HOW DO WE ENGAGE WITH THEM?

- Participate in advisory committees, meetings and public consultations
- Formal one-on-one meetings and round tables
- Response to sector and company-specific enquiries

- Participating in sector and industry associations and international forums
- Site visits (host official delegations)
- Integrated annual report

### MAIN ISSUES

- Global group topics:
  - Competition policy, mergers and acquisitions (M&A)
  - Taxation
  - Foreign direct investments and international trade
  - Data protection
  - AI and ML
- Segments/Companies:
  - Intermediary liability
  - Financial services legislation
- Copyright and intellectual property
- Privacy
- Technology policy (including ecommerce, gig-economy)
- Societal contribution, including employment, social policy and broad-based black economic empowerment (South Africa)

### OUR RESPONSE AND IMPACT

- Provide transparency on our legal programme to ensure compliance with all applicable laws and regulations.
- Formal representations and written submissions to express views.
- When invited or relevant, provide information to policy-makers in the form of expert advice, based on experience globally or tech and sector expertise.
- Express views through media engagement and public speeches.

- Invest in group and segment specific capability and capacity to respond to enquiries and requests to share views on legislation and issues affecting industry.
- Media24 initiated data-privacy and cybersecurity training and awareness campaigns for all employees, not only those who handle data. Media24 formulated a new strategy to ensure the Protection of Personal Information (PoPI) compliance, which will be initiated in the 2020 financial year.

## Engaging our stakeholders continued

### MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

#### Media



As part of the media we know the responsibility we have to report honestly and transparently to those who wish to engage with us. We want to be a partner of choice for other members of the sector.

#### HOW DO WE ENGAGE WITH THEM?

- Interviews, particularly around key announcements (eg, results and significant transactions), and events (eg, the annual general meeting and investor days)
- Providing timely comment and information in response to media enquiries to our press office
- Press releases, editorials and articles on the activities of Naspers and its companies

- Providing reporting, news and thought leadership through the company website and Naspers channels, on Medium and LinkedIn
- Background and contextual conversations, use of right-of-reply and, where necessary, correcting inaccurate reporting

### MAIN ISSUES

- Naspers financial performance and holding company discount weighting on JSE
- Strategic focus – investments, M&A and divestiture activity

- Activities of our companies and associates
- Remuneration policy and disclosures

### OUR RESPONSE AND IMPACT

- Consolidate our corporate media offering, ensuring timely responses to inbound media enquiries.
- Proactive media schedules providing access to key management, supporting communication of context, background information and strategic updates (eg, results and engagement on significant transactions).

- Reactive engagement, responding to requests for comment and correcting inaccurate reporting.
- Thought leadership – participating in events and publishing commentary on topics of interest.

### MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

#### Society



We are committed to making a lasting positive impact. We want to make a difference to society, the world we live in.

#### HOW DO WE ENGAGE WITH THEM?

- Corporate social investment (CSI) programmes
- Employment offering and service providers
- Website content and public announcements on material issues

### MAIN ISSUES

- Corporate investment to support meaningful impact
- Sound business operations to improve quality of life while minimising our environmental impact

- Local employment and value creation, including supporting local businesses
- Adherence to local laws and paying taxes due

### OUR RESPONSE AND IMPACT

- Corporate social responsibility programmes in the group such as our strategic programmes, Naspers Labs (refer to page 20) and Naspers Foundry (refer to page 21) and the contribution we make in local communities such as: Media24's flagship corporate social responsibility project, WeCan24, offering digital journalism training to high school learners and teachers; eMAG Foundation, which supports education and programmes that facilitate access to education for pupils and students, and others.
- Developing products/services to meet societal needs, for example food delivery (Food and Swiggy) and education (BYJU's, Codecademy and Brainly). Trading through online platform OLX to purchase secondhand products lowers carbon emissions.
- Focus on hiring local employees and growing local talent, including investment in local businesses.
- Mobile – increasing engagement with colleges and universities to increase job offers and a supplier policy introduced to prioritise local businesses.
- The Naspers groupwide legal compliance programme is adopted by group businesses, tailored to unique risks and local laws (refer to pages 64 to 66).
- Board-approved group tax policy and tax disclosure in the integrated annual report (refer to pages 49 and 50).

## Engaging our stakeholders continued

### MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

#### **Business partners**



We want to be an industry leader that works closely with partners across the group.

#### HOW DO WE ENGAGE WITH THEM?

- Structured – meetings, calls and electronic communication

#### MAIN ISSUES

- Ensuring awareness on relevant developments in the business

- Understanding and recognising our partners' rights, specifically on changing procurement processes, pricing, content, platform use, privacy and security

#### OUR RESPONSE AND IMPACT

- Active engagement and timely responses when ad hoc engagement is needed.
- Strong relationship management systems in place to ensure regular communication between key management and business representatives.
- Structured grievance processes to ensure that, in the event of a dispute, there is timely action to find a resolution.

- Active negotiations to ensure mandates lay out relationship and agreement terms and requirements.
- Ensuring business approaches are reviewed timeously to ensure alignment with international norms.

### MATERIAL STAKEHOLDERS AND CAPITAL IMPACT

#### **Industry bodies**

We want to be an industry leader that works closely with partners across the group.

#### HOW DO WE ENGAGE WITH THEM?

- Membership of selected and appropriate bodies
- Cooperating with selected partners on projects addressing legislative initiatives

#### MAIN ISSUES

- Clear communication of material issues
- Engagement around increasing meaningful and positive impact

- How to ensure a positive sector experience, eg regulation and culture of the sectors

#### OUR RESPONSE AND IMPACT

- Responding to industry consultations on proposed regulations and legislation.
- Sharing our approach and examples of action on specific topics such as how we aligned to changing legislation.

- Position papers on material issues.

# Capital allocation strategy

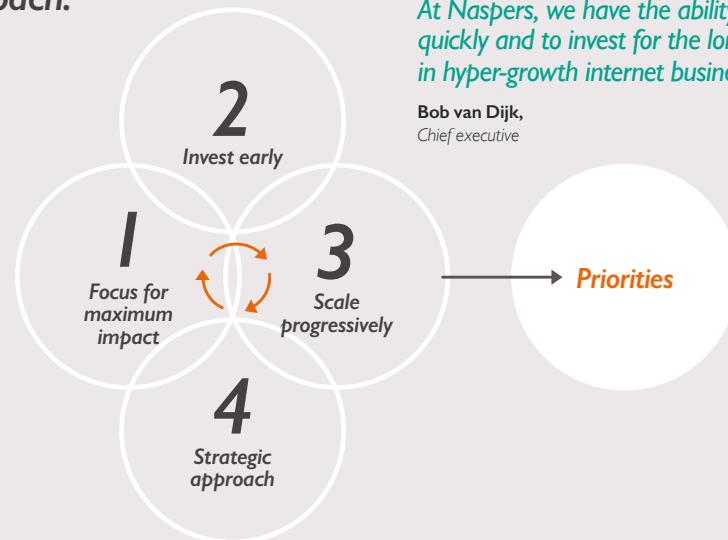
To support our continued growth and success as a global consumer internet company, we have a systematic approach to how and where we allocate our capital.

## Our ambition

More than ever before, technology has the power to transform and improve lives at scale, particularly in the high-growth markets that we focus on. Around a fifth of the world's population already improve their daily lives using the products and services of our companies and associates. We believe we can achieve more. We are doing this in a highly disciplined way, building on our proven approach and entrepreneurial spirit. It's our way of creating greater long-term value for our stakeholders.

## Our systematic approach:

### Our systematic approach:



### 1 Focus for maximum impact

- We focus on opportunities that address big societal needs – from giving people better ways to pay for things to offering more options for their meals, providing quality food, delivered faster and cheaper.
- We concentrate on high-growth markets – from India to Brazil.
- We look for opportunities with a strong local component.

### 2 Invest early

- We typically invest in new businesses early on.
- We take care to find great entrepreneurs and businesses, and are quick to back them.
- While accelerating our core segments to scale, we look for the next wave of growth.

### 3 Scale progressively

- We scale progressively – building lasting, leading businesses in our chosen focus areas.
- Once we have evidence of good traction and sustained growth, we step up our investment, helping them build scale and market leadership.
- Once we are comfortable about a compelling proposition, we go all-in, driving these businesses to profitability and cash generation.

### 4 Strategic approach

- Thesis driven – all our investment decisions are guided by a clear vision on the disruptive impact of new technologies on a particular sector.
- Global perspective – we build deep industry expertise by focusing on a few core sectors globally, while understanding local nuances.
- Going beyond money – we don't just provide funding, we provide active support to help founders solve the big challenges they face – whether that's providing strong business strategy expertise, operating experience or access to on-the-ground resources in key expansion markets.

*"You can't build a great internet business without investing some money first. At Naspers, we have the ability to move quickly and to invest for the long term in hyper-growth internet businesses."*

Bob van Dijk,  
Chief executive

### Our portfolio priorities

Our priorities for the next few years are to:

- continue driving our path to profitability
- accelerate our core segments to scale
- consolidate key leadership positions
- selectively invest in new opportunities, and
- optimise near-term value creation for non-core assets.

## A focused strategy to win

Across our portfolio, we have a range of businesses at varying stages of development. They inevitably have different dynamics but we aim to accelerate all our core segments to full potential by doing the following:

### We are building more integrated ecosystems to deliver superior consumer value

To become even more relevant, our platforms are following the customer into offline adjacencies. To illustrate: last year our Classifieds leader, OLX, started investing in convenient transactions beyond online listings through offline partnerships by offering customers instant cash for their trade-in cars.

### We are reinforcing our machine learning capabilities

We are implementing ML across all segments. Thanks to our large and data-intense platforms, we have a strong foundation to implement ML at scale to improve the products and services we offer, give people an ever-better experience, and increase the efficiency of all our operations. ML is a key tool for us and we intend to accelerate, scale and embed ML-by-design across Naspers to drive our growth and success.

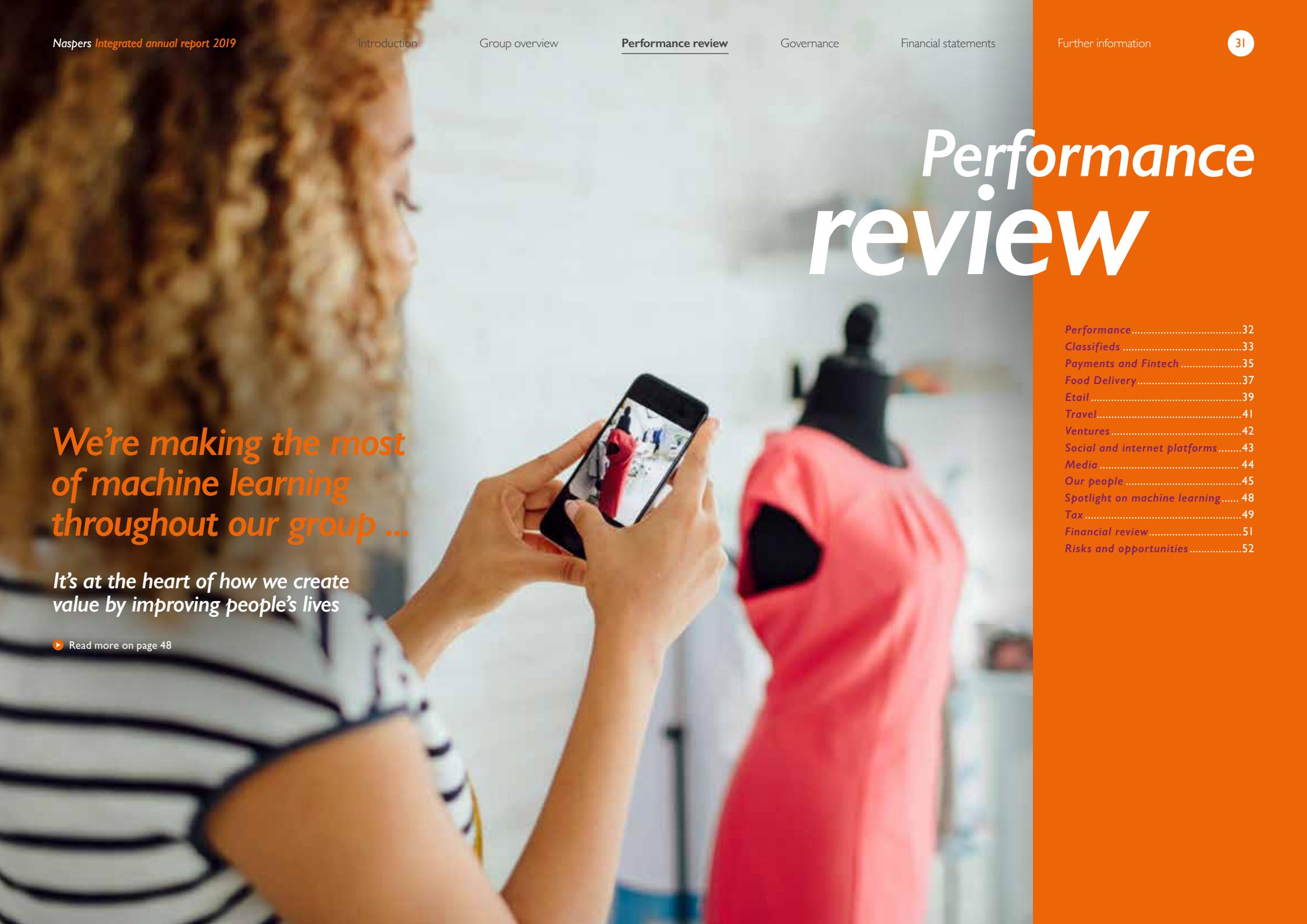
### We take responsibility for our user's wellbeing

We recognise the increasing role we play in the lives of our customers and hold ourselves accountable for the impact we are having. We will also seek to work closely with relevant stakeholders and regulatory bodies to help design the much-required user-oriented legal frameworks for the digital age.

### We are promoting inclusiveness and diversity

To truly understand our diverse customers and build solutions targeted to them, we are committed to reflecting our core audience groups inside our teams. While our teams are diverse in culture and nationality, we have fallen short of attracting a balanced gender mix at senior levels. We are therefore focused on improving gender diversity across the group.

# Performance review

A photograph showing a woman from the side, wearing a white and black striped top. She is holding a smartphone in her right hand, taking a picture of a red dress displayed on a mannequin. The background is blurred, showing what appears to be a clothing store or a similar retail environment.

*We're making the most  
of machine learning  
throughout our group ...*

*It's at the heart of how we create  
value by improving people's lives*

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# Performance

*From Classifieds to Payments and Fintech, to Food Delivery – we focus on high-growth consumer internet businesses in areas where we can make a lasting positive difference to people around the world. This year we delivered a strong performance across our segments, characterised by continued growth, breakthroughs in profitability and ever-greater customer focus.*

## Highlights of the year

Global consumer internet portfolio							
							
Classifieds	Payments and Fintech	Food Delivery	Etail	Travel	Ventures	Social and internet platforms	Media
<p>OLX Group achieved its first year of profitability, and annual revenues exceeded target.  We continued to invest and expand, notably into car and real estate convenience offers, while reorganising and streamlining, where necessary, to increase efficiency and customer focus.</p> <p>Consumer brands</p>         	<p>PayU continued to grow fast and the core payments service provider business moved into profit for the first time. We continued to build on core payments and moved progressively into broader fintech, notably credit services. </p>	<p>We increased our focus and investment in the fast-growing world of food delivery. We committed to, along with Innova, invest an additional US\$400m in iFood. We also invested a further US\$716m in Indian food-delivery leader, Swiggy. </p>	<p>eMAG delivered another year of strong growth, with its Romanian business increasing profits year on year. In South Africa, all three Takealot businesses grew and improved unit economics extensively through scale and cost efficiencies. </p>	<p>MakeMyTrip extended its position as India's number 1 online travel agency (OTA). In April 2019, we announced that, subject to customary closing conditions, including obtaining the requisite regulatory approvals, Naspers will exchange its 43% effective interest in MakeMyTrip for an approximate 6% effective interest in Ctrip. This transaction is expected to close in the second half of the 2019 calendar year.</p>	<p>We continued to identify, explore and build the next wave of growth for Naspers. Investments ranged from adding to our education portfolio through a US\$35m investment for an initial stake in healthcare innovator Honor to a US\$383m investment in Indian educational company BYJU'S.</p>	<p>Tencent continued to excel in China, providing digital content to its users across online media platforms. Mail.ru consolidated its position as Russia's leading internet group. International revenue now accounts for over 63% of Mail.ru's online games revenue.</p>	<p>Media24 focused on growing its digital media and ecommerce operations while maximising profitability in print media.</p>
							

## Classifieds

### REVENUE<sup>(i)</sup> (US\$m)

2019	875
2018	628
IFRS: ▲ 39% LC: ▲ 37%	

### TRADING PROFIT/LOSS<sup>(i)</sup> (US\$m)

2019	2
2018	(114)
IFRS: ▲ >100% LC: ▲ >100%	

### PERFORMANCE HIGHLIGHTS

**Our Classifieds business had a standout year. OLX Group achieved its first year of profitability, with revenue up 39% (37%) to US\$875m. The segment was profitable overall (including letgo) with trading profit of US\$2m which was a US\$116m improvement from the US\$114m trading loss in the previous year. We continued to invest and expand, notably into car and real estate convenience offers, while reorganising and streamlining, where necessary, to increase efficiency and customer focus. OLX is on track to become one of the world's most successful classifieds companies.**

Notes  
<sup>(i)</sup> Presented on an economic-interest basis.  
LC = local currency:

**"Our vision is to deliver superior value for over a billion people. We want to make it easy for anyone to buy and sell almost anything – from household goods to phones, cars and houses. Convenience is the future of classifieds and we are driving it."**

Martin Scheepbouwer  
CEO: OLX Group

### Becoming even more customer centric

Throughout the year, we focused on increasing efficiency and scalability, taking every opportunity to become more customer centric. Accordingly, we simplified our organisation into four business units: OLX Markets, Avito, letgo and OLX Ventures.

We reorganised OLX Markets into a global unit with one management team and a coordinated focus on product and technology, allowing us to innovate faster for customers at lower costs. We continued to roll out our global product platform, successfully launching it in two new markets, Pakistan and India. We also consolidated our teams and now have seven technology hubs in: Berlin, Lisbon, Buenos Aires, Delhi, Poznan, Moscow and Barcelona.

This opens the way for us to work together, share ideas, apply technology and develop products and services for customers far more quickly and effectively.



### Growing letgo in the US

letgo is a hyperlocal mobile classifieds marketplace app mostly used in the US and Turkey. During the year, monthly unique listers increased by 34% while monthly unique buyers increased by 29%. In August 2018, we announced that letgo acquired the share capital held by non-controlling shareholders of Letgo USA B.V. for US\$1.89m. With over 100 million downloads and 400 million listings, letgo is the biggest and fastest-growing app for buying and selling locally. The new funding will help letgo accelerate its growth through product evolution, expansion into new verticals and monetisation.

From electronics to cars to clothing and collectibles, the free letgo app makes it easy to list what you no longer need and find great deals nearby on anything you do need. It is known for its innovative, easy-to-use features such as video listings.



### LETGO

**82%**

total brand awareness for letgo

**34%**

increase in monthly unique listers

**29%**

more monthly unique buyers

**"We are extraordinarily fortunate to have investors who believe so strongly in our vision and team. We are fuelling unprecedented growth in the secondhand economy through meaningful innovation. Our app makes it simple for tens of millions of buyers and sellers to connect in their own neighbourhoods so they can put more money in their pockets, declutter their lives and put their space to better use."**

Alex Oxenford  
Co-founder: letgo

The team has applied artificial intelligence (AI) and machine learning (ML) to develop letgo Reveal – an innovative feature that allows you to scan an object with your mobile camera, operated through the app, which then automatically suggests a price, time to sell and description. You simply need to decide whether or not you want to sell the item.

### OLX Markets

Through OLX Markets, we operate online classifieds marketplaces in about 38 countries across Eastern Europe, Portugal, Southeast Asia, Latin America, Africa and the Middle East.

### Consolidating our position in Russia

In January 2019, OLX invested a further US\$1.16bn in Avito, bringing its effective ownership of Russia's leading online classifieds player to 100%. We first invested in Avito in 2013 and it has since continued to grow fast in five key categories: goods, autos, real estate, jobs and services.

### TOTAL ADDRESSABLE MARKET IN THE US (US\$BN)



Source: 10-year market size US (Source: market sizing exercise conducted with OLX and Naspers M&A team).

### OLX

**340m**

monthly active users worldwide on our classifieds apps and platforms

**71m**

net new listings and 17 million items are bought and sold every month on average

**38**

countries across Eastern Europe, Portugal, Southeast Asia, LatAm, Africa and the Middle East

**US\$2m**

trading profits achieved by OLX Group during its first year of profitability

## Classifieds continued

Avito now attracts a large portion of the Russian internet population every day. It has made substantial improvements in monetisation, driving more sales efficiency and increasing paying users. Our investment demonstrates our continued belief in the long-term growth prospects of this great business and the Russian internet market.

### Offering customers greater convenience

We made a number of significant investments in convenient transactions to expand our ecosystem with deeper and broader offers to meet our customers' needs. Increasingly, we are expanding our dedicated automotive and real estate vertical businesses, where the opportunities to scale and monetise are high. We facilitate over 70% of all used-car transactions in India, and 57% of OLX Group revenues currently come from vehicles and real estate.

### OFFERING CUSTOMERS GREATER CONVENIENCE – BREAKDOWN OF CONVENIENT TRANSACTIONS



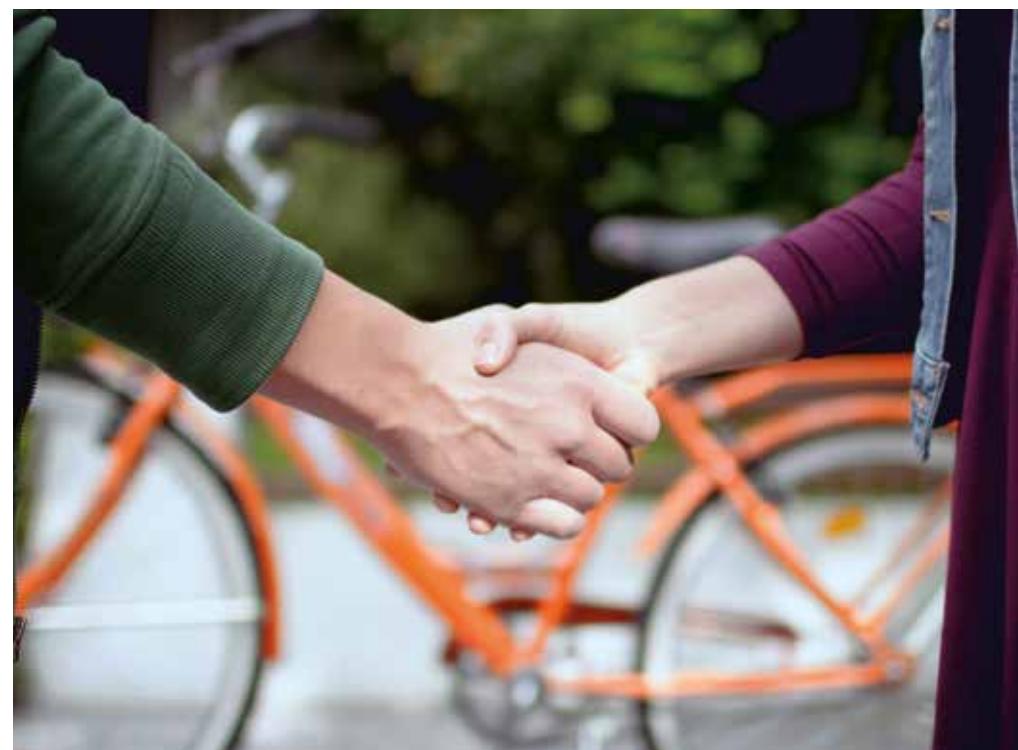
### Making it easier to buy and sell cars

In May 2018, we invested US\$89m in Frontier Car Group (FCG).

A fast-growing online and offline car marketplace, FCG currently operates in Nigeria, Mexico, Chile, Turkey, Pakistan and Indonesia. Private car buyers and sellers and dealers all benefit from the combination of FCG's instant cash services and OLX Group's proprietary classifieds technology, increasing the speed and convenience of buying and selling.

### Boosting our presence in online real estate

In line with our growing focus on real estate, in Latin America we joined forces with Properati, the leading real-estate platform in Argentina. The deal covers Argentina and 13 other countries. It also includes full ownership of Credirati, a platform that streamlines mortgage-loan acquisitions.



### AVITO

**1**  
#1

Avito is the leading online classifieds marketplace in Russia, and Dubizzle is a leading online classifieds marketplace in the Middle East and North Africa

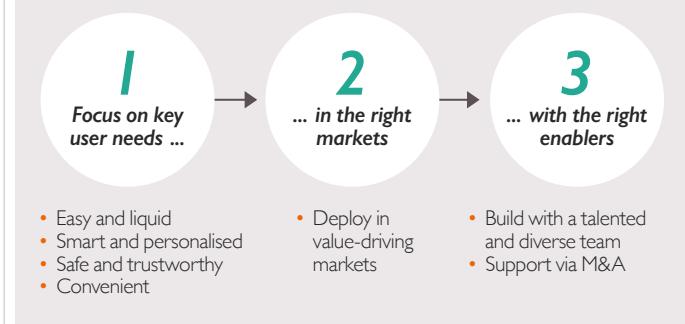
The Voice Notes Fraud Detection application applies ML models to voice notes to catch potential scammers. The OLX app facilitates a chat function between buyer and seller that permits leaving voice notes. These voice notes can be transcribed to standard text format.

In order to catch potential fraudulent activities, the invention uses ML models to analyse the transcribed text through a fraud detection service. If some fraud is detected, the offending party may be banned automatically.

### Looking ahead

Our focus will be on building the world's best ecosystem of classifieds for customers. In many ways, this is a continuation and acceleration of what we have achieved this year. We will concentrate on increasing ease of use, convenience, trust and safety for customers and making the most of ML to solve customers' pain points. Our aim is to give hundreds of millions of people around the world the very best classifieds experience.

### FUTURE FOCUS – BUILD AN ECOSYSTEM OF CLASSIFIEDS AROUND CUSTOMER NEEDS



## Payments and Fintech

### REVENUE<sup>(i)</sup> (US\$m)

2019	360
2018	294

IFRS: ▲ 22% LC: ▲ 28%

### TRADING LOSS<sup>(i)</sup> (US\$m)

2019	43
2018	64

IFRS: ▲ 33% LC: ▲ 67%

### PERFORMANCE HIGHLIGHTS

**Growing fast and generating profit from its core Payments business for the first time, PayU forged ahead on its mission to build a world without financial borders. For both core payments and newer credit services, India is proving a highly dynamic and significant market for us. We processed close to 500 million transactions with a total value of US\$15bn in India and currently handle over 1 million consumer loans per month.**

#### Notes

<sup>(i)</sup> Presented on an economic-interest basis.  
LC = local currency.

**"PayU is a significantly different business today to three years ago. We have transformed it from a local-payments-only company into a broader financial services firm across high-growth markets. Our ambition is to build a world without financial borders"**

Laurent Le Moal  
CEO, PayU

### Moving into profit

We delivered on our three-year goal to bring the core Payments business to profitability on an operational basis. This business reported a 4% trading profit margin this year, compared to a 7% trading loss margin last year.

### Growing well

We more than doubled the size of our Payments and Fintech business over the past three years. This year we processed 920 million transactions, up 41% on last year's more than 650 million. Total payment volume was US\$30bn, up 29% in local currency.



### Continuing to expand into fintech

We made key investments to extend our scope beyond pure payments, thereby becoming a broader fintech business.

### PAYMENTS AND FINTECH

# 41%

This year we processed 920 million transactions, up 41% on last year's more than 650 million

# 29%

Total payment volume was US\$30bn, 29% above last year in local currency

This included remittances (Remitly) while consolidating our Payments and Fintech business through the acquisition of Citrus, and making a foray into credit with further investments in PaySense and ZestMoney, and building our own credit product, LazyPay.

This year we expanded further, notably in credit. In India, we now have over 1 million credit transactions per month.

### Significant growth in India

India is a great growth story for us. It is our largest and fastest-growing market. We are the leader in ecommerce payments in India and it is the major driver of our growing payment transaction volumes. India is also key to our success in credit, where we have rapidly grown to more than 1 million credit transactions per month. We are looking at growing our franchise and evolving into a digital financial services platform from a pure play online merchants payments service provider.

### AN UNDERBANKED WORLD

2 billion adults without credit bureau coverage – regional % of population



### PAYU

# 18

PayU operates in 18 high-growth markets, five of which are among the ten fastest-growing markets globally: India, Turkey, Russia, South Africa and Mexico

Mumbai, India.



## Spotlight on India – a world of opportunity for payments and fintech

In India, digital transactions are forecast to overtake cash payments by 2022.

Around 50% of India's 1.3 billion people are under 30. Over the next decade, over 100 million young digitally savvy Indians will join the country's workforce and consumer pool. Smartphone penetration will more than double to around 700 million in 2020.

The size of India's digital payments industry is estimated at US\$200bn – US\$110bn online and US\$90bn offline via card transactions at point of sale. The online portion comprises US\$30bn in ecommerce-related payments and some US\$80bn in utility bills and recurring payments.

### INDIA

# 500m

In India, we process close to 500 million transactions with a total US\$15bn in value

## Payments and Fintech continued



**“Our mission at PayU is to democratise credit across all markets. Companies like PaySense encompass everything we’re looking for: a great product, an outstanding team and an extensive market opportunity.”**

**Fady Abdel-Nour**  
Global head M&A and investments: PayU



### Investing for success

During the year, we made a number of key investments to strengthen our core Payments business and our growing Fintech offering. We invested US\$12m in PaySense, the Indian online credit provider for customers currently underserved by traditional sources of credit. In the past year, PaySense and ZestMoney combined have disbursed loans to the value of over US\$140m to customers across India.

### Creating a global payments hub

We acquired leading payments technology platform, Zooz for US\$60m in August 2018. This strengthens our ability to provide a single global PayU payments hub covering a population of 2.3 billion across high-growth markets.

With a global platform, we make it easier for merchants to grow their businesses, provide a better customer experience and gain efficiencies from streamlining our operations, so everybody wins. We will optimise the PayU hub in the coming year. It is a key part of our aim to remove financial borders so we can make the lives of merchants and consumers as easy as possible and, in turn, create value for everyone involved.

\*Source: Accenture.

### GLOBAL PAYMENTS\*

**60%**

of absolute revenue growth coming from developing markets by 2022



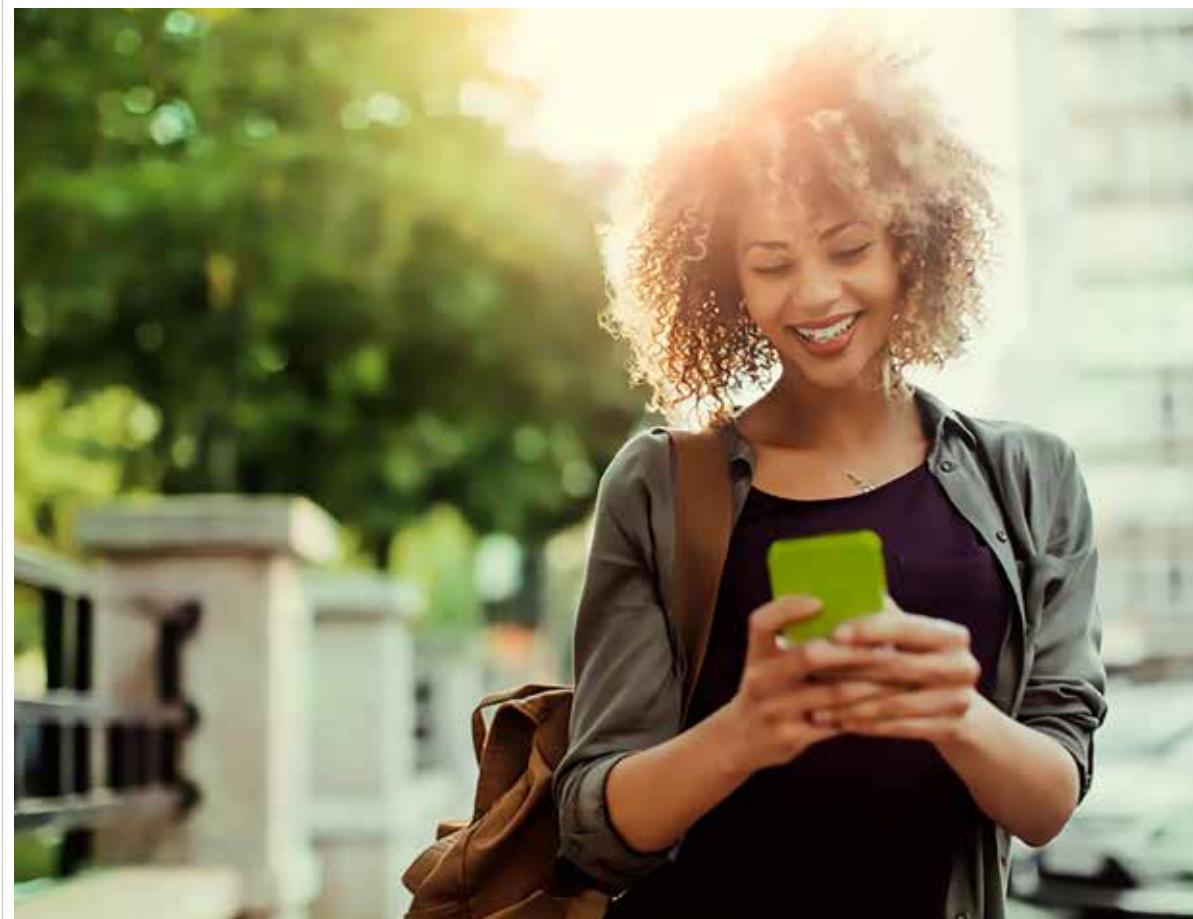
### Making the most of ML

In November 2018, we rolled out a fraud-monitoring solution using ML in Europe. As a result, we were able to maintain the level of fraud management while reducing the manual workload by 80% – increasing efficiency and the scope to scale. This service is currently at the forefront of its industry and demonstrates what we can do by applying ML to make improvements for merchants and customers.

### MACHINE LEARNING

**80%**

reduction in the manual workload while maintaining the level of fraud management



### Looking ahead

We expect our strong growth in Payments and Fintech to continue. Our aim is to again double our Payments and Fintech business over the next three years and to have digital financial services and credit platforms. We will continue to look for good growth and opportunities to extend our fintech offering, including through M&A. We have, for example, made exploratory investments in blockchain and cryptocurrency.

## Food Delivery

REVENUE <sup>(1)</sup> (US\$m)	
2019	377
2018	166

IFRS: ▲>100% LC: ▲57%

TRADING LOSS <sup>(1)</sup> (US\$m)	
2019	171
2018	30

IFRS: ▲>100% LC: ▲>100%

### PERFORMANCE HIGHLIGHTS

This year we increased our focus and investment in the fast-growing world of food delivery. It is now one of our three core segments, alongside Classifieds, and Payments and Fintech. During the year, we committed, along with Innova, to invest an additional US\$400m in iFood to enable the business to accelerate growth by expanding coverage and investment in first-party delivery capabilities, speed up product development and innovation and deliver personalised experiences to customers. We also invested a total of US\$716m in Indian food-delivery leader, Swiggy, during the year. iFood remains the clear leader in Brazil and holds competitive positions in Mexico and Colombia. Swiggy's annualised GMV increased 265% and annualised order volumes increased by 320%. Delivery Hero reported €4.5bn in GMV and €665m revenue from continuing operations for its year ended 31 December 2018. 

#### Notes

- (1) Presented on an economic-interest basis.
- (2) Interest following the US\$637m investment in January 2019.
- LC = local currency.

**"We're thrilled to have grown the online food-delivery market in India at an exponential rate by always considering our customers. Swiggy has been at the forefront of elevating the potential of Indian food delivery with its industry-changing innovations and focus on delivering the best consumer experience to millions of Indians."**

Sriharsha Majety  
CEO: Swiggy



### Making the most of the food-delivery opportunity

The world of food delivery is a great example of using smart technology to give us the things we love more quickly, easily and enjoyably. In tandem, shifting global trends such as the rise in urban populations, smartphone use, middle-class spending, a growing youth population and mobile payments are fuelling growth. It is therefore no surprise that the food-delivery market is expanding rapidly across the globe. Globally delivered food is a US\$300bn market, growing at two to three times the rate of the overall food market, while online food delivery is growing at 30% per year and is already a US\$75bn+ global market.

### GLOBAL FOOD DELIVERY

# US\$300 bn

Globally, delivered food is a US\$300bn market, growing at about four times the rate of the overall food market

# US\$75 bn

Online food delivery is growing at 30% per year and is already a US\$75bn+ global market

It is changing fast, too – with the development of new offline elements such as kitchens designed only for food delivery (independent kitchens producing food usually under an online-only brand) fuelling the drive to give people greater choice, quality and speed of delivery, and restaurants' new ways to sell more food.

### Building on our strong presence

We continue to build on our strong presence in food delivery, where we currently have leadership positions in 36 markets.



### Delivery Hero

We have a 22% stake in Delivery Hero, which operates in 41 countries around the world and leads in 33. Delivery Hero is predominantly a third-party (3P) marketplace model, where its platforms arrange for restaurants to deliver food to users. But it also has a first-party (1P) marketplace model, where it provides the delivery services as well. Delivery Hero fulfilled 369 million orders over its financial year ended 31 December 2018.



### Swiggy

We have a 39%<sup>(2)</sup> stake in Swiggy and invested an additional US\$716m in this business during the year. Since our first investment in June 2017, Swiggy has grown its monthly orders tenfold. It is the most-loved food delivery brand in India, providing the best service to consumers through over 85 000 restaurant partners and 170 000 delivery partners across more than 130 cities. Swiggy is an Indian success story we are proud to be part of.



### SWIGGY

# 85 000

Swiggy restaurant partners spread across 130 cities

# US\$716 m

invested in Swiggy, India's largest food-delivery platform

## Food Delivery continued



iFOOD

**558 000**

orders handled by iFood per day in Brazil, 17 times more than its nearest competitor in terms of daily unique users

**66 000**

iFood's 66 000 restaurant partners and 120 000 couriers offer customers the best choice and quality of food, delivered fast, using iFood's innovative technology platform

**US\$360m**

invested in iFood over the years



### iFood

We also back Movile subsidiary iFood, a leading online food-delivery platform in Latin America. iFood is Brazil's favourite food-delivery option and also operates in Mexico and Colombia. It is one of the fastest-growing large-scale food-delivery companies in the world. Naspers and Innova's US\$400m additional funding commitment enables iFood to accelerate growth by expanding coverage and investment in first-party delivery capabilities, speed up product development and innovation, and deliver personalised experiences to its customers – the largest tech-funding commitment in Latin America at the time of the announcement.

During the year, iFood focused on increasing brand awareness, offering a much more reliable, quicker delivery service for customers, and a greater range of more affordable food options. For example, we pioneered affordable lunch offers, where customers can get lunch delivered for around US\$4 per order.



The number of restaurants and couriers increased more than 100% in Brazil, iFood's main market. There are currently 120 000 couriers connected to iFood and 66 000 restaurants in 500 cities.

iFood works closely with restaurants to help them build their businesses via the platform, for example by helping them advertise and by providing tools to help with order management. Similarly, the team works with its network of delivery partners.

*"We want our consumers to have an amazing delivery experience from the moment they order their food to the moment it arrives, and our partners – the restaurants and delivery fleet – make that happen by living our purpose of improving people's lives using our services."*

**Carlos Moyses**  
CEO, iFood



The platform is there for all to gain from great food delivery, from a restaurant looking to expand its orders, to a courier keen to earn more money or a customer wanting great food, fast.

iFood aims to build the largest, most-loved food-delivery company in Latin America. To support that goal, ongoing investment in technology, notably ML, is increasingly important in key areas such as pricing, demand prediction and order management, offering more relevant options to customers and orchestrating quick, reliable deliveries. Technology is at the core of improving the experience for customers, restaurants and couriers alike.



### Mr D Food

Through Takealot, we own Mr D Food, the leading online food-delivery business in South Africa. Mr D Food is reported as part of the Etail segment as its logistics are closely integrated with that of Takealot.

iFOOD

**17.4m**

orders processed by iFood in March in Brazil, representing growth of almost 130% compared to 7.6 million orders in the same month last year

**12.6m**

unique customers in more than 500 cities

## Etail

### REVENUE<sup>(i)</sup> (US\$m)

2019 1 847

2018 2 060

IFRS: ▼ 10% LC: ▲ 20%

### TRADING LOSS<sup>(i)</sup> (US\$m)

2019 150

2018 270

IFRS: ▲ 44% LC: ▲ 14%

### PERFORMANCE HIGHLIGHTS

#### eMAG

**eMAG's Romanian business continued to grow above the market rate and generated higher profits year on year. Its other businesses also grew and eMAG increased operational efficiency. To become Central and Eastern Europe's leading online retailer, the focus is on improving profitability, adding more value and increasing customer satisfaction and loyalty.**

#### Takealot

**Building on its position as South Africa's leading etailer, Takealot had another good year across its three core businesses: Takealot.com, Superbalist and Mr D Food. All three businesses grew and improved unit economics through scale and cost efficiencies. Group gross merchandise volume (GMV) grew 53% and group gross margin after delivery costs improved by 2%.**

#### Notes

<sup>(i)</sup> Presented on an economic-interest basis.  
LC = local currency.



## eMAG

### Optimising marketplaces

Through its dedicated team, eMAG optimises 3P marketplaces – looking after the interests of customers, protecting and building the eMAG business and brand, and helping third parties improve their businesses.

### Diversifying to grow

eMAG is diversifying its sales through a mix of IP and 3P models and product categories.

### Growing well in Central and Eastern Europe

eMAG delivered another year of strong growth. The Romanian business achieved 25% gross merchandise volume (GMV) and 11% year-on-year revenue growth. Performance was particularly pleasing across the 3P marketplace, which grew 50%.

eMAG's Bulgarian and Hungarian businesses improved and the Fashion Days brand also performed well.



### Getting together to generate great new ideas

eMAG holds annual hackathons – coders get together for 24 hours to code something amazing, winning great prizes. Now in their fifth year, the hackathons have become bigger and better each year.

They led to a great new product idea, now being offered to eMAG customers. During the 2017 hackathon, a team came up with the idea of adding a self-service barcode interface to eMAG lockers – enabling customers to save time when collecting their purchases. EasyBOX launched in Bucharest, giving customers the option to quickly, easily and securely pick up orders 24/7.

#### EMAG

**25%**

gross merchandise volume (GMV)

**21%**

year-on-year revenue growth

**50%**

increase in performance across the 3P marketplace

**"Entrepreneurship is like magic: you put in the work, you put in the capital, and what comes out of it does good things both for the community and for the company."**

**Julian Stanciu**  
CEO: eMAG



This is a good demonstration of the quality and teamwork of our people, of learning and developing together and applying technology in smart ways to improve the experience of customers.

### Dedicated to quality

To continuously increase the quality of eMAG's 3P marketplaces, a dedicated team focuses on monitoring and helping 3P sellers. The team's work ranges from providing advice and training, to blocking fraudulent activity.

This marketplace optimisation safeguards and improves the customer experience while protecting eMAG's brand and reputation. It also helps third parties develop their businesses and sell more.



### Improving operations

A new warehouse was built and opened on time and ahead of budget. It uses LED panels for energy-efficient lighting and eMAG is considering solar panels in warehouses.

The investment in the new warehouse is part of eMAG's focus on improving operational efficiencies and driving down costs, understanding that everyday improvements can have a major impact.

For example, eMAG's internal audit team has identified a way to improve the speed and efficiency of stocktaking by adapting the algorithm for scanning stock to the different sizes and set-ups of warehouses across eMAG's network of businesses.

eMAG continues to capitalise on ML, with inhouse technology teams developing new tools and ways to give the business more predictability and enable it to react faster, as well as building customer-friendly improvements such as helpful recommendations on what to buy.

### Merging in Hungary

Towards the end of the year, eMAG announced the planned merger of its Hungarian business with local player, Extreme Digital, which is subject to regulatory approval. This will create one of the leading ecommerce businesses in Central and Eastern Europe, with a combined turnover of €220m and a goal of tripling sales in five years.

## Etail continued



**The growth in our businesses is really the result of executing well – providing good customer service and value and convenience to consumers. But we've also got the wind behind us, with great room for more ecommerce growth in South Africa.”**

**Kim Reid**  
Founder and CEO: Takealot

## Takealot

### Performance highlights

Building on its position as South Africa's leading etailer, Takealot had another good year across its three core businesses: Takealot.com, Superbalist and Mr D Food. All three businesses grew and improved unit economics through scale and cost efficiencies. GMV grew 53% and group gross margin after delivery costs improved by 2%.

### Leading in South African etail

Takealot.com, South Africa's leading online store, grew revenue 31% in local currency year on year. The 3P marketplace is a major part of this success: from 24% last year, 3P accounted for 30% of GMV this year. The goal is to have 50% of GMV generated through the 3P marketplace, benefiting consumer selection and choice, pricing and profitability.

### Fashion forward

Online fashion site Superbalist grew 80%, including sales from Spree, with which it merged in October 2018. The merger created a stronger fashion business with greater scale and cost efficiencies. It was executed successfully in time for peak season. The combined business is fully operational on the Superbalist platform under that brand.

### Number 1 for food delivery

South Africa's leading food-delivery business, Mr D Food, continued its rapid expansion, growing revenue 147% year on year. Its success is based on offering superior service, greater geographic coverage, better restaurant selection and competitive pricing, which benefits customers and restaurants alike. Its business is predominantly mobile based – a key growth characteristic.

### TAKEALOT

**31%**

Takealot.com, South Africa's leading online store, grew revenue 31% year on year

**100%**

of Takealot's packaging is recyclable

**R3.8m**

has up to date been donated to Beautiful Gate, an organisation dedicated to supporting family welfare in Cape Town

### Room for growth

There is still significant room for growth in the South African ecommerce market. Current ecommerce penetration is 1.3% compared to 11–19% in the US, China and the UK. This is forecast to grow to 3% by 2020. So Takealot is in the right market at the right time, but continued growth and success is above all the result of executing well – providing good customer service and value.



### The end-to-end delivery advantage

A key advantage for Takealot is its own established end-to-end delivery system. This enables Takealot to push technology into the business and provide a better customer experience – with notable benefits such as same-day delivery, weekend deliveries, pick-up points and more predictable delivery cycles.

Takealot is now arguably the largest direct-to-home delivery business in the country – making as many as 1.3 million deliveries a month.



### Investing in top talent

As Takealot continues to grow, the challenge is to keep recruiting and retaining the very best talent.

A graduate recruitment programme and the establishment of development offices in Stellenbosch and Johannesburg have helped attract further engineering talent. Takealot is determined to keep the quality of recruits high even as pressure to increase the quantity grows. Accordingly, a rigorous, groupwide recruitment programme, Extraordinary Minds, ensures the right people are hired.



### Going greener

Last year, Takealot made 100% of its packaging recyclable. This year, it took a further green step by replacing plastic voids with paper voids, so that the material used to protect products inside the packaging not only keeps customers' purchases safe but also goes some way to caring for the planet.

Takealot has also updated its transport fleet to newer, larger, more energy-efficient vehicles. This saves money and is better for the environment. More energy-efficient LED lighting is also being introduced in the distribution centres.

In addition, where possible, Takealot is using seafreight rather than airfreight, which again is more cost efficient and environmentally friendly.



### Giving back to local communities

Takealot has formed a partnership with Utturn, which focuses on supporting the homeless in Cape Town.

It also has a longstanding link with Beautiful Gate, an organisation dedicated to supporting family welfare in Cape Town. Whenever someone checks out of a Takealot site, they have the option to donate to Beautiful Gate. Around R100 000 was donated in the first year of the partnership. Seven years on, donations now total R3.8m.

### Continue growing

Looking ahead, key initiatives with Takealot.com revolve around logistics and certainty of delivery.

With Superbalist, the focus next year will be on bedding down and building the merged fashion business.

At Mr D Food, rapid growth is expected to continue as we capitalise on existing advantages, including our delivery systems, to continue this success story.

## Flipkart



### Creating value with Flipkart

In August 2018, we sold our 12% stake in Indian ecommerce company, Flipkart, to US-based retailer Walmart for US\$2.2bn. We first invested in Flipkart in 2012 and helped it become India's largest domestic online retailer. Our sale delivered a healthy 29% internal rate of return on our investment.



## Travel

### REVENUE<sup>(i)</sup> (US\$m)

2019	234
2018	211

IFRS: ▲ 11% LC: ▲ 20%

### TRADING LOSS<sup>(i)</sup> (US\$m)

2019	37
2018	61

IFRS: ▲ 39% LC: ▲ 46%

### PERFORMANCE HIGHLIGHTS

**MakeMyTrip (MMYT) extended its position as India's number 1 online travel agency with our share of its revenue, growing 30% year on year. The company continued to focus on the high-growth domestic hotels business, especially the budget segment which serves the mass market. During the year, MMYT significantly reduced its trading losses, with our share reducing by 39% as it continued along its path to profitability.**

#### Notes

<sup>(i)</sup> Presented on an economic-interest basis.  
LC = local currency.

**"The Indian market is thriving, and we are well poised to capitalise on the strong travel trends that India has to offer. MakeMyTrip's powerful portfolio of brands today commands unrivalled market share, scale and brand recognition. We maintain an unwavering focus on the online hotels segment, which is highly fragmented in India."**

**Deep Kalra**

Co-founder, chair and group CEO:  
MakeMyTrip

### Leading in India

MakeMyTrip (MMYT) is the clear market leader in the large, fast-growing Indian online travel agency (OTA) market. We own 43% of MMYT, which leads the Indian online air and hotel market segments and, through its redBus brand, the online bus travel segment.

MMYT is building the largest OTA in India, spanning air, hotel and bus travel. Every step of the way – from research to planning to booking – MMYT gives customers a one-stop service for all their travel needs. Services include air ticketing, hotel and alternative accommodation bookings, holiday packages, inter-city bus ticketing and other travel-related services. Across all these services, MMYT delivers a best-in-class experience by leveraging technology and customer insights.

### Appealing to the mass market

MMYT continues to focus on the domestic hotels business, especially the budget segment which serves the mass market.

### Heading to profitability

MMYT has reduced losses and is on the path to profitability.



### An ever-better customer experience

The company continues to focus its investment on the high-growth hotels segment, where online penetration is still relatively low, at 16%, and margins at scale are attractive. MMYT therefore plans to expand by bringing more customers online and increasing the transaction frequency of existing customers, for example by offering an ever-better customer experience.

MMYT uses ML to optimise the user experience and costs. This includes providing personalised recommendations for destinations, places to stay and other travel experiences. In addition, ML-enabled chatbots provide 24/7 support to customers. MMYT also uses ML to dynamically update pricing, rank hotels, predict air fares, classify images and user-generated content, and perform other data-intensive operations.

Looking ahead, MMYT will continue to consolidate its position as the number 1 OTA in India as it heads towards profitability.

In April 2019, we announced that, subject to customary closing conditions, including obtaining the requisite regulatory approvals, we will exchange our 43% effective interest in MakeMyTrip for an approximate 6% effective interest in Ctrip. This transaction is expected to close in the second half of 2019.

Ctrip is a leading travel service provider for accommodation reservation, transportation ticketing, packaged tours and corporate travel management. Ctrip targets its services primarily at business and leisure travellers in China who do not travel in groups.

These types of travellers form a traditionally under-served yet fast-growing segment of the China travel market. Ctrip believes it is the largest consolidator of hotel accommodation in China in terms of the number of room nights booked, as well as the largest consolidator of airline tickets and the top air ticket distribution agency in China in terms of the total number of airline tickets booked and sold through it. Ctrip has also successfully established a global presence.

**A great choice of accommodation**  
MMYT customers can access over 45 000 hotels and 13 500 alternative accommodation properties in India, as well as more than 500 000 hotels and properties outside the country.



### MAKEMYTRIP

#1

MMYT extended its position as India's number 1 online travel agency

**45 000**

MMYT customers can access over 45 000 hotels and 13 500 alternative accommodation properties in India as well as more than

**500 000**

hotels and properties outside the country

### INDIAN ONLINE TRAVEL 25% COMPOUND ANNUAL GROWTH RATE (CAGR)

2020	32.8
2016	13.2

## Ventures

### PERFORMANCE HIGHLIGHTS

*This year, our food-delivery businesses graduated from Ventures to become a core standalone Naspers segment. We continued to invest in other key areas, from adding to our education portfolio through a US\$383m in investment in Indian educational company BYJU'S, to taking an initial stake in healthcare innovator Honor for US\$35m. In many ways, it was a real Ventures's year of identifying, exploring and building the next wave for Naspers.*

#### Notes

<sup>(i)</sup> Presented on an economic-interest basis.  
LC = local currency.



### Investing in the next wave

Since our earliest days over 100 years ago, we have always sought to anticipate and identify new opportunities to evolve and grow. This forward-focused drive has seen Naspers transform itself from a South African print media business in 1915 to today's global consumer internet group. Our Ventures arm builds on this tradition with the key mandate to find, invest in and nurture new technologies and businesses that will fuel the next waves of growth.

As core segments reach maturity in terms of scale and profitability, Ventures makes certain that newer areas of investment emerge and develop so that growth continues.

In December 2018 for example, our food-delivery businesses separated from Ventures to become a core standalone segment. Having progressively invested in and grown these businesses, we decided it was the right time to take them to the next level. This means going all-in in food delivery in our chosen growth markets around the world, alongside our other core segments of Classifieds and Payments and Fintech.

**"Naspers invests in companies that address big societal needs in markets where we see the greatest growth potential. Ventures leads the way in spotting this potential."**

Martin Tschopp  
Chief operating officer: Naspers Ventures

### EDUCATION

# US\$6 tr

Global spend on education is set to grow at 5% CAGR over 2015–2020, reaching over US\$6tr in value by 2020

# 150 m

Each month, 150 million students in 35 countries, all turn to Brainly to ask more, know more, and learn faster

# 45 m

Codecademy has taught over 45 million people around the world to code

# 20 m

With 42 000 instructors teaching 100 000 courses, Udemy connects over 20 million students around the world to world-class learning

### Focusing on education

Another area with promising potential is education. Encouraging and enabling learning around the world is an undeniably great aim. The brilliant aspect about marrying learning with technology is that it enables all kinds of innovative ways for more and more people to add to their skills and knowledge: often more quickly, effectively and enjoyably than before. This is an opportunity that can make a real difference to people's lives around the world and there is still much more to be done. So for us, it ticks all the right boxes.

### Our education portfolio

We have invested in a number of education businesses. They include: Udemy, the leading global marketplace for learning and instruction, serving more than 30 million lifelong learners in 190 countries around the world; Codecademy, the vocational learning platform where over 45 million people so far have taken courses to learn to code; and Brainly, the world's largest social learning community serving over 150 million students in more than 35 countries.

We aim to back complementary businesses that can work with each other and provide consumers with a better, broader education experience.

### BYJU'S

# 30 m

More than 30 million students have used the BYJU'S learning app

### Investing in BYJU'S

In December 2018, we invested US\$383m in BYJU'S, the leader in personalised learning programmes for school students in grades 4 to 12 in India. It has grown rapidly by providing high-quality videos and content online to simplify subjects such as maths and science. More than 30 million students have used the BYJU'S learning app and it has amassed over 2 million cumulative annual paid subscriptions, with an average engagement of 64 minutes per student per day.

### Investing in SoloLearn

#### SOOLEARN

# 1.1 m+

monthly active users – 90% of them learning on-the-go via their smartphone

We also led a US\$5.6m investment in SoloLearn in September 2018. SoloLearn is a leading mobile-first knowledge-sharing community where students can learn, create and share programming content. This innovative peer-to-peer learning platform has grown fast since launch and currently has over 1.1 million monthly active users. An additional funding round of US\$1.4m took place in December 2018, in which we participated for US\$379 000.

### Exploring health

Health is another area for Ventures. The global population of people over 60 is projected to more than double by 2050. At the same time, disability rates are increasing. We are getting older and living longer, but not necessarily healthier, lives. All of which increases the importance of the right kind of care when and where needed. Providing non-medical care in the home is a key aspect. This is a big and growing societal need where smart technology can really make a difference.

### Investing in Honor

In May 2018 we made a US\$35m investment in Honor. A US-based home-care company, Honor will use the funds to expand its innovative Honor Care Network. Working with care network partners, Honor helps older people live safely and comfortably in their own homes by providing reliable, transparent, high-quality care. Honor handles all caregiver recruiting, payroll, billing, insurance, legal and compliance issues for its partners. The technology platform helps agencies schedule care more easily and have greater visibility on patient care. By reducing the day-to-day back-office challenges of running an agency, owners have more time to focus on growing their business, supporting their clients and delivering the best care experience.

### Identifying and investing in the best opportunities

Looking ahead, we will continue to identify trends, technologies, segments and geographies expected to record significant growth in the coming decades and invest in the best opportunities we see. From education and health technology to blockchain<sup>(i)</sup> and beyond, we will continue to nurture the next wave of growth.

#### Note

<sup>(i)</sup> A system in which a record of transactions made in bitcoin or another cryptocurrency is maintained across several computers linked in a peer-to-peer network.

## Social and internet platforms

### REVENUE<sup>(i)</sup> (US\$'bn)

2019	14.7
2018	12.3

IFRS: ▲ 20% LC: ▲ 31%

### TRADING PROFIT<sup>(i)</sup> (US\$'bn)

2019	4.0
2018	3.7

IFRS: ▲ 6% LC: ▲ 15%

### PERFORMANCE HIGHLIGHTS

*Early in the development of our internet strategy we invested in leading social and internet platforms in two of our key high-growth markets, China and Russia. Tencent continued to excel in China, while Mail.ru strengthened its position as Russia's leading internet group.*

#### Notes

(i) Presented on an economic-interest basis.

LC = local currency.

### TENCENT

# 60%

Among the top 100 mobile apps in China, Tencent takes up over 60% of all time spent online by Chinese users

#### Tencent continues to excel in China

Tencent continues to perform well in a highly competitive and dynamic environment. Through its ecosystem of online services and the excellent management of Pony Ma, Martin Lau and their teams, it remains the largest platform operator in China with ten of the top 20 mobile apps. Among the top 100 mobile apps in China, Tencent takes up over 60% of all time spent online by Chinese users.

In social and communication, Weixin and WeChat's combined monthly active users reached 1.1 billion and its super-app status was strengthened by the expansion of Weixin Mini Programs, now widely adopted by users and enterprises, setting the industry trend for connecting online users with offline enterprises.

Hundreds of millions of social videos are uploaded and shared on the Weixin platform every day. In online games, Tencent is the world's largest game platform.

League of Legends continued to be the biggest PC game and PUBG MOBILE became the most popular smartphone game globally. In online media, Tencent Video enhanced market leadership amidst fierce competition. Tencent built up an array of newsfeed products and achieved rapid growth in total page views and video views.

Tencent Music had a successful initial public offering in New York in 2018. In mobile utilities, Tencent's mobile manager, YingYongBao, defended leadership and increased monetisation efficiency. In Cloud services, Tencent maintained the number 2 position with market share steadily increasing. Tencent extended its market leadership as the leading mobile payment platform by active users and number of transactions in China. Total daily payment transaction volume exceeded 1 billion in 2018, driven by rapid growth in commercial payments, which represented more than half of the number of transactions.

Tencent revenue for the year to December 2018 increased by 32% year on year to RMB313bn, primarily driven by fintech services, social and video advertising, and digital content subscriptions and sales.

From a regulatory perspective, online gaming is one of the sectors, among many, subject to tightened government scrutiny. Uncertainty and delays on the game approval and monetisation process has weighed on Tencent's financial performance in online games. The games approval uncertainty eased partially by the end of 2018 as the regulators resumed the review and approval process after a nine-month suspension. The strength of Tencent's platforms and products were reflected in the strong performances in online advertising revenue. Revenues grew by 44% year on year, mainly driven by strong growth in advertising on Weixin, Mini Program, Tencent Video and news services.

Revenue from other streams performed well, mainly driven by payment-related and cloud services.

While Tencent continues to focus on building its existing businesses, it is also investing heavily to position the company for sustained growth over the long term. One notable market opportunity is the digital transformation of traditional industries. Given Tencent's ecosystem strengths and leadership in social and payments, it aims to be the preferred partner by offering smart solutions to many traditional corporate customers as they move online, assisting them in upgrading and innovating for the digital age. Tencent is integrating its advanced cloud computing capability, data analytics, AI and security solutions to develop customised solutions for various industries such as retail, financial, transportation, healthcare and education.

Tencent is listed on the Hong Kong Stock Exchange and extensive further information is available on its website [www.tencent.com](http://www.tencent.com).

#### Mail.ru strengthens its position as a leading Russian internet group

Mail.ru remains the largest internet group in Russia by users, with 29 million daily active users (DAUs) across its platforms.

Its leading platforms cover gaming, social networking, email, portal, search, instant messaging, ecommerce, business services and maps. It is the top mobile app publisher in Russia by both number of downloads and consumer spending.

Mail.ru's revenue for the year to December 2018 was up 33% to RUB75bn, driven by online games and advertising. Massive multiplayer online (MMO) games revenue grew 30% year on year to RUB16bn, with international revenues accounting for 63% of the total. Advertising revenue continued to grow strongly, increasing 42% year on year to RUB32bn; mobile advertising in social networks remained the fastest-growing area.

### MAIL.RU

# 29m

daily active users (DAUs) across Mail.ru's platforms

Vkontakte, the most popular mobile messaging and social networking app in Russia, continued to perform well, increasing engagement and audience. Total monthly active users reached 70 million, of which over 60 million were mobile users.

The number of daily video views on Odnoklassniki reached 870 million in early 2019. The number of games running on this mobile platform doubled by the end of 2018.

Mail.ru continues to invest in strategic areas. It is forming a social commerce alliance in Russia and the Commonwealth of Independent States (CIS) with Alibaba, RDIF and Megafon. It also acquired the remaining 80% of United Media Agency (UMA), an aggregator and distributor of digital content in Russia. With 2.1 million paid and trial subscriptions, Mail.ru now has the largest content subscription user base in Russia.

Mail.ru's depository receipts are listed on the London Stock Exchange. Further information is available on its website [www.corp.mail.ru](http://www.corp.mail.ru).



# Media<sup>(1)</sup>

REVENUE <sup>(2)</sup> (US\$m)	
2019	326
2018	374
IFRS: ▼ 36% LC: ▼ 4%	

TRADING LOSS <sup>(2)</sup> (US\$m)	
2019	14
2018	30

IFRS: ▼ >100% LC: ▼ 30%

## PERFORMANCE HIGHLIGHTS

*During the year, we remained focused on repositioning Media24 for a sustainable future by growing our digital media operations, investing in our ecommerce business and maximising profitability in print media. Media24 revenue was US\$326m. Our online fashion store Spree merged with Superbalist, Naspers's other South African fashion retailer. 24.com achieved 5% year-on-year revenue growth in an extremely tough advertising environment.*

### Notes

<sup>(1)</sup> All figures exclude Novus Holdings Limited which was distributed to shareholders in September 2017.

<sup>(2)</sup> Presented on an economic-interest basis.  
LC = local currency.

**"It has been a year of great change for Media24 as we repositioned our core media operations to become a more focused operation while investing in the growth of our merged ecommerce business."**

Ishmet Davidson  
CEO, Media24



### Making the most of our mature portfolio

Despite revenue declining by 7% year on year, our print media division (News, Lifestyle and On the Dot) more than doubled profits year on year to record its highest profit in more than a decade off the back of renegotiated printing contracts.

On the Dot made considerable headway in building a variable cost base by starting to outsource its warehousing and distribution. On the Dot also recorded its highest profit ever.

Media24 maintained its considerable print media reach – eight out of every 10 newspapers and magazines consumed by South African adults in print or online are Media24 publications – and retained its advertising and circulation market leadership in both these sectors. We publish five of the top 10 paid-for newspaper titles, including Soccer Laduma in a very close second to the Sunday Times. Media24 Lifestyle publishes six of the top 10 consumer magazines, including the top four.

Die Burger changed the frequency of its Eastern Cape printed edition from six days to print on Fridays only, with digital editions available Monday to Friday. Around 95% of the original print subscribers were retained, and the bulk converted to paying Netwerk24 subscriptions. Friday sales of the print edition increased by 5% over the year.

Soccer Laduma, the second-largest selling newspaper in the country, now earns more revenue from digital advertising than print advertising and also recorded its highest profit in its 20-year history.

Media24 acquired the minority shareholdings in Soccer Laduma and New Media Publishing and incorporated these companies into its business.

VIA remains the most popular lifestyle channel among Afrikaans viewers on DSTv, maintaining a healthy 27% reach in this segment – almost triple the contractual requirement. Sponsorship revenue grew 36% and airtime revenue grew 63%.

### Focusing on our growth portfolio

With the merger of Spree and Superbalist, Media24 now owns 51% of the largest fashion retailer in South Africa. Revenue grew by 90% year on year as a result of the rapid growth in ecommerce in general as well as due to the merger with Superbalist. However, losses more than doubled – largely as a consequence of the stock impairments and ongoing investment to grow the business.

24.com reduced its loss by 36% year on year due to a combination of revenue growth, cost cutting and the closure of the aggregators.

Among SA publishers, 24.com leads by far with an audience market share of 35%, growing average daily unique browsers by 13% to 1.8 million and average daily unique pageviews by 8% to 10.2 million. Mobile access now stands at almost 89%.

### 24.COM

# 5%

24.com grew revenue 5% year on year

With the closure of the aggregators, we are also now able to fully focus our engineering capacity on our two main news brands: News24 and Netwerk24.

Netwerk24 grew its paying subscriber base by 30% year on year to just below 50 000, further strengthening its position as the largest paywall news service in the country.

### BUSINESS INSIDER

# #1

in the business sector within three months and beating its revenue expectations

Business Insider South Africa reached the number 1 position in the business sector within three months and beat its revenue expectations.

We were the first digital publisher globally to acquire the Google performance ad tech stack, to expand audience targeting capabilities in our quest to grow digital advertising revenue market share.

### Winning awards

Our businesses won a range of awards, including Trade Publisher of the Year for 2018 for Jonathan Ball Publishers; five SA Literary Awards for NB Publishers' authors; 42 local and international editorial, design and publishing New Media Publishing awards (print and digital); SA Film and Television

Award for best local format for Die Kliek on VIA; two SAB Sport Media Awards; three WAN-IFRA 2018 African Digital Media Awards, including best reader revenue initiative (Netwerk24: migration of Lifestyle publications to the platform); best branded content project (News24: Mzansi through her Eyes and Media24 Lifestyle: Eskort Just Delicious) and best digital news startup (Daily Kick); and nine Sikuville Journalism Awards, including Story of the Year and Investigative Journalism Award for #Guptileaks (News24 with AmaBhungane and Daily Maverick); the Photographer of the Year Award at the Vodacom Journalist of the Year Award; nine Forum of Community Journalists Excellence Awards; eight IAB Bookmark Awards, including a coveted Black Pixel for Best Digital Publisher for 24.com for the third year running; and Best Media Owner at the MOST Awards (Media24 Lifestyle).

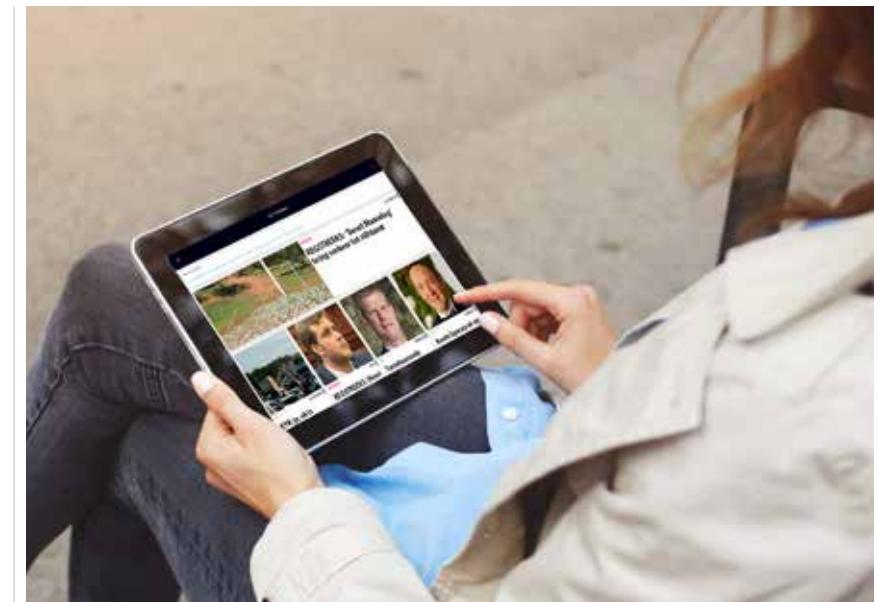


### Helping communities

Media24 has a proud tradition of enriching lives beyond our product offering. Projects range from book donations to schools and learners in historically disadvantaged communities and staff participation in charity and goodwill initiatives and fundraising, to educational bursary funds, literacy drives and journalism training for young people.

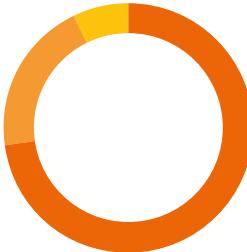
The WeCan24 programme, offering digital journalism training for learners and teachers across South Africa, concluded at the end of this financial year. Media24 will now join forces with the Naspers-funded WeCode24 programme, offering training in coding and life-skills development to learners at under-served schools in the Western Cape.

Between April 2018 and March 2019, Media24 staff volunteered 747 days through the Volunteers24 programme, giving time worth R982 000 to charitable causes.



# Our people

HEADCOUNT BY REGION



**"Our people are central to everything we do at Naspers. The experience we give our customers, the value we deliver to our shareholders, the success of the business – it all rides on the quality and commitment of our people. So, we work hard to recruit, develop and retain the best people throughout the group."**

**Aileen O'Toole**  
Chief people officer, Naspers

**Talent is a competitive advantage**  
The quality of talent is a key competitive advantage in our industry and we need creative minds to explore new frontiers. Across the group, day in day out, our people do all kinds of brilliant things to keep us moving forward by providing great customer experiences around the world. We are an innovative entrepreneurial business at heart and that spirit comes to life through our people.

Without the driven entrepreneurs with whom we partner, the digital leaders who drive us forward and the skills our people bring to the group in highly specialised areas such as technology development, product design, ML, digital marketing and many other disciplines, we would not be able to compete as effectively as we do. We operate in a highly competitive, global market for this type of talent, and we compete against other world-class companies for great people. We strive to create an inclusive environment that is attractive to many kinds of people.

HEADCOUNT BY SEGMENT FOR EMPLOYEES



**"Our people are central to everything we do at Naspers. The experience we give our customers, the value we deliver to our shareholders, the success of the business – it all rides on the quality and commitment of our people. So, we work hard to recruit, develop and retain the best people throughout the group."**

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## MyAcademy – making learning accessible for all

Our group learning hub, MyAcademy, offers online and offline learning experiences to all our people. We have curated the very best learning experiences from providers around the world, including our own education partners (Udemy, Codecademy and Brainly) as well as other leading global providers such as Big Think, Harvard Business School, Ready, Vado and Rosetta Stone, and our own, home-grown content. It offers content for developers and engineers (including the opportunity to upskill and gain accredited qualifications, earning 'nano-degrees' in important areas like data science and ML), leadership and management skills, personal development skills and cross-cultural training to name but a few.

**MyAcademy online:**

- 25 730 users
- 6 900 unique active users per month
- 183 133 hours of learning consumed over the past 12 months
- Average of 7 hours and 5 minutes per learner over the past 12 months.

Popular courses include: Complete Python Bootcamp: Go from zero to hero in Python3; Security Awareness Training; Machine Learning A-Z: Hands-on Python & R In Data Science; and Brilliant Customer Service: How to Impress your Customers!

Through MyAcademy, our people can tap into online learning.



## OUR EMPLOYEE VALUE PROPOSITION

To compete for and win the very best global talent, we need a compelling value proposition for our people. Our people seek meaningful jobs with line of sight to business outcomes and the opportunity to learn and grow professionally, in a purpose-driven environment that they enjoy; where they are recognised for a job well done and are paid fairly in line with personal and company performance.



## MYACADEMY

# 6 900

unique active users per month

# 7

Average of 7 hours and 5 minutes per learner over the past 12 months

## Our people continued

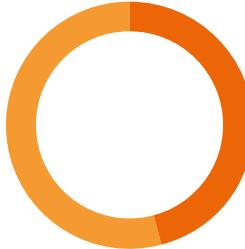
PERMANENT EMPLOYEES<sup>(1)</sup>

# 20 196

The group employs 20 196 (2018: 17 823) permanent employees in some 80 countries and markets.

FEMALE VS MALE EMPLOYEE<sup>(1)</sup>

HEADCOUNT



%

Female	46
Male	54

Note

<sup>(1)</sup> All numbers have been adjusted to exclude the Video Entertainment segment which has been presented as a discontinued operation.

### CALLING ALL INNOVATIVE ENTREPRENEURS

What kind of person thrives and makes a difference at Naspers? Entrepreneurial innovators – people who share the spirit of the great founders and businesses we operate and invest in. People – people who, like us, are very focused on doing the right thing. Can-do people who like to perform. These are the people we love to meet and recruit, and the ones who are recognised and rewarded at Naspers.

#### Culture

We are a diverse group of global companies, but some things are consistent for our people regardless of where in the world we operate:

- **We empower.** We back local teams and learn from each other. We encourage diversity in our teams and in our thinking. Our people are empowered to be responsible and make decisions because we trust them to do a great job. We believe in them and we want them to share their talent and expertise across the group. Each year we organise internal networking and learning events to bring together teams and communities of expertise, often from across the group, to share ideas and learn from internal and external experts.
- **We perform.** We push for performance in everything we do, and we link achievements and rewards. We agree on clear and ambitious goals, have continuous conversations about achieving even more and reward our people for what they deliver and how they deliver it. We encourage innovation from all our people. To attract and retain the skills on which our sustainability depends, and to reward superior performance, most of our group companies grant share options/share appreciation rights to their employees under a number of long-term incentive plans.
- **We matter.** We matter to the communities we serve and, wherever we operate, we hold ourselves to high standards. Our code of business ethics and conduct defines our commitment to conducting business fairly, ethically and with integrity. This code and related policies are communicated to group employees and are available on [www.naspers.com](http://www.naspers.com).

Many of our companies invest in corporate social responsibility programmes and we encourage our people to support these by investing their time. Wherever we operate we employ local people and we create supportive, flexible and pleasant environments to help them perform at their best while developing their skills. We focus on the ongoing development of our managers, as creating an environment where our people feel cared for, heard and supported in their ambitions, is ultimately in their hands. Together we are all responsible for the positive impact we have on our stakeholders.

#### Learning

Developing our talent is a critical enabler of present and future success, as well as playing a role in the motivation and retention of our people. Most of our businesses around the world have a learning and development agenda focused on their own specific needs. This is influenced by factors such as what the business is aiming to achieve, the maturity level of the business, the opportunities and challenges it is tackling, its competitive landscape, and the demographic nuances of the region or countries where it operates. At group level we base our people-development focus on three key areas:

- Reinforcing the leadership pipeline and accelerating the growth of top talent.
- Driving a performance culture.
- Supporting the ongoing development and growth of our businesses by equipping our people with core consumer internet and digital media skills such as new programming languages, cybersecurity, machine learning/data science, commercial/sales and business skills (eg, finance).



#### A GREAT PLACE TO LEARN AND DEVELOP

Through MyAcademy, we give everyone across Naspers a great shared place to learn and develop as much as they like in their own time and at their own pace. This year 25 730 people boosted their skills, knowledge and know-how on the platform.

#### Engagement

We believe happy and engaged employees create fantastic customer experiences and in a competitive global talent market, it is important that we provide our people with a compelling place to work. We measure employee engagement across the group and we ask our people to comment anonymously on their experience of working at our various group companies. We have seen engagement levels broadly in line with external benchmarks and our operating teams are working on addressing issues raised and sharing best practice with one another.

#### HELPING FEMALE DELIVERY DRIVERS STAY SAFE

Our Indian food-delivery business uses technology to manage schedules for female drivers to help ensure they can go about their work safely.



## Our people continued

NASPERS: BROAD-BASED BLACK ECONOMIC EMPOWERMENT (BBBEE) GENERIC SCORECARD <sup>(i)</sup>				
Element	Target score	Bonus points available	Bonus points achieved	Actual score achieved 2019
<b>Equity ownership</b>	25			20
<b>Management control</b>	9			2.17
<b>Employment equity</b>	10			4.24
<b>Skills development</b>	20	5	1.89	15.98 (includes the 1.89 bonus points)
<b>Preferential procurement</b>	25	2	2	17.89 (includes the 2 bonus points)
<b>Enterprise and supplier development</b>	15	2	2	17 (includes the 2 bonus points)
<b>Socio-economic development</b>	5			5
<b>Total score</b>	109			82.28 (includes the bonus points)
<b>Performance (%)</b>				75.48%
<b>BBBEE-rating</b>				Level 4
<b>Priority elements achieved</b>				Y

**Note**

<sup>(i)</sup> BBBEE is a form of economic empowerment legislated in South Africa.

### Transformation and diversity

Naspers respects the dignity and human rights of individuals and communities wherever it operates.

We aim to make a positive and enduring contribution to the social and economic development of South Africa, and recognise the role we can play by leveraging our resources and the goodwill of our employees. Naspers has maintained a level 4 BBBEE status and remains committed to managing our transformation efforts in South Africa.

More broadly, we are committed to creating inclusive workplaces that welcome a diverse group of people, regardless of gender, gender identity, gender expression, transgender status, sexual orientation, class, race, religion, creed, colour, marital or family status, age, nationality, political association or disability.

Our companies are working on the diversity and inclusion topics that are most relevant for their particular context, and across the group we are paying particular attention to gender equality which is an issue that manifests itself across the consumer tech industry. Bob van Dijk is a member of the Male Champions of Change global technology group <https://malechampionsofchange.com/globaltech/> and is sponsoring our efforts in this respect.

Independent BBBEE verifications were performed for the above period.

For further details on Media24's BBBEE scorecard, refer to [www.media24.com](http://www.media24.com).

### Helping learners with disabilities to increase their skills

We want everyone to learn and develop their skills as much as possible. This year, for example, we had 33 learners with disabilities graduating from formal learnership programmes – 14 obtained Further Education and Training Certificates (FETCs) in Business Administration Learnership and 19 in Project Management Learnership.

The majority of these learners are now studying for the next qualification: a National Diploma in Customer Management Learnership. All in all we have 36 people studying for this qualification. They are due to graduate in March 2020. The total cost for this 2020 intake, including programme costs and stipends of R5 500 per month for each learner, is R7m.

### Employment equity

For a breakdown of Media24's annual employment equity statistics, refer to the corporate website, [www.media24.com](http://www.media24.com).

### Occupational health and safety

The health, safety and wellness of our people is critical, given that our growth depends on their skills. For Naspers, employee wellness is key to organisational sustainability. Accordingly, we care for our employees through multiple initiatives, understanding that a healthy and resilient workforce is essential to support the changes our business is navigating. Health and safety is one of the standard risks considered and assessed in our risk management framework. Businesses are required to report on any health and safety-related incidents. Any reported matter gets reviewed by the group's governance committee that meets quarterly. In 2019 no reports of serious injuries sustained by employees while on duty were reported.



Helping learners with disabilities to increase their skills.

# Spotlight on machine learning<sup>®</sup>



## Industry, employees

Now we have reached the point at which machine learning (ML) is powerful and mature enough to make a critical difference to value creation. Increasingly, ML is part and parcel of how we grow and succeed in improving people's lives around the world. It is a mission-critical enabler for us.

### A positive cycle

From image-recognition to the ability to interpret text, ML technology has advanced rapidly in recent years. As a data-rich business, we have the fundamental asset – the essential ingredient – to really make the most of this technology's strengths and potential.

Importantly, a natural positive cycle accelerates value creation – the more quality data you can flow into ML, the better your algorithms will be. Better algorithms make better tools which create better services that, in turn, attract and keep more customers, which creates yet more good data to flow back into your ML. It is a quality and quantity game – one where we have a distinct advantage in our markets: strong local businesses generating volumes of great data for ML. So, for example, when we train open-source image-recognition tools on our proprietary data sets for classifieds, we obtain much more accurate models than otherwise possible. These models, in turn, serve to deliver a more personalised buyer experience and a more streamlined seller experience.

### Focusing for greater impact

The key for us is to focus on the greatest value creation. As such, we are firstly ensuring that we design and implement strategies for data – data acquisition, data management and data use as well as sharing inside the organisation.

Secondly, we are focused on acquiring and retaining the right amount of talent in the right places, organised in the right way for our ambitious, amalgamated, high-growth business.

We therefore have a group of data scientists wherever we work around the world, along with a relatively small team at the centre, coordinating the whole, sharing best practice and fostering innovation across the organisation. We implemented this structure during the year and it is working well.

#### THE CENTRAL TEAM HAS THREE KEY TASKS:

- To help all organisations in the portfolio activate the tools and opportunities necessary to get the value of ML realised as fast as possible – to accelerate.
- To scale – ensure we use ML efficiently throughout the entire organisation, to serve customers better and improve our operational performance and efficiency.
- To embed ML as a super-utility across the organisation – a horizontal layer of competence and technology that everyone uses, much as we use electricity today. This naturally leads to a new and exciting era of ML-by-design.

#### **Creating value in many different ways**

We use ML to create value in many different ways across the group. For example, you can use it to increase the trust and safety of interactions between buyers and sellers, or to make a service simpler and more streamlined. All these individual improvements combine to create greater value.



In Classifieds, ML has a big impact on convenience – making the platforms as simple and as convenient as possible to the end user. For example, OLX uses ML to help buyers identify items of interest. By interpreting what the buyer is actually looking for, the algorithms are able to suggest the most relevant items across the OLX catalogue. ML is also improving trust and safety on platforms, or improving the sellers' experience for instance by suggesting the sale price for items.

In Payments and Fintech, ML is supporting advances in fraud detection. We are also able to offer groundbreaking new credit services to underbanked people in India, for example, who have simply not had access to such services.

Our ML tools make it possible for us to offer micro-credit to these customers, which really makes a difference in their lives.

In Food Delivery, we are using ML to increase and enhance automation, improve demand and supply prediction, optimise and personalise search, and ensure faster, more reliable deliveries – all of which makes for happier restaurants and customers and, in turn, fuels the extensive growth of our food-delivery businesses.

#### **Looking ahead**

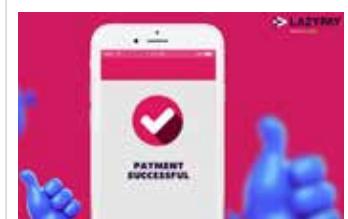
We are working on deepening and extending the understanding and use of ML across the group so we can move faster and incorporate more

advanced tasks. Training is critical – from education and coaching for senior leaders to enabling a large portion of the entire workforce, not just our engineers, to understand the technology: at any point in time, several hundred associates are participating in ML education programmes across Naspers. Our aim is to capitalise on ML across the group to accelerate the way in which we create value by improving people's lives. ML is an exceptional tool in our business and we are determined to make the most of it.

**"Data is part of the assets and the nature of the work that we do. That's always been the case. What's changed is that machine learning tools and capabilities have become material, reliable and proven. So when we combine these two – the data and the tech – we have a new avenue for creating value. Now that we have this opportunity, we are going to make the most of it throughout Naspers. It's the right time and we have the right ingredients to leverage machine learning for value."**

#### Euro Beinat

Global head for data science and artificial intelligence: Naspers

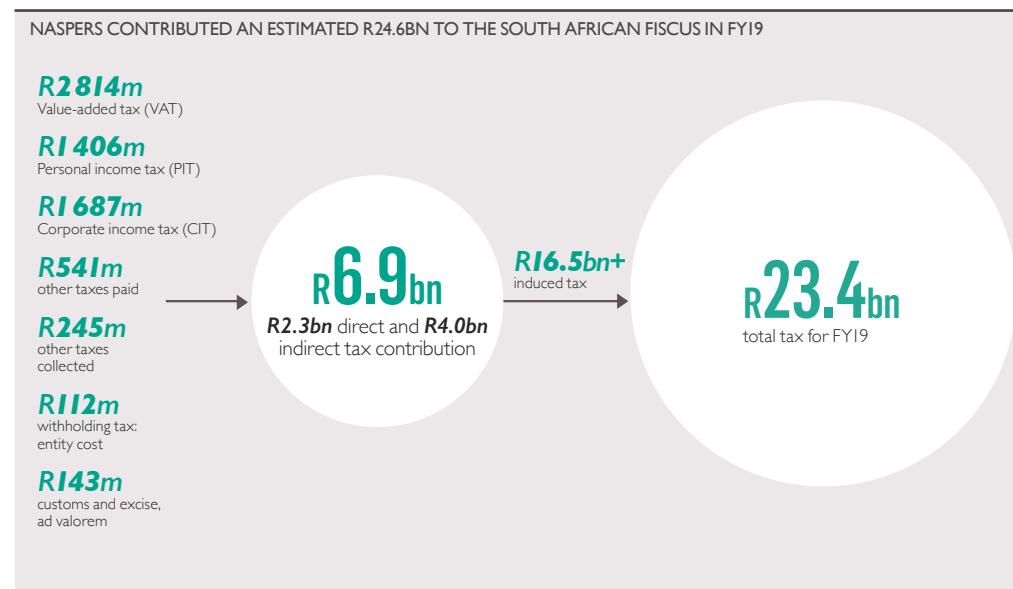


#### **A GREAT NEW WAY TO PAY**

With several hundred million transactions a year on its platforms, PayU has a wealth of data to combine with ML for valuable insights and to create attractive new products for customers. LazyPay is a good example. This innovative PayU product gives people in India an easy, one-click checkout option for transactions up to US\$300 without needing a credit card.

# Tax

Naspers aims to contribute positively to the communities within which it operates. As a global company, we recognise that the tax we pay is an important element of our broader economic and social contribution to the countries where we operate.



Naspers businesses pay taxes where they operate. At Naspers there is zero tolerance for non-compliance with tax laws in all jurisdictions in which our businesses find themselves. In managing our tax affairs we take into account the interests of all our stakeholders, including governments and our shareholders. Our tax principles are laid down in the Naspers group tax policy which is available on our website.

The digitalisation of the economy is raising various tax challenges that need to be addressed. Naspers regards it as important that consensus is reached on a global basis for the solutions to these challenges.

Tax profiles of companies can be skewed as a consequence of magnitude and footprint.

At Naspers we like to keep it simple: businesses should pay tax locally, ie where their operations are and where their clients and users are.

Paying taxes in the countries where one operates is an important contribution to local societies and economies.

We are of the view that local taxes should be equally applicable to all companies irrespective of whether companies have a global, regional or local footprint. The playing field should be level.

#### Taxes paid and collected in SA

The Naspers group is a large contributor to the South African fiscus. In the 2019 financial year, the Naspers group paid and collected R6.9bn (US\$479m) in taxes in South Africa.

This accounts for 41% of taxes paid and collected by the group globally. In the past financial year, in South Africa, the Naspers group paid and collected R1 687m (US\$116m) in corporate income tax, R2 814m (US\$194m) in VAT, R1 406m (US\$96m) in employee taxes and R1 042m (US\$72m) in other taxes.

An economic impact assessment (EIA) model is used to capture Naspers's economic contributions.

The EIA model measures how Naspers affects different industry clusters and sectors in the South African economy. Naspers's interdependencies within different sectors of the economy, both upstream and downstream, are identified.

The size of the additional economic activity generated by Naspers's interdependencies are calculated using the multiplier effect.

The different rounds of the multiplier effect, from the initial spending in the sector, through to employees spending their salaries on goods and services (and its resultant effects), indicate the induced tax contributions made to the economy. The induced tax for 2019 is R16.5bn, and together with the direct and indirect taxes, this adds up to a total tax contribution of R23.4bn.

During the 2019 financial year, MultiChoice Group (MCG) paid and collected US\$569m globally. 86% of this was generated on the African continent, and US\$374m in South Africa alone.

The 2019 figures include only 11 months of the MCG operations, up to the unbundling date of MCG on 4 March 2019.

It is difficult to compare the 11 months' figures for the 2019 reporting period for MCG with last year's figures as a result of statutory payment terms, resulting in back-loading of taxes like corporate income tax in the last month of the financial year (which falls outside the 11-month period in which MCG was part of Naspers). Exchange rate differences result in a further significant (22%) dilution of the total taxes paid and collected in the 2019 financial year compared to those in the previous year.

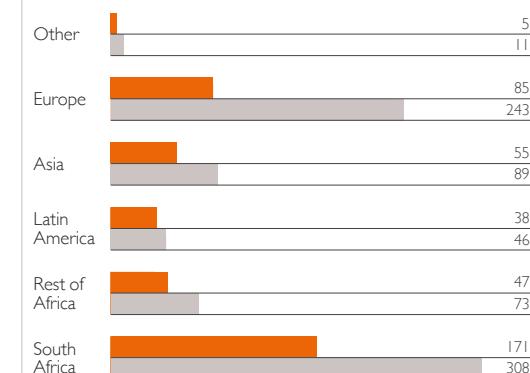
#### GLOBAL TAXES

**US\$1 170m**

in taxes paid and collected by the Naspers group in FY19 globally

#### TAX PAID AND COLLECTED PER GEOGRAPHICAL AREA (US\$m)

- Amounts paid to tax authorities
- Amounts collected on behalf of tax authorities



## Tax continued

### Taxes paid and collected globally

The tax payments and collections on behalf of revenue authorities show an increase in 2019 across all tax types, except for corporate income tax, compared to 2018.

This increase in taxes paid and collected is a reflection of the trend that our businesses across the globe are reaching maturity and profitability. The slight drop in corporate income taxes paid is a result of the fact that the second provisional payments for MCG's corporate income tax payments in South Africa are not included in these figures as the payment deadline was 31 March 2019, which falls after the date of MCG's unbundling.

If the taxes paid and collected by MCG are eliminated, the global tax contributions for the Naspers group adds up to US\$602m. Excluding MCG, 45% of the total tax paid and collected by the Naspers group is paid and collected in Europe, 23% in Asia, 18% in South Africa, 14% in Latin America and 1% elsewhere.

Latin America shows a slight growth of 1% in 2019 compared to 2018, while the tax paid and collected in Europe and Asia shows growth of 7% and 6% respectively. This is driven by the improved profitability of the businesses in those markets.

We are seeing an increased number of businesses reach scale and profitability, with profitable businesses now contributing 50% of ecommerce revenues.

### Effective tax rate

Naspers continues to show a meaningful normalised effective tax rate of 29.0% for the 2019 financial year. The group accounts for its share of the results of its equity-accounted investments net of the taxation recognised by those investments. In order to provide a more comparable effective tax rate, the tax recognised as part of the group's share of the results from equity-accounted investments is included, for purposes of the calculation of the normalised effective tax rate, in the total tax recognised by the group.

Furthermore, exceptional items like tax-free capital gains on the sale of subsidiaries are excluded from the profit before tax to arrive at the normalised effective tax rate of 29.0%.

### Sustainable tax

At Naspers we believe in the power of local backed by global scale and we look for opportunities to address significant societal needs in markets where we see growth potential. With this strategy we aim to create long-term value by improving lives. We are proud to make a positive difference around the world. We create value in a number of ways, for example through the companies we back and the people we employ. We also recognise that the taxes we pay contribute to long-term value creation, helping to build stronger economies in the countries in which we invest, work and live. By adhering to our tax principles and paying taxes where we operate, Naspers supports local governments in generating resources, therefore our taxes form an important element of our broader economic and social contribution to the countries where we operate.

In this way Naspers, through its tax contributions, is able to contribute to the funding of national social objectives. As an illustrative example, Naspers's total 2019 tax contribution to South Africa's National Treasury is able to feed 77 146 children, finance 1 794 hospital beds and 481 doctors, 6 549 educators, 5 014 low-cost houses and 6 327 police officers.

### Tax transparency

We believe that responsible and tax-transparent behaviour are key to building social trust and addressing the expectations of the public and policymakers alike. On the topic of tax and corporate social responsibility, CSR Europe<sup>(1)</sup> recently published a blueprint for responsible and transparent tax behaviour. Naspers is one of the participating companies and shared its experience in the area of interaction with tax authorities, which is included in the blueprint as a best practice company case.

### ILLUSTRATIVE EXAMPLE

Illustrative example of social benefits if National Treasury allocates Naspers's total tax contribution of R24.6bn based on the FY19 budget allocation.

<b>EDUCATORS</b>	<b>LOW-COST HOUSES</b>
<b>6 549</b>	<b>5 014</b>
<b>HOSPITAL BEDS</b>	<b>DOCTORS</b>
<b>1 794</b>	<b>481</b>
<b>CHILDREN FED</b>	<b>POLICE OFFICERS</b>
<b>77 146</b>	<b>6 327</b>

In order to get a holistic view of Naspers's contribution to the South African economy and how this supports local government, we conducted a two-step approach.

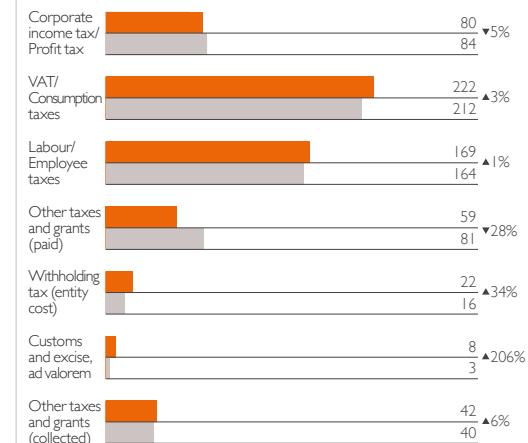
1. Firstly, we calculated our total tax contribution, including direct taxes, indirect taxes and induced taxes (using the Economic Impact Assessment model).
2. Thereafter we estimated Naspers's social impact. The basis for this analysis is the government spending portions as per National Treasury's budget. Naspers's total tax contribution is divided in the same ratios as per government spending.

### Note

<sup>(1)</sup> <https://www.csreurope.org>.

### TAX PAID AND COLLECTED GLOBALLY (EXCLUDING MCG) PER TAX TYPE (US\$m)

● FY19  
● FY18<sup>(1)</sup>

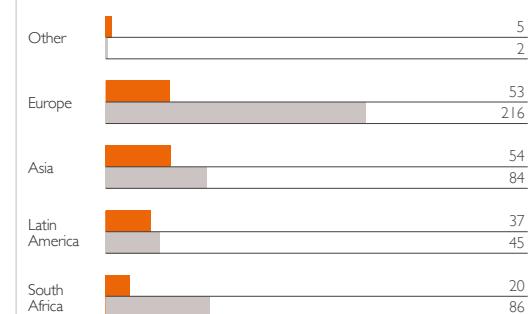


### Note

<sup>(1)</sup> FY18 tax paid and collected disclosure is updated as the amount of dividend tax (some US\$18.5m) was not available in consolidated format at the time of printing in the prior year.

### TAX PAID AND COLLECTED (EXCLUDING MCG) GLOBALLY PER GEOGRAPHY (US\$m)

● Amounts paid to tax authorities  
● Amounts collected on behalf of tax authorities



# Financial review

*The past year was transformational for the Naspers group as we initiated and executed a number of significant strategic initiatives. We invested to strengthen our ecommerce segments and broadened our ambitions in food delivery. All key segments made good progress against financial and strategic objectives.*

FINANCIAL SUMMARY		
	2019 US\$m	2018 US\$m
Revenue <sup>(i)</sup>	18 990	16 352
Trading profit <sup>(i)</sup>	3 304	2 994
Dividend per N ordinary share (SA cents) (2019 reflects dividend proposed)	715	650

**Note**  
<sup>(i)</sup> Reported on an economic-interest basis, excluding discontinued operations.

The contribution to group earnings by equity-accounted investments was up 4%. This includes investment disposal gains of US\$126m, impairment losses of US\$799m and fair-value adjustments on financial instruments of US\$1.5bn that were recognised by these companies.

A gain of US\$1.6bn was recorded after disposing of our 12% interest in Flipkart in August 2018 for US\$2.2bn, yielding an internal annual rate of return of 29%.

Following distribution of MultiChoice Group to shareholders, a gain on distribution of US\$2.5bn was recorded. This has been presented as part of the profit from discontinued operations in the summarised consolidated income statement (refer to page 76).

Impairment losses of US\$123m related primarily to an equity-accounted investment focused on providing consumer lending and financial services in the Payments and Fintech business. We impaired this investment (including convertible debt funding provided) as performance and the opportunity to leverage the investment in some of our core markets fell below our expectations.

Put option liabilities totalled US\$827m at 31 March 2019, compared to US\$2.4bn a year ago, with an aggregate remeasurement income of US\$53m recorded in the income statement on these liabilities over the period. The significant decrease year on year relates primarily to the settlement of put option liabilities related to the Avito and Dubizzle businesses, as well as a portion of the put option liability in the Classifieds business, letgo.

We report a healthy net cash position (including short-term cash investments) of US\$6.3bn at year-end, primarily as a result of proceeds retained from the Flipkart disposal in August 2018 and the trim of our holding in Tencent last year. The higher net cash position resulted in net interest income of US\$82m. The progress made by our core segments, which are growing fast and scaling well, gives us confidence in our ability to continue identifying opportunities that can unlock significant value. The aggregate of free cash inflows generated by ecommerce and internet units that are free cash flow positive, increased from US\$217m in 2016 to US\$673m this year. 

This includes dividends received from Tencent and represents a compounded annual growth rate of 46% on the back of strong profitability gains in these businesses.

To offset the dilutionary impact of share options and restricted stock units granted to our employees, we invested US\$78m to acquire Naspers N ordinary shares on market and will continue to do so in future.

Consolidated free cash flow was US\$184m, a substantial improvement on the prior year. This was driven by the increased profitability of the ecommerce businesses, dividends received from Tencent of US\$342m and positive working capital effects in Video Entertainment. Consolidated free cash outflow from continuing operations (thus excluding Video Entertainment) was US\$120m – a 60% improvement on the prior year when measured on the same basis.

## RATE OF RETURN

# 29%

annual internal rate of return (IRR) following the disposal of our 12% interest in Flipkart

## FREE CASH INFLOWS

# US\$673m

aggregate of free cash inflows generated by ecommerce and internet units that are free cash flow positive

# Risks and opportunities

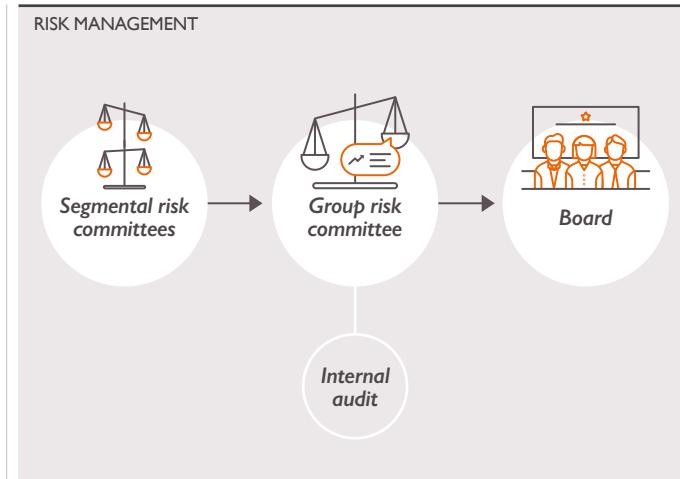
**As entrepreneurs, our effectiveness in identifying and responding to opportunities and risks is key to our success.**

At Naspers we acknowledge the importance of managing risks and opportunities as effectively as possible given our global footprint and diverse business models. As a group, we promote a culture in which robust risk acceptance processes and a systematic way to evaluate opportunities are seen as a driver of competitive advantage. These are integrated into our everyday decisionmaking and good governance practice.

## How we manage and govern risk and consider opportunities

We seek to create value for our stakeholders by operating within the ambit of approval by our managing board and supporting governance committees (refer to governance structures on page 60). We set relevant tolerance levels for each significant risk individually and manage our business within these parameters. We understand that certain risks may have multiple consequences and that a certain consequence may materialise from different types of risk. The same applies to opportunities.

We require our businesses to apply a methodical approach to governance, risk and compliance. The six capitals transformation model is considered useful to analyse risks and opportunities as we aim to continuously reduce our impact and stimulate positive capital transformation.



For management at group and subsidiary level, our policies provide direction, scope and ambit to apply practices and principles to manage risk and opportunity, both operationally and strategically. Key risks are reported to segmental risk committees who in turn will communicate to the board. The risk committee assists the board to ensure that risk is governed in a way that supports the group in setting and achieving its strategic objectives.

Stakeholder relationship management, both internal and external, forms an integral part of our risk management processes. We are aware of the risks associated with outsourced services and third-party applications and continually look at better ways to manage our relationships with suppliers.

Our legal compliance office provides support with the help of in-country legal teams and where required, we consult specialists when contracting with potential suppliers and service providers.

We are cautious around privacy requirements for both internal and external stakeholders as well as our customers.

**Drawing on best practice**  
Our risk management framework, system and processes draw on internationally recognised best business practice and frameworks. We promote the sharing of knowledge and learning from any incidents and good management practice between businesses within the group.

## Responsibility

Management and the board are accountable for the choices and decisions we make, how we execute these and for delivering a commensurate reward – ie value in its broadest definition – within the parameters of the risk profile the board deems acceptable.

As Naspers continues to evolve and invest in companies that operate at different maturity levels, risk tolerance levels are set top-down and management of the business segments is accountable to manage risk within these levels.

The responsibility for managing risk lies with the owner of risk: in most cases operational management, assisted by the finance function and, where considered useful in our businesses, specialised risk management and risk support functions.

Group internal audit and risk support assess the effectiveness of the system of risk management and internal control and may provide assistance and guidance to the business.

At least semi-annually, our external auditor provides assurance over the reliability of the financial information that we publish.

## ANALYSING AND RESPONDING TO DIFFERENT RISKS

Our businesses are expected to apply a defined, structured approach to identifying, assessing, analysing and responding to risk and opportunities within tolerance levels set by the board.

**Identify → Assess → Analyse → Respond**

Our risk analysis focuses on the impact of risk on our objectives without losing sight of any opportunities that may arise.

For risks we are not prepared to accept, we act to reduce our vulnerability.

Depending on the importance of the risk in relation to tolerance levels, active management of the risk takes various forms and varies in extent.

We operate or implement enhanced control and monitoring measures that either prevent or detect the materialisation of a risk at the earliest stage.

We take measures that mitigate any material consequences and, on a portfolio basis, we spread uncorrelated risks.

Where we can, we explore ways to share or transfer risk.

We run adequate insurance programmes to mitigate the risk of sudden losses caused by the materialisation of insurable risk.

Wherever we find a risk outside acceptable levels, we consider ways to avoid the risk altogether; for example by entering into an exit strategy.

Increasing risk

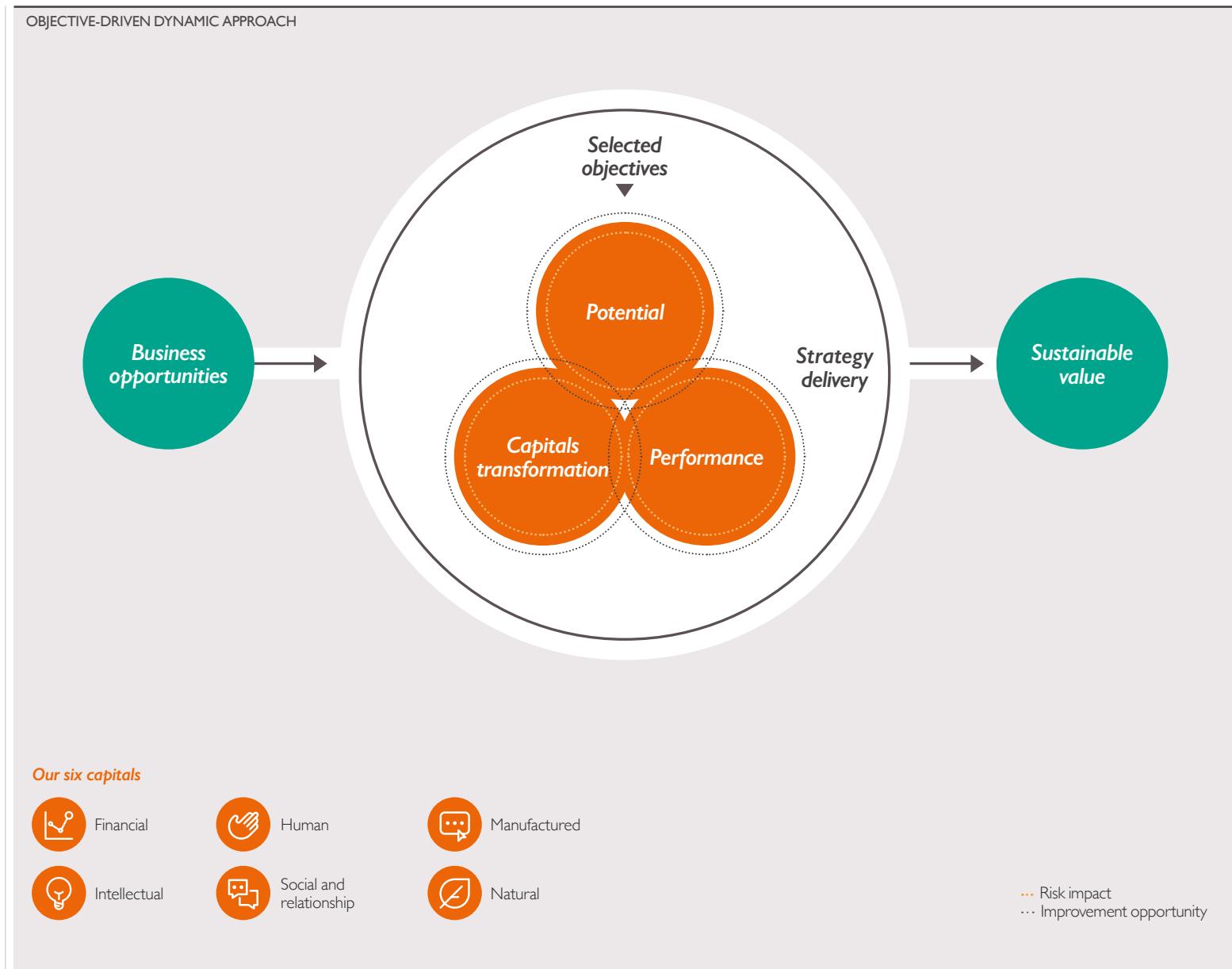
## Risks and opportunities continued

### Our objective-driven dynamic approach

Our programmes are aimed to mitigate risk within levels we deem acceptable and to also stimulate identification of opportunities to either improve our performance or strengthen our potential.

Our overarching aim is to transform our capitals for a net positive impact. This approach gives rise to various risks, specifically over-using any of the six capitals (higher input than intended) or under-producing (lower output than intended). We may also identify opportunities for greater efficiency (lower input than anticipated) or more effective production (higher output than anticipated) in any of the capitals and therefore, exceed against our original objectives. This can translate into wasted resources. Creating sustainable value is a continual process of balancing available resources for optimal benefit to our entire stakeholder base.

For our stakeholders, opportunities and risks matter most where they have the greatest impact on value (in its broadest sense). Therefore, we select opportunities and assess, manage and accept risks primarily on the basis of their potential impact on determined value drivers.



## Risks and opportunities continued

### Key areas of focus in the year



#### **Capital reallocation**

During the year we have executed and/or announced a number of major transactions that we see as transformational. All these implied (and still imply) careful weighing up of significant risk and opportunity and required significant management attention.

Main examples are:

- reinforcing our balance sheet for growth (eg. US\$9.8bn in proceeds following the March 2018 Tencent trim and US\$2.2bn Flipkart divestment, in both cases realising value created)
- unbundling our US\$3.8bn Video Entertainment segment, thereby effectively creating a 100% online group of consumer internet businesses, and
- our announcement to pursue a listing on Euronext Amsterdam, creating Europe's largest consumer internet company.

We have furthermore redeployed significant amounts of capital to accelerate growth of our core businesses, such as:

- Classifieds: enlarging our interest in Avito and investing in letgo (respectively US\$1.16bn and US\$189m)
- a number of acquisitions in Payments and Fintech, and
- our US\$716m investment and further capital injections and commitments in our food business, Swiggy.



Our efforts to continuously optimise our capital allocation also means that we, more often than not, reject opportunities and/or deals that we deem either not sufficiently attractive or outside risk parameters we feel comfortable with.

#### **Platform, technology and architecture optimisation**

For our core businesses, improving platforms and architecture to enhance customer experience and support scalability and security has been a leading theme.



This entails developing and introducing product improvements (including application of ML and AI solutions), integration and consolidation of existing platforms and effect operational improvements by transitioning applications to cloud environments.

#### **Cybersecurity and data privacy**

As in the previous year, our cybersecurity and resilience has remained a major area of focus with a specific eye on data privacy, which has gained importance in the eyes of both our stakeholders and regulators worldwide. We are committed to protect sensitive data and operate our businesses such that we are able to detect and respond promptly to any attempts to breach data or abuse our systems: we understand that being able to do so is to manage a number of related risks. This may have a positive impact on our relationship with customers and other stakeholders.



#### **Talent management**

The talent that we need to execute on our strategic ambitions is scarce and highly sought after. Increasingly, talent shortage is a risk. We are addressing this issue by investing in HR support, enhancing our recruitment and retention strategies and by bettering our learning and development offering for all employees, eg through our MyAcademy learning platform. We also increasingly encourage businesses to consider and address topics of diversity (including gender equality) and inclusion.

#### **Future focus areas**

For the near future we do not foresee the key focus areas becoming less relevant. In addition, we expect that the following topics will demand growing attention:

##### **Data-driven technologies**

Our businesses are placing greater emphasis on opportunities to enhance our services and customer experience through the development and deployment of data-driven technologies such as ML.

We need to understand and effectively manage the emerging risks that present themselves as a result. Such risks may relate to privacy and compliance in connection with the use of data, and also the control over and consequences of automated decisionmaking.

##### **Sustainability**

Through our policies and governance structures we put our commitment to ethical and sustainable entrepreneurship into practice. We also realise that the communities we serve and our various stakeholders take a growing interest in the sustainability of our operations and the impact of our corporate citizenship. We value our reputation and are fully aware of the importance of our social and relationship capital.

We understand that reputational risks relating to our commitment predominantly come from a misalignment of our values or a deviation from our desired business culture, which, in a group as diverse and geographically spread as ours, naturally is a challenge to eliminate.

Throughout our group we will continue to emphasise the importance of ethical and responsible behaviour and undertake various initiatives to ensure awareness of, and adherence to, our code of business ethics and conduct, while promoting a culture of integrated thinking in everything we do.



**We're backing the next generation of talent and tech entrepreneurs in South Africa through Naspers Labs and Naspers Foundry ...**

*It's at the heart of how we create value by improving people's lives*

► Read more on pages 20 and 21

# Governance

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# Our board



**Bob van Dijk**  
Chief executive

Bob was appointed chief executive of Naspers in April 2014. He joined the group as Allegro's group chief executive officer in August 2013 and was promoted to chief executive officer of global transactions ecommerce in October 2013. He has 15 years of general management experience in online growth businesses globally, spanning the online marketplaces, online classifieds and etail segments. Prior to his general management career, Bob was a founder of an online financial derivatives marketplace. He started his career at McKinsey, focusing on mergers and acquisitions, and media. Bob has an MBA Hons from Insead and an MSc (cum laude) in econometrics from Erasmus University, Rotterdam.



**Koos Bekker**  
Chair

Koos led the founding team of the M-Net/MultiChoice (MIH) pay-television business in 1985. He was also a founder of MTN Group Limited, a major telecommunications group in Africa. Koos headed the MIH group in its international and internet expansion until 1997, when he became chief executive of Naspers. He retired from this role in March 2014 and, in April 2015, became non-executive chair of the Naspers board. He holds a BA Hons and an honorary doctorate in commerce from Stellenbosch University, an LLB from the University of the Witwatersrand and an MBA degree from Columbia University, New York.



**Basil Sgourdos**  
CFO

Basil was appointed financial director of Naspers in July 2014. As a qualified chartered accountant (SA), he worked at PricewaterhouseCoopers Inc. from 1989 to 1994. He then joined Naspers, initially as finance manager of the South African operations division in MultiChoice and then as chief financial officer of our investment in the Thai-listed United Broadcasting Corporation Plc, where he remained for 10 years. He then spent two years in Amsterdam as general manager of pay-television business development globally before being appointed group chief financial officer of MIH in 2009. He held this position until he became group chief financial officer of the Naspers group. He is a qualified South African chartered accountant with a BCom from the University of the Witwatersrand and a BAccHons from the University of South Africa.



**Don Eriksson**

Don is the chair of Oakleaf Insurance Company Limited, Renasa Insurance Company, NMS Insurance Services and a director of MultiChoice Group Limited. He served on the council of the Institute of Directors of Southern Africa (IoDSA) for a number of years and is an honorary life member, and as a trustee to the Discovery Health Medical Aid. He was a partner at Coopers & Lybrand (now PricewaterhouseCoopers Inc.) and an executive director of the Commercial Union group (CGU Insurance Company (SA) Limited, Commercial Union Life Insurance Company Limited and Sentrasure Limited). He is a qualified South African chartered accountant with a certificate in the Theory of Accountancy from the University of the Witwatersrand.



**Craig Enenstein**

Craig is chief executive officer of Corridor Capital LLC, an operationally intensive private equity firm focused on the lower-middle market. Corridor Capital is based in Los Angeles and was founded by Craig in 2005. He holds an MBA in finance from Wharton School of Business, an MA in international studies from the Lauder Institute, University of Pennsylvania and a BA from the University of California, Berkeley.



**Rachel Jafta**

Rachel is a professor of economics at Stellenbosch University. She joined Naspers as a director in 2003 and was appointed a director of Media24 in 2007. She is a member of the South African Economic Society, a director of Econex, chair of the Cape Town Carnival Trust, member of the management committee of the Bureau for Economic Research at Stellenbosch University and a member of the international advisory board of Fundação Dom Cabral Business School, Brazil. She was appointed chair of the Media24 board in April 2013. She is also a director of Nasbel. She holds an MEdcon and PhD from Stellenbosch University.



**Nolo Letele**

Nolo joined M-Net in 1990 and pioneered MultiChoice's expansion outside 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 chief executive of MultiChoice South Africa Holdings Proprietary Limited, and later served as the MultiChoice group chief executive officer until 2010, when he was appointed executive chair of the MultiChoice South Africa Holdings board. Nolo has won several awards for his contributions to the media industry over the years. He holds an honours degree in electronic engineering (UK).

<b>E</b> Executive committee
<b>A</b> Audit committee
<b>R</b> Risk committee
<b>H</b> Human resources and remuneration committee
<b>N</b> Nomination committee
<b>S</b> Social and ethics committee

● Executive
● Non-executive
● Independent non-executive

## Our board

*continued*

A  
R



**Ben van der Ross**

Ben was chair of Strategic Real Estate Management Proprietary Limited, the managers of the Emira Property Fund. He served on the boards of Distell Limited, FirstRand Limited, Lewis Group Limited, Pick n Pay Holdings Limited and MMI Holdings Limited. He is also a director of Nasbel. He is an attorney of the High Court of South Africa and holds a DipLaw from the University of Cape Town.

H  
N



**Fred Phaswana**  
*Lead independent director*

Fred joined Naspers as a director in 2003. He is joint chair of the Mondi Group and former chair of The Standard Bank Group and Standard Bank of South Africa Limited. He holds a BA (philosophy, politics and economics) and an MA from the University of South Africa, and a BCom-Hons from the University of Johannesburg.

N



**Hendrik du Toit**

Hendrik is chief executive officer of Investec Asset Management and a director of Investec plc and Investec Limited. He is a commissioner of the Global Commission on Business and Sustainable Development. He holds an MPhil in economics and politics of development from Cambridge University, as well as an MCom in economics (*cum laude*) from Stellenbosch University. Hendrik is currently a member of the Global Business and Sustainable Development Commission.

S



**Cobus Stofberg**

Cobus was a founding member of the M-Net/MultiChoice pay-television business in 1985. He was chief executive officer of the MIH group from 1997 to 2011 and was instrumental in its expansion. Prior to M-Net, he was a partner at Coopers & Lybrand (predecessor of PricewaterhouseCoopers Inc.). He holds a BComLaw and LLB from Stellenbosch University, BComptHons from the University of South Africa and qualified as a chartered accountant (SA).



**Mark Sorour**

Mark joined the Naspers group in 1994, heading up business development and corporate finance globally. Following assignments in Hong Kong and Amsterdam, he returned to Cape Town in 2002 as group chief investment officer responsible for all global investment activities. In March 2018, he retired after more than 20 years with the Naspers group but remained on the board as a non-executive director. He is a qualified South African chartered accountant and holds a BCom and DipAcc from the University of KwaZulu-Natal.

H  
N



**Roberto Oliveira de Lima**

Roberto developed his career in companies like Accor S.A., Rhône Poulenc S.A. (now part of Sanofi S.A.) and Compagnie de Saint-Gobain S.A. in the information technology and finance areas. He graduated in public administration and has a postgraduate degree in business management from Fundação Getúlio Vargas in Brazil. He also holds a specialisation in finance and strategic planning from Institut Supérieur des Affaires in France. He was chair and chief executive officer of Credicard Group, chief executive officer of Vivo S.A., the largest mobile telecommunications company in Brazil, chair of Publicis Brazil and president of Natura S.A. He has been a board member of Edenred S.A. in France, Pão de Açúcar S.A. (Casino) and Natura in Brazil since 2011. He is a member of the board of Petrobras Distribuidora S.A., RNI Negócios Imobiliários S.A. and Telefônica Brasil S.A. He holds a BA and MA in business management from Fundação Getúlio Vargas in Brazil and an MA from Institut Supérieur des Affaires at Jouy en Josas, France.

S



**Debra Meyer**

Debra is professor of biochemistry and executive dean of the faculty of science at the University of Johannesburg. She has completed modules in media strategy and academic leadership at Harvard and GIBS (University of Pretoria) and regularly contributes to several newspapers and magazines. Debra serves as trustee or board member of several organisations. She is also a director of Nasbel. She holds a BSc in biological sciences, a BSc-Hons and MSc in biochemistry from the University of Johannesburg and a PhD in biochemistry and molecular biology from the University of California, Davis (which she attended as a Fulbright scholar).

R  
H



**Emilie Choi**

Emilie leads corporate and business development, business operations and analytics, and ventures businesses for CB Payments Limited and Coinbase UK Limited. Prior to Coinbase, she ran corporate development for LinkedIn and led all its investment activities, including Bizo, Newsie, Bright Pulse, CardMunch, Connected Rapportive, Donnector, IndexTank, Lynda and SlideShare, as well as leading the LinkedIn joint venture in China. Before that, she worked in corporate development and strategy roles at Warner Bros Entertainment as well as Yahoo Inc, where she worked on Yahoo's acquisition of Flickr Inc and its investment in Alibaba. Emilie holds an MBA from Wharton School at the University of Pennsylvania and a BA in economics from Johns Hopkins University. She joined the Naspers board as a director in 2017.

E  
R



**Steve Pacak**

Steve began his career with Naspers at M-Net in 1988 and has held various executive positions in the Naspers group. He is a director of MultiChoice Group, MultiChoice South Africa Holdings, and companies in the wider Naspers group. He was appointed an executive director of Naspers in 1998 and a non-executive director in January 2015. He retired as Naspers's financial director in June 2014, but remained on the board as an alternate non-executive director. Steve is a qualified South African chartered accountant and holds a BAcc from the University of the Witwatersrand.

**E** Executive committee

**A** Audit committee

**R** Risk committee

**H** Human resources and remuneration committee

**N** Nomination committee

**S** Social and ethics committee

● Executive

● Non-executive

● Independent non-executive

# Governance at a glance

## Focus areas this year

### Strategy (see page 30 for more details)

Review the group's strategy, five-year plan and budget.

Continue to address the discount and unlock value through the MultiChoice Group unbundling and Euronext listing.

Focus on future investment and value creation in the portfolio.

### Financial

### (see page 51 for more details)

Review the group's performance and results.

### Governance and sustainability (see page 55 for more details)

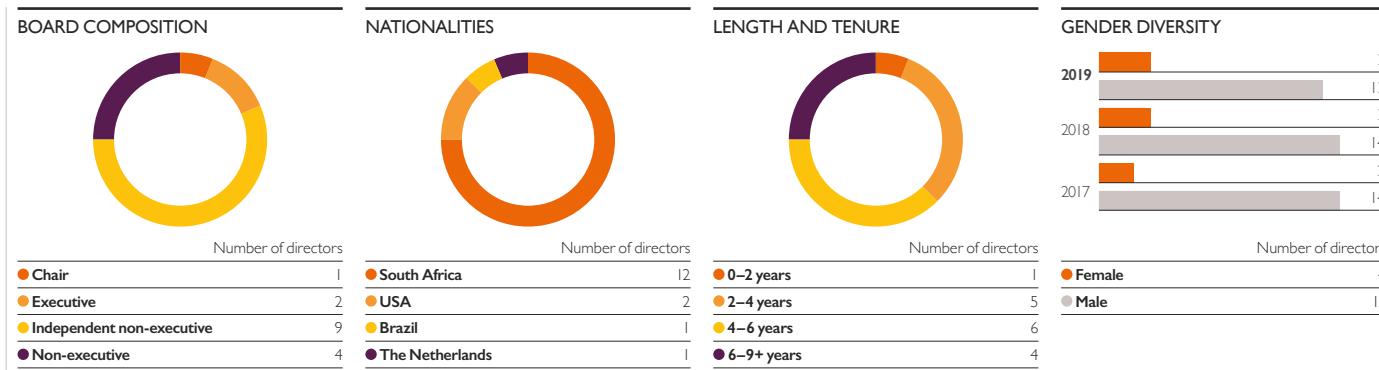
Continued application of King IV practices.

Started the journey to determine which of the United Nations' Sustainable Development Goals (SDGs) are best aligned to our impact areas.

Embed data privacy and cybersecurity throughout the group.

### People and learning (see page 45 for more details)

Recognise the importance of machine learning and embed learning throughout the group, including board level.



	Date first appointed in current position	Date last appointed	Seven board meetings held during the year: Attendance:	Category
J P Bekker <sup>(1)</sup>	17 April 2015	25 August 2017	7	Non-executive
E M Choi	21 April 2017	25 August 2017	7	Independent non-executive
H J du Toit	1 April 2016	24 August 2018	5	Independent non-executive
C L Enenstein	16 October 2013	24 August 2018	7	Independent non-executive
D G Eriksson	16 October 2013	24 August 2018	7	Independent non-executive
R C C Jafta	23 October 2003	25 August 2017	7	Independent non-executive
F L N Letele <sup>(2)</sup>	22 November 2013	26 August 2016	7	Non-executive
G Liu <sup>(3)</sup>	1 April 2016	24 August 2018	7	Independent non-executive
D Meyer	25 November 2009	26 August 2016	7	Independent non-executive
R Oliveira de Lima	16 October 2013	24 August 2018	6	Independent non-executive
S J Z Pacak <sup>(1)</sup>	15 January 2015	25 August 2017	7	Non-executive
T M F Phaswana <sup>(1)</sup>	23 October 2003	25 August 2017	7	Independent non-executive
M R Sorour <sup>(4)</sup>	15 January 2015	24 August 2018	7	Non-executive
V Sgourdos <sup>(1)</sup>	1 July 2014	29 August 2014	7	Executive
J D T Stofberg	16 October 2013	26 August 2016	6	Non-executive
B van Dijk <sup>(1)</sup>	1 April 2014	29 August 2014	7	Executive
B J van der Ross	12 February 1999	25 August 2017	7	Independent non-executive

- Notes**
- <sup>(1)</sup> Members of executive committee.
  - <sup>(2)</sup> Reclassified as non-executive director on 27 February 2019.
  - <sup>(3)</sup> Resigned as director on 25 February 2019.
  - <sup>(4)</sup> Appointed as non-executive director on 1 April 2018.

# Governance for a sustainable business

**"I am pleased to present this year's governance report. We are committed to ensuring high standards of corporate governance are maintained around the group."**

Koos Bekker  
Chair: Naspers

The board of directors conducts the group's business with integrity by applying appropriate corporate governance policies and practices. Our aim is to keep abreast of regulatory developments, further enhance our governance standards, monitor and ensure compliance with relevant laws and regulations, and cultivate a thriving organisational ethical culture in the different geographies in which we operate. We also aim to maintain a high standard of reporting and disclosure, keeping in mind the best interests of our stakeholders and disclosing what is relevant and important to the sustainability of the group.

## Introduction

Naspers has a primary listing on the JSE Limited (JSE) and a secondary listing on the A2X exchange in South Africa. It is therefore subject to the JSE Listings Requirements, guidelines in the King IV Report on Corporate Governance<sup>(M)(1)</sup> for South Africa, 2016 (King IV), as well as legislation for publicly listed companies in South Africa. Naspers has a secondary listing of its American Depository Receipts (ADRs) on the London Stock Exchange (LSE). In addition, a subsidiary, Prosus N.V. (Prosus) (formerly Myriad International Holdings N.V.), has bonds guaranteed by Naspers and is listed on the Irish Stock Exchange.

The audit and risk committees of the board monitor compliance with the JSE and applicable LSE listings requirements and the Irish Stock Exchange requirements applicable in relation to the Prosus bonds listed on that exchange.

The board's executive, audit, risk, human resources and remuneration, nomination, and social and ethics committees fulfil key roles in ensuring good corporate governance.

The group uses independent external advisers to monitor regulatory developments, locally and internationally, to enable management

to make recommendations to the Naspers board on matters of corporate governance.

## How we integrate governance into our business

Naspers recognises the value of an integrated approach to assurance and compliance. The adopted governance, risk and compliance framework is the basis for how Naspers manages governance.

The governance framework illustrates how we achieve a sustainable business integrated with governance, assurance, risk management and compliance, in line with legislated requirements and King IV recommendations, and reported through the relevant structures.

## Naspers group governance framework

The Naspers board is the focal point for, and custodian of, the group's corporate governance systems. The board conducts the group's business with integrity and applies appropriate corporate governance policies and practices in the group.

The Naspers board, its committees, and the boards and committees of subsidiaries are responsible for ensuring the appropriate principles and practices of King IV are applied and embedded in the governance practices of group companies.

A disciplined reporting structure ensures the Naspers board is fully apprised of subsidiary activities, risks and opportunities. All controlled entities in the group are required to subscribe to the principles of King IV. Business and governance structures have clear approval frameworks.

Naspers has a governance committee comprising the chief financial officers (CFOs) of Naspers, Naspers ecommerce segments and Media24, as well as Naspers's group company secretary, global governance partner,

group general counsel, global compliance lead and head of internal audit and risk support. The committee was tasked to ensure the Naspers group's governance structures and framework are employed across the in-scope entities in the group during the financial year. Governance and progress are monitored by the audit and risk committees, and reported to the board.

The composition of committees of the board is reviewed annually and, where required, amended.

Details of the enterprise-wide risk management framework appear on pages 52 to 54.

## Our approach to applying King IV and statement by the board

Naspers is required, in terms of the JSE Listings Requirements, to report its application of the principles of 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 group has satisfactorily applied the principles of King IV. For a more detailed review of Naspers's application of King IV, refer to the King IV application report 2019.

All board and board committee charters and policies are aligned with the South African Companies Act requirements and the principles in King IV and the requirements of the JSE Listings Requirements.

King IV advocates a qualitative approach to implementing recommended practices to realise the intended governance outcomes. In line with the King IV recommendations we consider proportionality when we apply corporate governance in the group.

This means we apply the practices needed to demonstrate the group's governance in terms of King IV as appropriate across the group. As the companies in our group are diverse and at different maturity stages, a one-size-fits-all approach cannot be followed in

implementing governance practices. All good governance principles apply to all types and sizes of companies, but the practices implemented by different companies to achieve the principles may be different. Practices must be implemented as appropriate for each company, in line with the overarching good governance principles.

## Our focus areas this year

Last year, we reported on how we aligned with King IV and our approach to apply these principles. In the 2019 financial year, we continued to implement recommended or alternative practices to demonstrate application of King IV's principles.

Focus areas for the year included additional reporting to our board committees and board on how we implement good corporate governance in the group and improved corporate governance disclosures in the integrated annual report. Governance of information and technology, particularly data privacy and cybersecurity, remained focus areas. We increased our focus on sustainability this year and will continue to do so.

## Sustainability and corporate citizenship

### Our commitment to sustainability

The group's commitment to sustainable development and corporate citizenship is articulated in its sustainable development policy on [www.naspers.com](http://www.naspers.com). The governance team has been tasked to work with group businesses on sustainability matters and related reporting.

To support the board in fulfilling its governance role, the Naspers social and ethics, and risk committees receive reports on sustainability matters at each meeting – refer to the social and ethics committee and the risk committee report in the 2019 governance report.

Operating as a responsible business is a global imperative that presents both opportunities and risks. We focus our

investment where we can have the most material impact in addressing big societal needs and building leading companies, empowering people and enriching communities. Corporate citizenship is integral to the way we do business.

In line with this commitment, we support the United Nations' Sustainable Development Goals (SDGs) and are working to identify and focus on the goals where we can have the greatest positive impact. This is an ongoing journey. To see examples of how our business aligns with the SDGs, refer to page 62.

We recognise that we are on our journey to understand our impact on the environment and the environment's impact on us. We are working to better understand our responsibility in this space for future reporting and will continuously work to improve the quality of our coverage and data.

In 2019 our emissions (scope 1 and scope 2) totalled 363 485 tonnes of CO<sub>2</sub>e (2018: 87 022 tonnes CO<sub>2</sub>e). As from last year, electricity usage is our largest contributor at 93% of our footprint. In 2019 we expanded our boundaries to include Takealot and Movile. Irdet, which is part of MultiChoice Group, is the business with the greatest share of our footprint at 47%. The carbon footprint excluded MultiChoice Group for March 2019, as the listing and unbundling of MultiChoice Group took place on 27 February 2019 and 4 March 2019 respectively.

In the future, we will continue to improve reporting to the social and ethics committee on responsible corporate citizenship and sustainable development using appropriate tools such as the six capitals reporting framework and SDGs.

## Note

<sup>(1)</sup> The Institute of Directors in Southern Africa NPC (IoDSA) owns all copyright and trademarks for King IV.

## Governance for a sustainable business

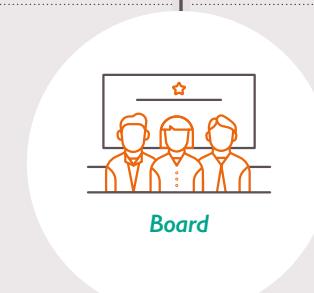
continued

Ultimately we report to stakeholders in the integrated report and other releases



### Naspers group governance framework

**Board**  
Supported by company secretary/governance framework



Reporting to ensure accountability in these governance areas

Performance against strategy (financial and non-financial: six capitals)

► Read more on page 16

Business ethics

► Read more on page 62

Responsible corporate citizenship

► Read more on page 59

Risk governance

► Read more on pages 52 to 54

Technology and information governance

► Read more on page 64

Legal compliance governance

► Read more on pages 64 to 66

Combined assurance

► Read more on page 52

Stakeholder relationship governance

► Read more on pages 24 to 29

Group governance

► Read more on pages 55 to 66

Remuneration governance

► Read more on pages 67 to 71

**Board committees**  
Supported by company secretary/governance framework



**Management and group support functions**

**Group and segment management**

**Naspers governance committee**

**Management of operating businesses**

#### ► Group support functions

- Human resources and remuneration
- Legal and compliance
- Data privacy
- Intellectual property
- Tax
- Public relations
- Corporate communications
- Investor relations
- Internal audit and risk support
- Finance
- Machine learning

**Underlying framework foundation**

Values

Code of business ethics and conduct

Strategy

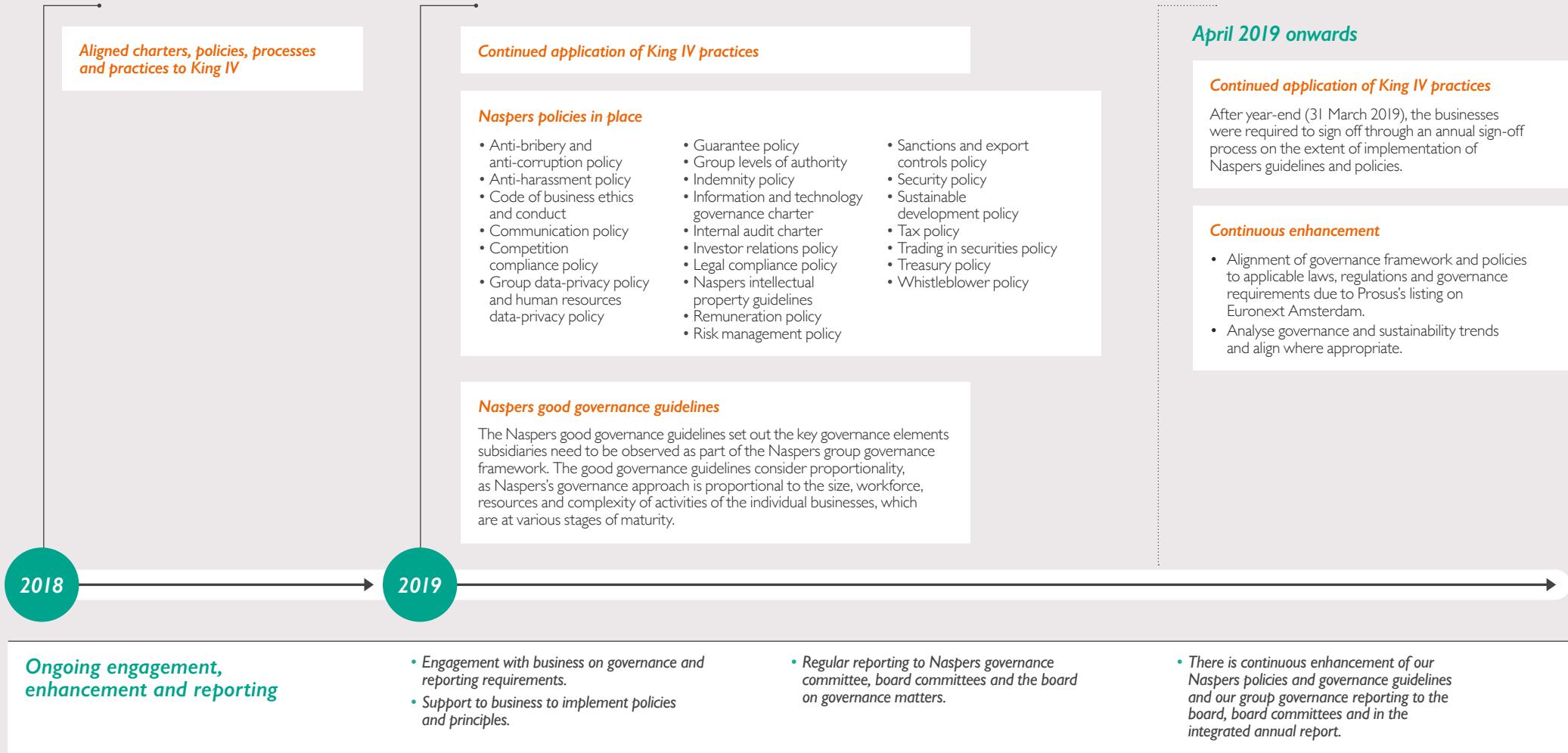
Various charters and policies

Naspers good governance guidelines

## Governance for a sustainable business

continued

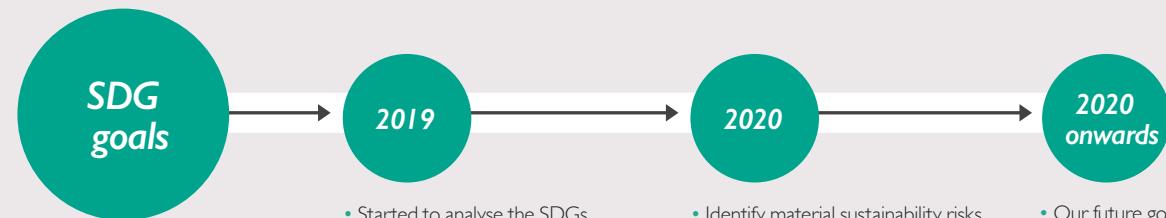
### Governance progress and milestones



## Governance for a sustainable business

continued

### SUSTAINABILITY AND OUR SDG JOURNEY



- Started to analyse the SDGs and their underlying goals to determine which SDGs are best aligned to our impact areas.
- Engaged with investors on Environmental, Social and Governance (ESG) matters.
- Analysed the overlap between ESG reporting requirements and other reporting frameworks.
- Identify material sustainability risks and opportunities to Naspers.
- Decide on focus areas for the next three years, informing the development of plans for these.
- Align with the most appropriate reporting frameworks to support how we report.
- Our future goals include developing plans for focus areas and to enhance how we define and measure performance in those areas.

### How

*Through research, education, gap analysis consultation and validation with our in-scope businesses and segments, the various Naspers functions, the Naspers CEO and executive, board and board committees.*

*Report on progress to risk, and social and ethics committees and board, and in integrated annual reports.*

### SDG goals

We recognise the importance of the global Sustainable Development Goals, which address global challenges and aim to achieve a sustainable future for all.



### Culture and business ethics

The board recognises that creating value for both shareholders and society in a responsible, efficient and sustainable way requires a healthy business culture. Although we operate a wide range of businesses, we are united behind a common purpose to address big societal needs and help improve the lives of half the world's population over the next few years.

We believe our culture is a key strength of our business and we see the benefits of this in our employees' engagement, retention and productivity. Our Naspers corporate values are approved by the board and our subsidiaries adopt values aligned to our expectations, tailored for their business environment.

### Our culture reflects:

- At our heart, we are entrepreneurs.
- We push for performance in everything we do – it's good for Naspers, our stakeholders and our careers.
- We do the right thing.
- We matter to the communities we serve and, wherever we operate, we hold ourselves to high standards.
- We encourage diversity in our teams and in our thinking.

The group's code of business ethics and conduct is available on [www.naspers.com](http://www.naspers.com). This code applies to all directors and employees in the group. Ensuring that group companies adopt appropriate processes and establish supporting policies and procedures is an ongoing process. We focus on policies and procedures that address key ethical risks, such as conflicts of interest, accepting inappropriate gifts and unacceptable business conduct.

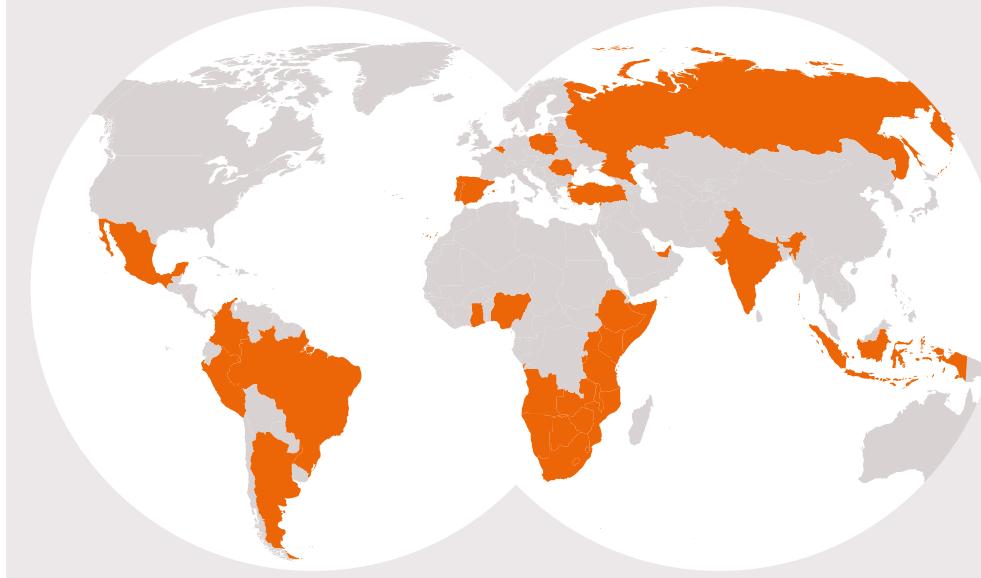
## Governance for a sustainable business

continued

The social and ethics committee is responsible for overseeing and reporting on business ethics in the Naspers group, taking into account specific disclosures and best practice as recommended by King IV. Businesses in our group apply zero tolerance to violations of the code. Appropriate action is taken, including disciplinary, criminal or civil procedures or improving the control environment. Reports are provided to the social and ethics committee to demonstrate this. Unethical behaviour by senior employees is also reported to the human resources and remuneration committee, along with the way the company's disciplinary code was applied.

Naspers is committed to conducting its business on the basis of complying with the law, with integrity and with proper regard for ethical business practices. It expects all directors and employees to comply with these principles and, in particular, to avoid conflicts of interest and not to engage in insider trading, illegal anti-competitive activities, and bribery and corruption.

### OPENLINE OPERATES GLOBALLY



#### **Ethics officers**

We have 12 designated ethics officers in the group. They serve as central points of contact for advice on ethics-related queries, improprieties, allegations and complaints. They report on related matters to the Naspers ethics officer (who is the central contact for the group). Reports are provided regularly to the social and ethics committee.

Ethics officers' responsibilities include:

- understanding and applying the code of business ethics and conduct, whistleblower policy, and upholding corporate values
- managing internal 'speak-ups' and providing guidance
- assisting with awareness campaigns on the code and whistleblower policy
- maintaining confidentiality on ethics-related matters, and
- maintaining records and reporting on ethics-related matters.

#### **Encouraging whistleblowing through OpenLine**

Under the global whistleblower policy, Naspers employees are encouraged to report suspected unethical behaviour and matters contrary to the code. Employees enjoy protection when they report such matters in good faith. The Naspers whistleblower facility (OpenLine) is a safe platform for employees to report misconduct in the workplace, with the option to have their identity protected or to remain completely anonymous. All stakeholders can report unethical behaviour and wrongdoing anonymously and confidentially.

### COUNT OF REPORTS BY FINANCIAL YEAR

2019	33
2018	55

The line operates globally, around the clock, with live answering. In addition, the facility offers the opportunity to report matters through a dedicated website, or through email or postal service.

The OpenLine facility is independently managed by Deloitte Tip-off Anonymous (a global ethics and fraud hotline service provider).

The internal audit and risk support function oversees the effective operation of OpenLine and ensures employees are sufficiently aware of its existence. This function also monitors that reports are dealt with and independently investigated in line with the whistleblower policy. Where appropriate, internal audit and/or external forensic consultants investigate reported matters.

Significant allegations and validated cases of wrongdoing are reported to the audit and risk committees. The social and ethics committee also receives regular reports on whistleblower activity and ethics performance around the group.

This year there were 33 reports, compared to 55 the year before.

#### **Creating awareness and training**

During the year we created awareness on the code and whistleblower policy throughout the group. Training methods used by subsidiaries included elearning modules on the MyAcademy platform, face-to-face training, presentations and storyboarding for disabled employees.

The Naspers social and ethics committee receives reports on business ethics management and monitoring – refer to the social and ethics committee report in the 2019 governance report.

#### **Future focus**

Future focus areas include regular engagement between the group's ethics officers, to share experiences, identify ethics challenges and share best practice. This will establish a Naspers-designated ethics officers' community and assist us in tailoring tools and support.

We also plan to launch an ethics refresher campaign for our in-scope subsidiaries. The campaign will educate employees on ethics learnings, based on principles from our code.

#### **Stakeholder relationships**

Representatives of our businesses manage various external and internal stakeholder relationships. Our businesses manage their stakeholder relationships using an inclusive approach that balances the needs, interests and expectations of material stakeholders with the best interests of the businesses.

To support the board in fulfilling its governance role, the Naspers social and ethics committee receives reports on stakeholder management across the group – refer to the social and ethics committee report in the 2019 governance report.

An overview of our stakeholders and stakeholder engagement appears on pages 24 to 29.

## Governance for a sustainable business

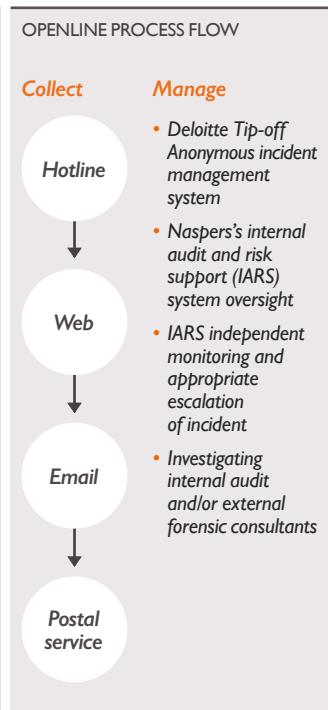
continued

### Legal compliance

Legal compliance rests with the group general counsel, who is also the chief legal compliance officer. The Naspers board has delegated responsibility for overseeing legal compliance to its risk committee, which receives regular reports from the chief legal compliance officer. Legal compliance is a standing agenda point. Responsibility for legal compliance in each segment rests with their general counsel, who oversees legal compliance for subsidiaries in that segment.

In the 2018 financial year, the group enhanced its legal compliance framework in response to the increased expectations of regulators and stakeholders, and to align the group to market standards.

The legal compliance framework includes anti-bribery and anti-corruption, sanctions and export controls, and competition compliance policies which were reviewed and approved by the Naspers board in June 2017.



#### This year

In the 2019 financial year, the group focused on implementing these policies. This included local risk assessments, training and awareness initiatives and the design and implementation of appropriate measures to ensure compliance.



#### In the future

Group legal compliance will remain focused on raising compliance awareness across the group. Improvements to the legal compliance framework will be made based on emerging risks, feedback from monitoring activities and a continued focus on third-party risks.

As part of this framework, each segment is required to provide a quarterly legal compliance report to the group legal compliance function. This includes an overview of key compliance risk areas, mitigating measures, key compliance regulatory developments and material compliance incidents and investigations. The group legal compliance function uses these reports to compile a consolidated report that is reviewed by the chief compliance officer and is subsequently provided to the risk committee of the Naspers board.

Assurance on the effectiveness of compliance management is received through a combined assurance model.

There were no material or repeated regulatory penalties, including General Data Protection Regulation (GDPR), sanctions or fines for contraventions of, or non-compliance with, statutory obligations. There were no inspections by environmental regulators that resulted in findings of non-compliance.

To support the board to fulfil its governance role, the Naspers risk committee receives reports on legal compliance – refer to the risk committee report in the 2019 governance report.

### Information and technology governance

Information and technology (I&T) governance is integrated in the operations of the Naspers businesses. Management of each subsidiary or business unit is responsible for ensuring effective processes on I&T governance are in place.

The risk committee assists the board in overseeing I&T-related matters. I&T governance is a standing point on its agenda, and I&T objectives have been included in its charter. The committee considers the risk register, as well as reports on I&T from internal audit and risk support, and our legal compliance function.

The group's subsidiaries are required to act in line with Naspers good governance guidelines, which detail I&T governance-related matters. Subsidiaries of each major entity are required to submit an annual formal written report on the extent to which they have implemented the principles, and chief executives and chief financial officers' sign off on this. Any notable exceptions are summarised and reported to the risk committee.

We continuously look at how we can better integrate people, technologies and processes. During our annual business-planning process, our businesses consider their platform requirements. The platform strategy starts from the business strategy and is translated into technical and process requirements.

Business continuity is included in the group's risk register, which is reviewed and discussed by the risk committee twice a year, and annually by the board. Business resilience is the key objective of our cybersecurity policy. The capability of businesses to respond to disruption is in-scope for internal audit, bearing in mind the perspective of our customers and end users.

## Governance for a sustainable business

continued

Operational boundaries to dealing with I&T are subject to the group's code of business ethics and conduct, and legal compliance policy. Our risk management practices ensure that relevant risks on the ethical and responsible use of I&T are identified and assessed. Our social and ethics committee oversees this area.

We run a privacy programme to ensure that personal data is stored and processed ethically and in compliance with applicable privacy laws, such as the GDPR in Europe. Internal audit provides assurance to management, the audit committee and the board on the effectiveness of I&T governance. The detail of controls to manage identified risks and reduce vulnerability forms the basis of internal audit's assurance plans.

To support the board in fulfilling its governance role, the Naspers risk committee receives reports on I&T management – refer to risk committee report in the 2019 governance report.

### In the future

Planned focus areas for I&T governance include developing and deploying data-driven technologies (such as machine learning), accounting for cybersecurity and data privacy by design.

For data acquisition and data processing undertaken in the context of our central machine learning team's services to group companies, we have established internal guidelines and contractual measures to ensure compliance with applicable laws and integrating best practice. Ethical use of machine learning and artificial intelligence is a rapidly developing field. We intend to enhance our guidelines in this area over time, based on our learnings and as best practice develops.

### SPOTLIGHT ON DATA PRIVACY

At Naspers, we recognise that privacy is an important value and an essential element of public trust.

We strive to be a trusted company and expect all our businesses to aspire to the same status. We expect each business to implement responsible data-privacy practices in a way that is adapted to its own circumstances, which considers its business model, the cultures of the countries in which it operates, its compliance obligations, and its human and financial resources.

*"For many years we have viewed data privacy as an important strategic area for Naspers, not only in terms of good governance and risk management, but to do the right thing and build trust with our key stakeholders. Accordingly, we have a comprehensive data-privacy governance policy and a privacy programme designed to ensure the vast amount of data across the different businesses within the group is protected and managed."*

#### Justin B. Weiss

Global head of data privacy: Naspers

### A groupwide policy

Our policy on data-privacy governance sets out the responsibilities, principles and programmes for ensuring data privacy across the Naspers group. It is designed to define and document how data privacy is managed in the group; to promote best practice; to accommodate the different business models, resources, culture and legal requirements across the group; and to support trust in our businesses' products and services.

### Clear accountability

The critical foundation is to give clear accountability to individual businesses. Each business is directly responsible for managing data privacy in its organisation. This responsibility rests ultimately with the CEOs of each business – they lead in implementing the group's policy and are directly accountable for the data-protection programmes and privacy standards in their organisations.

This approach to data privacy aligns with Naspers's model of decentralised governance and broader belief in encouraging great leaders and businesses to excel. We believe setting the right shared principles and giving businesses the direct responsibility to enact them is the best way to have a greater long-term positive impact. More broadly, we are fostering a culture of data privacy and looking to businesses to ensure privacy by design, where privacy becomes part of the fabric of day-to-day work rather than an add-on.

### Seven data-privacy principles

Each business is expected to respect and implement seven core data-privacy principles. Widely recognised internationally as fair information privacy principles, they are ethical guidelines for the responsible use of data. Critically, they are both universal and able to be applied to the different businesses in the group – from established global players to startups in jurisdictions that may not yet have a data-privacy law.

### SEVEN DATA-PRIVACY PRINCIPLES:

#### 1 Notice

We offer appropriate notice about our data-privacy practices.

#### 2 Individual control

We honour data subjects' choices regarding their personal data.

#### 3 Respect for context

We recognise that data subjects' expectations about fair and ethical use of their personal data is informed by the context in which their data was first collected.

#### 4 Limited sharing

We limit unnecessary personal data sharing with third parties.

#### 5 Retention

We retain personal data only for as long as we need it.

#### 6 Security

We ensure appropriate security.

#### 7 Governments

We engage with governments and data-protection authorities.

### Data-privacy programme

To help businesses put the principles into practice, we have a data-privacy programme designed to scale to their different needs and circumstances. This ensures that our core data-privacy commitment and approach is followed in ways that really work for our businesses. The programme has seven key elements: ensuring executive buy-in; knowing your data; setting policies; training employees; managing vendors and third parties; legal compliance; and reporting.

### Supporting and monitoring

The group's data-privacy office supports and monitors the businesses. Help ranges from guidance on implementing the data-privacy programme, a secondment programme that develops and trains future privacy leaders nominated by companies within the group, and advice on any data-privacy implications of mergers and acquisitions.

Businesses provide regular privacy and security reports to group executives as an integral part of ongoing business reviews. The board's risk committee reviews the data-privacy policy and its implementation annually as part of its oversight and governance responsibilities.

### Implementing enhancements

This year we formalised the appointment of data-protection officers in the businesses. Regular calls and meetings take place with the officers ensuring data-privacy best practice is shared across the group.

We also deployed new technology, including automated data-mapping and record-keeping, to facilitate the requirement to know your data – an increasingly complex challenge in businesses that are growing fast.

In addition, we deployed internal audit resources to verify data privacy to ensure that what is reported to the group matches what is happening in the businesses.

### Doing the best for our customers and the group

Implementation of our data-privacy programme continues to evolve across the businesses in the group. As well as meeting specific requirements, notably the GDPR in the EU, we are driving for comprehensive data-privacy and protection throughout the group, around the world.

## Governance for a sustainable business

continued

Understanding that there is always more to do and more to learn, we never stop striving to ensure good data-privacy practices so that we can do the best for our customers and the group.

### **Internal control systems**

As part of the overall management of risk, our system of internal controls in all material subsidiaries and joint ventures under Naspers's control aims to prevent or detect any risk materialising and to mitigate any adverse consequences. The group's system of internal controls is designed to provide reasonable assurance on achieving company objectives, including integrity and reliability of the financial statements; to safeguard, verify and maintain accountability of its assets; and to detect fraud, potential liability, loss and material misstatement, while complying with regulations. For those entities in which Naspers does not have a controlling interest, the directors representing Naspers on these boards seek assurance that significant risks are managed and systems of internal control are effective.

All internal control systems have shortcomings, including the possibility of human error or bypassing control measures. Even the best system may provide only partial assurance. In the dynamic environment in which the company operates, management regularly reviews risks and the design of the internal controls system to address these, assisted by the work of and reports from internal audit on the adequacy and operational effectiveness of controls, which may indicate opportunities for improvement. The external auditor considers elements of the internal controls system as part of its audit, and communicates deficiencies when identified.

The board reviewed the effectiveness of controls and combined assurance on key risks for the year ended 31 March 2019. This assurance was obtained principally through a process of management self-assessment, including formal confirmation via representation letters by executive management. In addition, consideration was given to input, including reports from internal audit and the external auditor, compliance and the risk management process. Where necessary, programmes for corrective actions have been initiated.

Nothing has come to the attention of the board, external or internal auditors to indicate any material breakdown in the functioning of internal controls and systems during the review period.

### **Internal audit**

An internal audit function is in place for the group. The head of internal audit and risk support reports to the chair of the Naspers audit committee, with administrative reporting to the financial director.

Internal audit and risk support provides a statement annually on the effectiveness of Naspers's governance, risk management and control processes to the audit committee. An independent review of internal audit's conformance to international standards for the professional practice of internal auditing and code of ethics (Standards), issued by the International Institute of Internal Auditors, is done at least every five years. The last review was performed by PwC in 2017 with no significant exceptions noted (generally conforms). The head of internal audit and risk support annually confirms to the audit committee that internal audit continues to meet the Standards and has remained independent from management.

### **Non-audit services**

The group's policy on non-audit services provides guidelines on dealing with audit, audit-related, tax and other non-audit services that may be provided by Naspers's independent auditor to group entities. It also sets out services that may not be performed by the independent auditor.

The audit committee preapproves audit and non-audit services to ensure these do not impair the auditor's independence and comply with legislation. Under our guiding principles, the auditor's independence will be deemed impaired if the auditor provides a service where they:

- function in the role of management of the company, or
- audit their own work, or
- serve in an advocacy role for the company.

### **Company secretary**

The company secretary, Gillian Kisbey-Green, and David Tudor, group general counsel (and legal compliance officer), are responsible for guiding the board in discharging its regulatory responsibilities.

Directors have unlimited access to the advice and services of the company secretary, whose functions and responsibilities include:

- Playing a pivotal role in the company's corporate governance and ensuring that, in line with pertinent laws, the proceedings and affairs of the board, the company and, where appropriate, shareholders are properly administered.
- Acting as the company's compliance officer as defined in the Companies Act, and is the delegated information officer.
- Monitoring directors' dealings in securities and ensuring adherence to closed periods.
- Attending all board and committee meetings.

In accordance with King IV, the performance and independence of the company secretary is evaluated annually.

As required by JSE Listings Requirement 3.84(h), the board has determined that the company secretary, a chartered accountant (SA) with over 30 years' company secretarial experience, has the requisite competence, knowledge and experience to carry out the duties of a secretary of a public company and has an arm's length relationship with the board. The board is satisfied that arrangements for providing corporate governance services are effective.

### **Investor relations**

Naspers's investor relations policy can be found on [www.naspers.com](http://www.naspers.com). It describes the principles and practices applied in interacting with shareholders and investors. Naspers is committed to providing timely and transparent information on corporate strategies and financial data to the investing public. In addition, we consider the demand for transparency and accountability on our non-financial (or sustainability) performance. In line with King IV, we recognise that this performance is based on the group's risk profile and strategy, which includes non-financial risks and opportunities.

The company manages communications with its key financial audiences, including institutional shareholders and financial (debt and equity) analysts, through a dedicated investor relations unit. Presentations and conference calls take place after publishing interim and final results.

A broad range of public communication channels (including stock exchange news services, corporate website, press agencies, news wires and news distribution service providers) are used

to disseminate news releases. These channels are supplemented by direct communication via email, conference calls, group presentations and one-on-one meetings. Our policy is not to provide forward-looking information. Naspers also complies with legislation and stock exchange rules on forward-looking statements.

### **Closed periods**

Naspers would typically be in a closed period on the day after the end of a reporting period (30 September or 31 March) until releasing results. General investor interaction during this time is limited to discussions on strategy and/or historical, publicly available information.

### **Analyst reports**

To enhance the quantity and quality of research, Naspers maintains working relationships with stockbrokers, investment banks and credit-rating agencies – irrespective of their views or recommendations on the group. Naspers may review an analyst's report or earnings model for factual accuracy of information in the public domain but, in line with regulations and group policy, we do not provide guidance or forecasts.

The board encourages shareholders to attend the annual general meeting, notice of which appears in this integrated annual report, where shareholders have the opportunity to put questions to the board, management and chairs of the various committees.

The company's website provides the latest and historical financial and other information, including financial reports.

The full governance report can be found on [www.naspers.com](http://www.naspers.com).

# Remuneration at a glance

**"We aim to attract, motivate and retain the best people to create sustainable shareholder value."**

**Craig Enenstein**  
Chair: Human resources and remuneration committee

## Structure of report

In compliance with the King IV Report on Corporate Governance<sup>(1)</sup> in South Africa 2016 (King IV) the report is split into three sections:

1. **Background statement:** Provides an overview of pay outcomes for FY19 and our approach for FY20.

► Read more on pages 7 to 13 of the remuneration report 2019

2. **Remuneration policy:** Provides information on the components of our executive-pay packages.

► Read more on pages 14 to 20 of the remuneration report 2019

3. **Implementation of remuneration policy:** Sets out information on how we implemented our policy for FY20.

► Read more on pages 21 to 30 of the remuneration report 2019

## Notes

<sup>(1)</sup> The Institute of Directors in South Africa NPC (IoDSA) owns all copyright and trademarks for King IV.

<sup>(2)</sup> On an economic-interest basis adjusted for foreign exchange and M&A. All financial figures in this report are from continuing operations.

## Dear Shareholder

On behalf of the board, I am pleased to present our 2019 financial year remuneration report.

Last year we made changes to our remuneration report in order to demonstrate more clearly the link between Naspers's strategy, performance and our remuneration philosophy. We aim to provide a transparent view on executive and non-executive pay, and this year we have refined the report further with this objective in mind.

This year, we successfully unbundled our Video Entertainment (VE) business to our shareholders, unlocking value for them. MultiChoice Group was listed on the JSE Limited's stock exchange on 27 February 2019. We also disposed of our stake in the Indian e-tail business Flipkart in August 2018. The impact of these transactions on executive remuneration is detailed on page 19 of the remuneration report 2019.

We are also pleased to report solid financial results for FY19, delivering revenue growth of 29%<sup>(2)</sup> year on year, to US\$19.0bn, trading profit<sup>(2)</sup> growth of 22% year on year to US\$3.3bn, core headline earnings of US\$3bn (up 26% year on year) and free cash flow of US\$120m.

We are grateful to our shareholders for their input, which was considered carefully. We are pleased to see N-shareholder support for our remuneration policy increasing from 24.15% in 2017 to 43.04% in favour of the policy and 52.24% in favour of its implementation in 2018. While the trend is improving, we strive to obtain an even higher level of N-shareholder support over time. In that spirit we have continued to make appropriate changes to our remuneration design and disclosure this year.

We have amended the design of executive remuneration for the forthcoming 2020 financial year. This is detailed in sections 1 and 3. When making executive awards, the committee has considered the need to maximise shareholder value. Details of the cost of our long-term incentives can be found on pages 4 and 5 of the remuneration report 2019.

This year we introduced clawback provisions on the short-term and long-term incentives for the CEO and his direct reports. In the 2019 financial year, these clawback provisions were not invoked.

We also introduced a shareholding requirement for the chief executive, whereby he must hold 10 times his base salary in Naspers shares at all times. Effective 31 March 2019, he has met this requirement.

We plan to introduce performance conditions on a proportion of the long-term incentives granted to senior executives which will vest only after three years. Details can be found on page 28 of the remuneration report 2019.

We engaged external advisers to provide advice on executive remuneration and the committee is satisfied that they are objective and independent.

## Our strategy drives our pay principles

Across our group, we use technology to provide new and exciting ways for our customers to be informed, educated and to trade online. As one of the largest technology investors in the world, operating in some 80 countries, we focus on high-growth markets and we invest in local empowered teams with an ownership mentality.

Our business moves fast as technology trends and consumer adoption change, and we seek to run businesses that have broad potential, can address big societal needs and can attain market leadership over time.

Our people are at the heart of our success. The driven entrepreneurs with whom we partner, the digital leaders who drive us forward, and the skills our people bring to the group in highly specialised areas (eg, technology, product design, machine learning, digital marketing and many other disciplines) allow us to compete effectively. We operate in a highly competitive global market for this type of talent, and we compete against other world-class companies for the best.

## Our remuneration philosophy

Our remuneration philosophy underpins our group's strategy and enables us to achieve our business objectives. Our commitment to pay for performance and alignment with shareholder value creation drives all our remuneration activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world. We believe in a level playing field for our people. We strive to pay fairly and responsibly and as much as possible, the structure of our pay is similar, regardless of the seniority of the employee. In the committee's view, the remuneration policy achieved its stated objectives in the year under review.

We endeavour at all times to balance the need to compete globally for the very best talent with the need to pay fairly and responsibly. Our philosophy is underpinned by our desire to perform effectively as a committee, to allow us to deliver fit-for-purpose remuneration systems and to continue engaging our stakeholders.

**Craig Enenstein**  
Chair: Human resources and remuneration committee

21 June 2019

## Remuneration at a glance

continued

### Our context

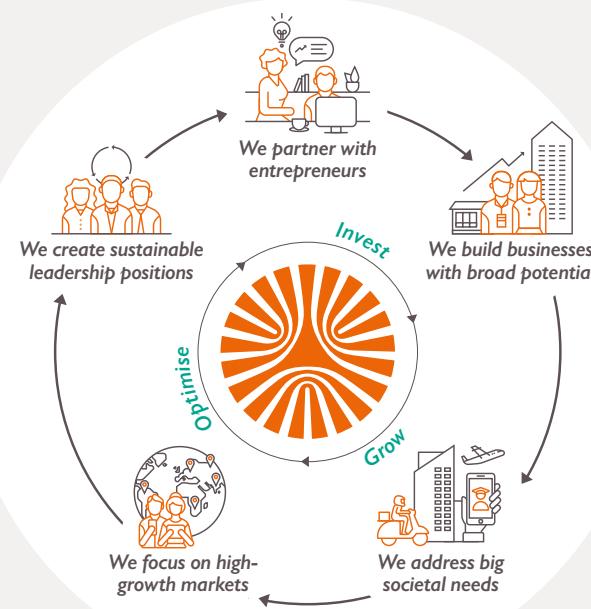
#### How we add value

We pursue growth by building leading companies that empower people and enrich communities

► Read more on page 16

#### Underpinned by our active capital allocation and strategy

We ensure that we optimise our portfolio for growth and competitiveness



### Financial summary

	2019 (US\$'m)	2018 (US\$'m)	% change
Revenue <sup>(1)</sup>	18 990	16 352	29 <sup>(2)</sup>
Trading profit <sup>(1)</sup>	3 304	2 994	22 <sup>(2)</sup>
Dividend per N ordinary share (SA cents) (2019 reflects dividend proposed)	715	650	10

#### Notes

<sup>(1)</sup> Reported on an economic-interest basis. All financial figures are from continuing operations.

<sup>(2)</sup> In local currency, excluding acquisitions and disposals.

► Read more on page 51

### The Naspers approach to remuneration



We believe in **pay for performance**: we are comfortable with bigger rewards for those who make the highest contribution



Remuneration must be **aligned with shareholder outcomes**



Remuneration must incentivise the **achievement** of strategic, operational and financial objectives, in both the short and longer term



We are **consistent**: our reward package elements are broadly the same, regardless of seniority\*



Our reward systems must help us attract and retain the best talent around the world in a **fair and responsible** way

\* Some employees do not receive longer-term incentives.

► Read more on pages 14 to 20 of the remuneration report 2019.

## Remuneration at a glance

continued

### Our context: Attracting and retaining the best talent



#### There is a global shortage of digital talent

We fight for talent in each of the countries in which we operate.

To compete for talent, our approach to remuneration must stand up to the high bar set by global tech players such as Facebook, Google, Amazon, Alibaba, and Microsoft, as well as other global, local and regional competitors.

Read more on pages 45 to 47

#### 21<sup>st</sup> century talent: Our reality



**Human capital** is a key competitive advantage in our industry



The global battle for digital **talent** continues – digital talent is scarce in all our markets



We need **creative minds** to explore new frontiers



**Diversity** is essential – we need to provide an inclusive work environment so that many types of people want to work with us

#### Our employee value proposition

Remuneration is only one element of attracting and retaining talent. Our people seek meaningful jobs with line of sight to business outcomes and the opportunity to learn and grow professionally, in a purpose-driven environment that they enjoy; where they are recognised for a job well done and are paid fairly – in line with personal and company performance.



#### Our approach to fair and responsible pay

Our remuneration systems are:

#### Responsible

- **Independent:** with oversight, top-down via board
- **Managed:** all employee pay decisions are properly overseen
- **Considered:** judgement is applied; we shy away from formulaic appraisals that could lead to unacceptable outcomes
- **Sustainable:** remuneration designed with sustainability in mind

#### Fair

- **Rational:** easy to explain
- **Equitable:** free from discrimination
- **Relevant:** linked to personal and company performance

## Remuneration at a glance

continued

### The outcomes

Executive director remuneration for the year ended 31 March 2019



Total single-figure (remuneration) for executive directors for the year ended 31 March

Remuneration type/year	Bob van Dijk				Basil Sgourdos	
	(€'000) <sup>(1)</sup>		(US\$'000)		(US\$'000)	
	2019	2018	2019	2018	2019	2018
Salary/TCTC	1 122	1 079	1 259	1 332	897	862
Pension	75	66	85	81	85	81
Benefits	59	53	66	65	27	27
STIs	987 <sup>(2)</sup>	863	1 108	1 064	1 006	605 <sup>(3)</sup>
LTI plan <sup>(4)</sup>			10 368	9 636	5 460	1 954
<b>Total remuneration</b>			<b>12 886</b>	12 178	<b>7 475</b>	3 529

#### Notes

(1) Bob van Dijk is paid in euro. Over the past financial year the euro weakened against the US dollar by almost 10%.

As a result, the FY19 annual salary of the chief executive in US dollars is lower compared to FY18.

(2) Achievement of chief executive's STI goals are indicated in this report by on pages: 9, 10, 15, 19, 32-33, 35, 37, 39, 48 and 51.

(3) Includes an additional variable bonus capped at 25% of TCTC relating to obtaining new general funding.

(4) Fair value: represents the estimated value of the option on grant date in accordance with IFRS. The actual value accruing to the executive will depend on the real value created over the term of the option.

Read more on pages 21 to 30 of the remuneration report 2019

Compensation is mostly 'at risk' and long term

BOB VAN DIJK



BASIL SGOURDOS



The minimum STI payout is 0% of salary/TCTC.  
The target and maximum STI opportunity are the same.

Read more on pages 21 to 30 of the remuneration report 2019

## Remuneration at a glance

continued

### Looking forward to FY20

#### Salary and short-term incentives

##### BOB VAN DIJK

###### Base salary

I April 2020 (US\$'000)	I April 2020 (€'000)	I April 2019 (US\$'000)	I April <sup>(2)</sup> (€'000)	€% <sup>(3)</sup> change
I 388	I 235	I 259	I 122	10

##### FY20 STI scheme structure

Maximum STI opportunity: 100% base salary



##### Financial goals:

● Revenue	10
● Core headline earnings (including Tencent)	15
● Core headline earnings (excluding Tencent)	15
● Free cash flow	10
	50%

##### Strategic goals:

● Classifieds	10
● Food Delivery	10
● Payments and Fintech	5
● B2C	2.5
● Corporate structure	10
● Diversity and inclusion	5
● Machine learning and artificial intelligence	7.5
	50%

● Read more on pages 27 to 30 of the remuneration report 2019

##### BASIL SGOURDOS

###### TCTC<sup>(1)</sup>

I April 2020 (US\$'000)	I April 2019 (US\$'000)	% change
I 069	I 009	6

##### FY20 STI scheme structure

Maximum STI opportunity: 100% base salary<sup>(4)</sup>



##### Financial goals:

● Core headline earnings (including Tencent)	12.5
● Core headline earnings (excluding Tencent)	12.5
● Free cash flow	25
	50%

##### Strategic goals:

● Structuring	25
● Taxation	10
● Investor relations	5
● Operations	2.5
● Governance, internal audit and risk management	2.5
● Team and talent	5
	50%

##### Notes

- <sup>(1)</sup> Includes pension and other benefits.
- <sup>(2)</sup> Bob van Dijk is paid in euro. Over the past financial year the euro weakened against the US dollar by almost 10%. As a result, the FY19 annual salary of the chief executive in US dollars is lower compared to FY18.
- <sup>(3)</sup> Bob van Dijk received an increase in his base salary of 10%, driven by personal performance (eg. listing and unbundling of MultiChoice Group and divestiture of Flipkart), company performance and base pay levels relative to benchmarks.
- <sup>(4)</sup> An additional variable bonus capped at 25% of TCTC (relating to obtaining new general funding) applies.

#### LTIs

We have set out below information on the long-term awards to be made during the 2020 financial year:

Name	Naspers N share options (SOs)			Naspers Global Ecommerce share appreciation rights (SARs)			Naspers performance share units (PSUs)	
	Number of options	Face value (US\$)	Fair value (US\$)	Number of SARs	Face value (US\$)	Fair value (US\$)	Fair value (US\$)	Fair value (US\$)
Bob van Dijk	15 835	3 972 183	1 350 000	436 832	16 031 719	6 075 000	6 075 000	6 075 000
Basil Sgourdos	8 211	2 059 651	700 000	226 505	8 312 743	3 150 000	3 150 000	3 150 000

#### Changes for FY20



##### Performance conditions on LTIs<sup>(5)</sup>

The committee intends to introduce performance conditions on a proportion of the LTIs awarded to senior executives in FY20.

The performance share unit (PSU) plan will vest at the end of a three-year period (cliff-vesting) subject to the performance condition set at the time of the grant being achieved. The performance condition for the 2019 grant relates to the three-year CAGR on the Ecommerce SAR scheme, relative to an appropriate equity index. Further details can be found on page 28 of the remuneration report 2019.

##### Note

- <sup>(5)</sup> Proposed LTI scheme amendments to facilitate the introduction of performance conditions to be tabled at the annual general meeting on 23 August 2019.

Post this allocation and as at 31 March 2020 the fair value of Bob van Dijk's and Basil Sgourdos's share-based incentives will be balanced approximately as follows:

##### THE LTIs OF THE CEO ARE BALANCED BETWEEN ECOMMERCE SEGMENTS AND NASPERS



##### Ecommerce SARs

41

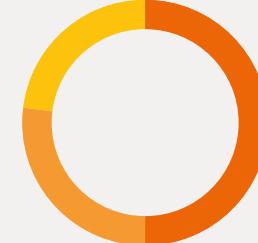
##### Naspers SOs

42

##### Naspers PSUs

17

##### THE LTIs OF THE CFO ARE BALANCED BETWEEN ECOMMERCE SEGMENTS AND NASPERS



##### Ecommerce SARs

50

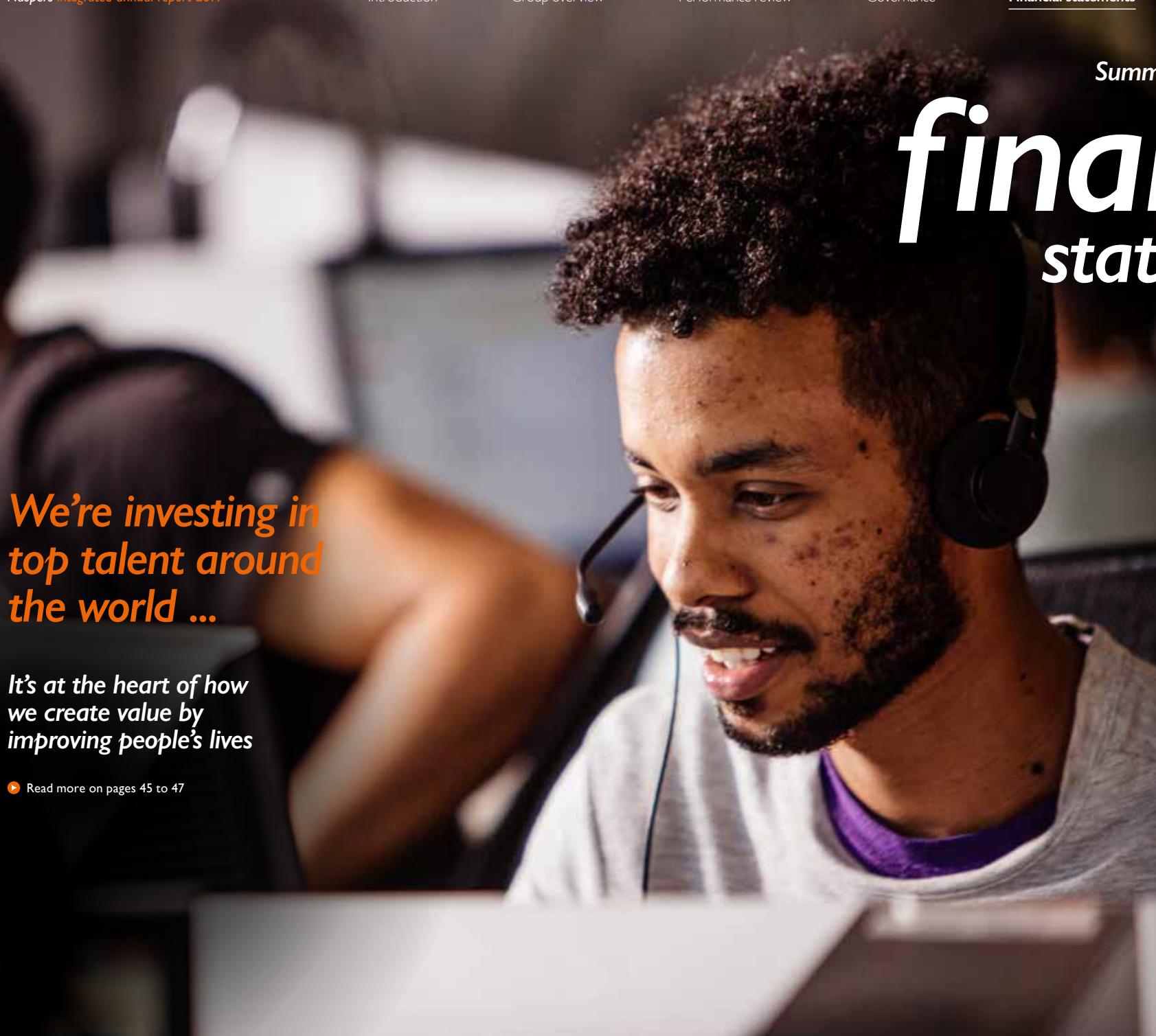
##### Naspers SOs

27

##### Naspers PSUs

23

► Read more on pages 27 to 30 of the remuneration report 2019



**We're investing in top talent around the world ...**

*It's at the heart of how we create value by improving people's lives*

► Read more on pages 45 to 47

*Summarised consolidated annual*

# financial statements

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## Summarised consolidated annual financial statements

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The summarised consolidated annual financial statements of the group are the responsibility of the directors of Naspers Limited. In discharging this responsibility they rely on the management of the group to prepare the consolidated annual financial statements, separately available on [www.naspers.com](http://www.naspers.com), in accordance with International Financial Reporting Standards (IFRS) and the Companies Act No 71 of 2008. The summarised consolidated annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the preparation, integrity and fair presentation of the summarised consolidated annual financial statements and are satisfied that the systems and internal financial controls implemented by management are effective.

The directors believe that the company and group have adequate resources to continue operations as a going concern in the foreseeable future, based on forecasts and available cash resources. The summarised consolidated annual financial statements support the viability of the company and the group. The preparation of the summarised consolidated annual financial statements was supervised by the financial director, Basil Sgourdos CA(SA).

The independent auditing firm PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the consolidated annual financial statements from which the summarised consolidated annual financial statements were derived. The directors believe that representations made to the independent auditor during audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 74.

The summarised consolidated annual financial statements were approved by the board of directors on 21 June 2019 and are signed on its behalf by:

**Koos Bekker**  
Chair

**Bob van Dijk**  
Chief executive

21 June 2019

## Statement of responsibility by the board of directors

for the year ended 31 March 2019

## Independent auditor's report on the summary consolidated financial statements

To the Shareholders of Naspers Limited

### **Opinion**

The summary consolidated financial statements of Naspers Limited, set out on pages 75 to 90 of the integrated annual report, which comprise the summary consolidated statement of financial position as at 31 March 2019, the summary consolidated income statement, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Naspers Limited for the year ended 31 March 2019.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited's (JSE) requirements for summary financial statements, as set out in the "Basis of presentation and accounting policies" note to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

### **Summary Consolidated Financial Statements**

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

### **The Audited Consolidated Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 21 June 2019. 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 financial statements of the current period.

### **Director's Responsibility for the Summary Consolidated Financial Statements**

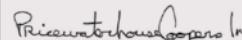
The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the JSE's requirements for summary financial statements, set out in the "Basis of presentation and accounting policies" note to the summary consolidated financial statements, and the 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 financial statements are consistent, in all material respects, with the audited consolidated 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.

### **Other matter**

We have not audited future financial performance and expectations expressed by the directors included in the commentary in the accompanying summary consolidated financial statements and accordingly do not express an opinion thereon.



**PricewaterhouseCoopers Inc.**

**Director: Brendan Deegan**

Registered Auditor

Cape Town  
21 June 2019

**PricewaterhouseCoopers Inc.**  
5 Silo Square, V&A Waterfront, Cape Town 8002, P O Box 2799, Cape Town 8000  
T: +27 (0) 21 529 2000, F: +27 (0) 21 529 3300, [www.pwc.co.za](http://www.pwc.co.za)

Chief Executive Officer: T D Shango  
Management Committee: S N Madikane, J S Masondo, P J Mothibe, C Richardson, F Tonelli, C Volschenk  
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukseki View, where a list of directors' names is available for inspection.  
Reg. no. 1998/012055/21, VAT reg.no. 4950174682

## Segmental review

for the year ended 31 March

	Revenue			EBITDA <sup>(1)</sup>			Trading profit		
	2019	2018	% change	2019	2018	% change	2019	2018	% change
	US\$'m	US\$'m		US\$'m	US\$'m		US\$'m	US\$'m	
<b>Continuing operations</b>									
Internet	18 678	15 863	18	3 813	3 342	14	3 339	3 013	11
Ecommerce	3 934	3 582	10	(556)	(655)	15	(613)	(713)	14
– Classifieds	875	628	39	19	(99)	>100	2	(114)	>100
– Payments and Fintech	360	294	22	(39)	(60)	35	(43)	(64)	33
– Food Delivery	377	166	>100	(162)	(20)	>(100)	(171)	(30)	>(100)
– Etail	1 847	2 060	(10)	(133)	(248)	46	(150)	(270)	44
– Travel <sup>(2)</sup>	234	211	11	(36)	(59)	39	(37)	(61)	39
– Other <sup>(3)</sup>	241	223	8	(205)	(169)	(21)	(214)	(174)	(23)
Social and internet platforms	14 744	12 281	20	4 369	3 997	9	3 952	3 726	6
– Tencent	14 457	12 024	20	4 324	3 925	10	3 929	3 675	7
– Mail.ru	287	257	12	45	72	(38)	23	51	(55)
Media <sup>(4)</sup>	326	507	(36)	(7)	10	>(100)	(14)	3	>(100)
Corporate segment	2	2	–	(17)	(18)	6	(21)	(22)	5
Intersegmental	(16)	(20)		–	–		–	–	
<b>Total economic interest from continuing operations</b>	<b>18 990</b>	<b>16 352</b>	<b>16</b>	<b>3 789</b>	<b>3 334</b>	<b>14</b>	<b>3 304</b>	<b>2 994</b>	<b>10</b>
Less:									
Equity-accounted investments	(15 699)	(13 367)	(17)	(4 120)	(3 744)	(10)	(3 686)	(3 449)	(7)
Total consolidated from continuing operations	3 291	2 985	10	(331)	(410)	19	(382)	(455)	16
<b>Total from discontinued operations</b>	<b>3 321</b>	<b>3 672</b>	<b>(10)</b>	<b>655</b>	<b>669</b>	<b>(2)</b>	<b>512</b>	<b>415</b>	<b>23</b>
<b>Consolidated<sup>(5)</sup></b>	<b>6 612</b>	<b>6 657</b>	<b>(1)</b>	<b>324</b>	<b>259</b>	<b>25</b>	<b>130</b>	<b>(40)</b>	<b>&gt;100</b>

Notes

<sup>(1)</sup> EBITDA refers to earnings before interest, taxation, depreciation and amortisation.

<sup>(2)</sup> Travel revenue for the year ended 31 March 2018 has been reduced by US\$65m due to the effect of the adoption of IFRS 15 on the group's associate MakeMyTrip Limited. This adjustment did not have an impact on EBITDA or trading profit.

<sup>(3)</sup> The group historically allocated a portion of its corporate costs to the Video Entertainment segment. Following the distribution of MultiChoice Group to shareholders in the current year, and the consequent presentation of the Video Entertainment segment as a discontinued operation, corporate costs are now only allocated to the ecommerce business. The group views these corporate costs as primarily relating to the support of the ecommerce business. In line with IFRS 8 Operating Segments the group has accordingly presented the comparative information contained in the segmental review on a similar basis.

<sup>(4)</sup> 31 March 2018 includes revenue of US\$133.0m, EBITDA of US\$33.3m and trading profit of US\$33.3m relating to Novus Holdings Limited (Novus). The group distributed the majority of its shareholding in Novus to its shareholders in September 2017.

<sup>(5)</sup> Includes the results of the Video Entertainment segment which has been classified as a discontinued operation.

## Reconciliation of consolidated trading loss to consolidated operating loss

year ended 31 March

	2019 US\$'m	2018 Restated US\$'m
<b>Consolidated trading loss from continuing operations<sup>(i)</sup></b>	<b>(398)</b>	<b>(496)</b>
Adjusted for:		
Finance cost on capitalised finance leases	1	–
Amortisation of other intangible assets	(94)	(97)
Other gains/(losses) – net	(38)	(32)
Retention option expense	(11)	(7)
Share-based incentives settled in treasury shares	(27)	(27)
<b>Consolidated operating loss from continuing operations</b>	<b>(567)</b>	<b>(659)</b>

**Notes**

<sup>(i)</sup> Includes the net profit impact of trading between continuing and discontinued operations of US\$15.7m (2018: US\$40.5m).  
For a reconciliation of consolidated operating loss to consolidated profit before taxation, refer to the summarised consolidated income statement.

Refer to the basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

## Summarised consolidated income statement

for the year ended 31 March

	2019 US\$'m	2018 Restated <sup>(i)</sup> US\$'m	% change
<b>Continuing operations</b>			
<b>Revenue from contracts with customers</b>	<b>3 291</b>	2 985	10
Cost of providing services and sale of goods	(2 104)	(1 884)	
Selling, general and administration expenses	(1 716)	(1 728)	
Other (losses)/gains – net	(38)	(32)	
<b>Operating loss</b>	<b>(567)</b>	(659)	14
Interest income	284	52	
Interest expense	(205)	(197)	
Other finance income/(costs) – net	130	(379)	
Share of equity-accounted results	3 410	3 285	
Impairment of equity-accounted investments	(88)	(46)	
Dilution (losses)/gains on equity-accounted investments	(182)	9 216	
Gains/(losses) on acquisitions and disposals	1 609	(93)	
<b>Profit before taxation</b>	<b>4 391</b>	11 179	(61)
Taxation	(229)	(70)	
<b>Profit from continuing operations</b>	<b>4 162</b>	11 109	
Profit from discontinued operations	2 759	190	
<b>Profit for the year</b>	<b>6 921</b>	11 299	(39)
<b>Attributable to:</b>			
Equity holders of the group	6 901	11 358	
Non-controlling interest	20	(59)	
	<b>6 921</b>	11 299	

**Note**

<sup>(i)</sup> Relates to the impact of adopting IFRS 15.

Refer to basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

**Summarised consolidated income statement** continued  
for the year ended 31 March

	2019 US\$'m	2018 Restated <sup>(1)</sup> US\$'m	% change
<b>Per share information related to continuing operations</b>			
Core headline earnings for the year (US\$'m)	3 000	2 388	26
Core headline earnings per N ordinary share (US cents)	694	553	25
Diluted core headline earnings per N ordinary share (US cents)	680	540	26
Headline earnings for the year (US\$'m)	3 719	1 670	123
Headline earnings per N ordinary share (US cents)	860	387	122
Diluted headline earnings per N ordinary share (US cents)	846	374	126
Earnings per N ordinary share (US cents)	976	2 604	(63)
Diluted earnings per N ordinary share (US cents)	961	2 585	(63)
Net number of shares issued ('000)			
– at period-end	432 200	432 126	
– weighted average for the year	432 202	431 635	
– diluted weighted average	434 060	433 003	

**Note**

<sup>(1)</sup> Relates to the impact of adopting IFRS 15.

Refer to basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

**Summarised consolidated statement  
of comprehensive income**  
for the year ended 31 March

	2019 US\$'m	2018 Restated US\$'m
<b>Profit for the year</b>		
Total other comprehensive income, net of tax, for the year <sup>(1)</sup>	(455)	1 742
Translation of foreign operations	(1 529)	996
Net fair-value gains/(losses) <sup>(2)</sup>	11	(4)
Cash flow hedges	169	(98)
Share of other comprehensive income and reserves of equity-accounted investments <sup>(3)</sup>	918	835
Tax on other comprehensive income	(24)	13
<b>Total comprehensive income for the year</b>	<b>6 466</b>	<b>13 041</b>
<b>Attributable to:</b>		
Equity holders of the group	6 452	13 026
Non-controlling interest	14	15
	<b>6 466</b>	<b>13 041</b>

**Notes**

<sup>(1)</sup> All components of other comprehensive income may subsequently be reclassified to profit or loss except for fair-value gains of US\$10.8m and gains of US\$752.4m (2018: US\$361.0m) included in the share of equity-accounted investments' direct reserve movements.

<sup>(2)</sup> Previously referred to as available-for-sale investments in terms of IAS 39 Financial Instruments: Recognition and Measurements. Following the application of IFRS 9 Financial Instruments in 2019, fair value gains or losses on these investments will no longer be reclassified to the income statement in future reporting periods.

<sup>(3)</sup> Includes fair-value changes on financial assets at fair value through other comprehensive income (previously referred to as available-for-sale investments) of equity-accounted investments. Following the application of IFRS 9 Financial Instruments in 2019, fair-value gains or losses on these investments will no longer be reclassified to the income statement in future reporting periods.

Refer to basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

## Summarised consolidated statement of changes in equity

for the year ended 31 March

	2019 US\$'m	2018 Restated US\$'m
<b>Balance at the beginning of the year</b>	<b>25 692</b>	<b>13 142</b>
<b>Changes in share capital and premium</b>		
Movement in treasury shares	(20)	(64)
Share capital and premium issued	–	85
<b>Changes in reserves</b>		
Total comprehensive income for the year	6 452	13 026
Movement in share-based compensation reserve	(157)	(48)
Movement in existing control business combination reserve	720	(195)
Movement in valuation reserve	(436)	–
Direct retained earnings and other reserve movements	(59)	125
Dividends paid to Naspers shareholders	(196)	(262)
Distribution in specie <sup>(1)</sup>	(3 828)	–
<b>Changes in non-controlling interest<sup>(2)</sup></b>		
Total comprehensive income for the year	14	15
Dividends paid to non-controlling shareholders	(116)	(153)
Movement in non-controlling interest in reserves	65	21
<b>Balance at the end of the year</b>	<b>28 131</b>	<b>25 692</b>
<b>Comprising:</b>		
Share capital and premium	4 945	4 965
Retained earnings	23 793	20 133
Share-based compensation reserve	1 698	1 460
Existing control business combination reserve	(1 127)	(1 847)
Hedging reserve	–	(106)
Valuation reserve	760	1 679
Foreign currency translation reserve	(2 070)	(761)
Non-controlling interest	132	169
<b>Total</b>	<b>28 131</b>	<b>25 692</b>

### Notes

<sup>(1)</sup> Relates to MultiChoice Group which was distributed to shareholders during the current period.

<sup>(2)</sup> Current-year change includes the derecognition of non-controlling interest of US\$79.8m related to MultiChoice Group which was distributed to shareholders.

Refer to the basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

## Summarised consolidated statement of financial position

as at 31 March

	2019 US\$'m	2018 Restated US\$'m
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	191	1 638
Goodwill	2 120	2 607
Other intangible assets	877	1 143
Investments in associates	19 746	16 666
Investments in joint ventures	96	78
Other investments and loans	74	115
Other receivables	7	21
Derivative financial instruments	1	1
Deferred taxation	21	117
<b>Current assets</b>		
Inventory	209	231
Programme and film rights	–	240
Trade receivables	172	452
Other receivables and loans	518	762
Derivative financial instruments	4	11
Short-term investments	7 298	–
Cash and cash equivalents	2 284	11 369
	10 485	13 065
Assets classified as held for sale	67	–
<b>Total assets</b>	<b>33 685</b>	<b>35 451</b>

Refer to the basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

## Summarised consolidated statement of financial position continued

as at 31 March

	2019 US\$'m	2018 Restated US\$'m
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to the group's equity holders</b>	<b>27 999</b>	25 523
Share capital and premium	4 945	4 965
Other reserves	(739)	425
Retained earnings	23 793	20 133
Non-controlling interest	132	169
<b>Total equity</b>	<b>28 131</b>	25 692
<b>Non-current liabilities</b>	<b>3 973</b>	5 623
Capitalised finance leases	5	1 086
Liabilities – interest bearing	3 237	3 202
– non-interest bearing	9	22
Other non-current liabilities	538	867
Post-employment medical liability	21	30
Derivative financial instruments	33	157
Deferred taxation	130	259
<b>Current liabilities</b>	<b>1 581</b>	4 136
Current portion of long-term debt	23	280
Trade payables	287	564
Accrued expenses and other current liabilities	1 258	3 162
Derivative financial instruments	3	129
Bank overdrafts	8	1
	<b>1 579</b>	4 136
Liabilities classified as held for sale	2	–
<b>Total equity and liabilities</b>	<b>33 685</b>	35 451
Net asset value per N ordinary share (US cents)	<b>6 478</b>	5 906

Refer to the basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

## Summarised consolidated statement of cash flows

for the year ended 31 March

	2019 US\$'m	2018 US\$'m
<b>Cash flows from operating activities</b>		
Cash generated from operating activities	322	141
Interest income received	244	81
Dividends received from investments and equity-accounted companies	344	251
Interest costs paid	(252)	(240)
Taxation paid	(248)	(391)
<b>Net cash generated from/(utilised in) operating activities</b>	<b>410</b>	(158)
<b>Cash flows from investing activities</b>		
Acquisitions and disposals of tangible and intangible assets	(152)	(138)
Acquisitions of subsidiaries, associates and joint ventures	(1 402)	(1 957)
Disposals of subsidiaries, businesses, associates and joint ventures	1 460	9 941
Acquisition of short-term investments <sup>(1)</sup>	(7 230)	–
Cash movement in other investments and loans	(2)	7
<b>Net cash (utilised in)/generated from investing activities</b>	<b>(7 326)</b>	7 853
<b>Cash flows from financing activities</b>		
Proceeds from long- and short-term loans raised	62	1 124
Repayments of long- and short-term loans	(51)	(827)
Outflow from equity-settled share-based compensation transactions	(119)	(22)
Additional investments in existing subsidiaries	(1 610)	(219)
Dividends paid by the holding company and its subsidiaries	(317)	(344)
Other movements resulting from financing activities	(8)	(100)
<b>Net cash utilised in financing activities</b>	<b>(2 043)</b>	(388)
<b>Net movement in cash and cash equivalents</b>		
Foreign exchange translation adjustments on cash and cash equivalents	(133)	58
Cash and cash equivalents at the beginning of the year	11 368	4 003
<b>Cash and cash equivalents at the end of the year</b>	<b>2 276</b>	11 368

**Note**

<sup>(1)</sup> Relates to short-term cash investments with maturities of more than three months from date of acquisition.

# Notes to the summarised consolidated financial statements

for the year ended 31 March

## General information

Naspers Limited (Naspers or the group) is a global consumer internet group and one of the largest technology investors in the world. Operating and investing in countries and markets across the world with long-term growth potential, Naspers builds leading companies that empower people and enrich communities. The group operates and partners a number of leading internet businesses across the Americas, Africa, Central and Eastern Europe, and Asia in sectors including online classifieds, food delivery, payments and fintech, travel, education, health, and social and internet platforms.

## Basis of presentation and accounting policies

The summarised consolidated financial results for the year ended 31 March 2019 are prepared in accordance with the JSE Limited (JSE) Listings Requirements (the JSE Listings Requirements) relevant to summarised financial statements and the provisions of the Companies Act No 71 of 2008. The JSE Listings Requirements require provisional reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The summarised consolidated financial results do not include all the disclosures required for complete annual financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB). The accounting policies applied in the preparation of the consolidated annual financial statements from which the summarised consolidated financial results were derived, are consistent with those applied in the previous consolidated annual financial statements, except as set out below.

The group has adopted all new and amended accounting pronouncements issued by the IASB that are effective for financial years commencing 1 April 2018. The group has initially applied IFRS 15 *Revenue from Contracts with Customers* (IFRS 15), IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (IFRIC 22) and IFRS 9 *Financial Instruments* (IFRS 9) from 1 April 2018. A number of other pronouncements were also effective from 1 April 2018 however these pronouncements did not have a significant impact on the summarised consolidated financial results.

The group's reportable segments reflect the components of the group that are regularly reviewed by the chief executive officer and other senior executives who make strategic decisions. The group proportionately consolidates its share of the results of its associates and joint ventures in its reportable segments.

Trading profit excludes amortisation of intangible assets (other than software), equity-settled share-based payment expenses relating to transactions to be settled through the issuance of treasury shares, retention option expenses and other gains/losses, but includes the finance cost on transponder leases.

Core headline earnings exclude non-operating items. We believe it is a useful measure of the group's operating performance. However, this is not a defined term under IFRS and may not be comparable with similarly titled measures reported by other companies.

The impact of adoption of new accounting pronouncements during the year is set out below.

## **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 replaced IAS 18 *Revenue*. The group has applied IFRS 15 on a retrospective basis and has restated the comparative information contained in the summarised consolidated financial results. Apart from providing additional and more detailed disclosure around revenue recognition, IFRS 15 did not have a significant impact on the group's existing revenue recognition practices and summarised consolidated financial results.

The cumulative net impact of adopting IFRS 15 for the year ended 31 March 2018 was a reduction in consolidated revenue of US\$3m and an increase of US\$1m in profit for the year. The impact of adoption related to the group's Video Entertainment segment which has been presented as a discontinued operation, as the initial application of IFRS 15 did not have a significant impact on the group's other operations.

## **IFRS 9 Financial Instruments**

IFRS 9 replaced IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39). The group has applied IFRS 9 from 1 April 2018 and elected not to restate comparative information on transition, with the impact of adoption recognised as an adjustment to the opening balance of retained earnings as at 1 April 2018. The initial application of IFRS 9 did not have a significant impact on the group. The specific impacts relating to classification and measurement, impairment allowances and hedge accounting are outlined below.

## **Classification and measurement**

The group recognised an increase in retained earnings of US\$838m, as a transfer from other reserves, relating to the impact of IFRS 9 on its associate Tencent Holdings Limited. The impact relates to cumulative net gains on investments classified as available-for-sale financial assets in terms of IAS 39 that are now accounted for as financial assets at fair value through profit or loss in terms of IFRS 9.

In terms of IAS 39, the group previously classified equity investments as available-for-sale investments with changes in fair value recognised in other comprehensive income. On disposal or impairment, cumulative fair-value changes recognised in other comprehensive income were reclassified to the income statement. Furthermore, certain available-for-sale investments were measured at cost as their fair value could not be measured with sufficient reliability. These investments are, however, not significant to the summarised consolidated financial results and their remeasurement to fair value on transition to IFRS 9 was insignificant. The group has classified these investments as financial assets at fair value through other comprehensive income in terms of IFRS 9. IFRS 9 does not permit the reclassification of cumulative fair value changes to the income statement on disposal or impairment. Further, IFRS 9 no longer permits cost measurement where fair value cannot be measured with sufficient reliability. The group, following the adoption of IFRS 9, accordingly no longer reclassifies cumulative fair value changes on these investments to the income statement on disposal or impairment but transfers such cumulative changes to retained earnings on disposal of an investment.

## **Impairment**

The adoption of IFRS 9's impairment model resulted in an increase in impairment allowances on trade receivables due to the requirement to consider forward-looking information when determining impairment allowances. The cumulative net impact on the group was an increase of US\$14m in impairment allowances on trade receivables and a corresponding decrease of US\$14m in retained earnings. The impact of adoption related primarily to the group's Video Entertainment business, which has been presented as a discontinued operation, as the application of IFRS 9 did not have a significant impact on the group's other operations.

## **Hedge accounting**

IFRS 9 did not have a significant impact on the group's hedge accounting practices and accordingly previously applied hedging practices continued unaffected.

## **IFRIC 22 Foreign Currency Transactions and Advance Consideration**

IFRIC 22 clarifies that non-monetary assets and liabilities arising from the payment/receipt of advance consideration (eg, prepaid expenses and deferred revenue) are not retranslated to the entity's functional currency after initial recognition. The group applied IFRIC 22 on a prospective basis, with the impact of adoption recognised as an adjustment to the opening balance of retained earnings as at 1 April 2018.

The impact of adoption was an increase in prepaid expenses of US\$10m, a decrease in deferred revenue of US\$4m and a corresponding increase of US\$14m in retained earnings. The adoption impact related primarily to the group's Video Entertainment business, which has been presented as a discontinued operation, as the initial application of IFRIC 22 did not have a significant impact on the group's other operations.

The impact of the adoption of the above accounting standards during the current period is shown in the following tables.

## Notes to the summarised consolidated financial statements continued

for the year ended 31 March

*Basis of presentation and accounting policies continued*

### Income statement (extract)

	31 March 2018			
	Previously reported US\$'m	Change in accounting policy <sup>(1)</sup> US\$'m	Restated US\$'m	Represented by: Continuing operations US\$'m Discontinued operations US\$'m
<b>Revenue from contracts with customers</b>	6 660	(3)	6 657	2 985      3 672
Selling, general and administration expenses	(2 786)	4	(2 782)	(1 728)      (1 054)
<b>Operating loss</b>	(198)	1	(197)	(659)      462
<b>Profit before taxation</b>	11 658	1	11 659	11 179      480
<b>Profit for the year</b>	11 298	1	11 299	11 109      190
<b>Profit attributable to:</b>				
Equity holders of the group	11 357	1	11 358	11 245      113
Non-controlling interests	(59)	–	(59)	(136)      77
	11 298	1	11 299	11 109      190
<b>Core headline earnings for the year</b>	2 507	1	2 508	2 388      120
<b>Core headline earnings per N ordinary share (US cents)</b>				
Basic	581	–	581	553      28
Diluted	568	–	568	540      28
<b>Earnings for the year</b>	11 357	1	11 358	11 245      113
<b>Earnings per N ordinary share (US cents)</b>				
Basic	2 631	–	2 631	2 604      27
Diluted	2 612	–	2 612	2 585      27
<b>Headline earnings for the year</b>	1 794	1	1 795	1 670      125
<b>Headline earnings per N ordinary share (US cents)</b>				
Basic	416	–	416	387      29
Diluted	403	–	403	374      28

**Note**

<sup>(1)</sup> Represents the impact of adopting IFRS 15.

### Statement of comprehensive income (extract)

	31 March 2018		
	Previously reported US\$'m	Change in accounting policy <sup>(1)</sup> US\$'m	Restated US\$'m
<b>Profit for the year</b>	11 298	1	11 299
<b>Other comprehensive income for the year</b>	1 742	–	1 742
<b>Total comprehensive income for the year</b>	13 040	1	13 041
<b>Attributable to:</b>			
Equity holders of the group	13 025	1	13 026
Non-controlling interests	15	–	15
	13 040	1	13 041

**Note**

<sup>(1)</sup> Represents the impact of adopting IFRS 15.

### Statement of financial position (extract)

	As at 31 March 2018		
	Previously reported US\$'m	Change in accounting policy <sup>(1)</sup> US\$'m	Restated US\$'m
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to the group's equity holders</b>	25 522	1	25 523
Share capital and premium	4 965	–	4 965
Other reserves	425	–	425
Retained earnings	20 132	1	20 133
<b>Non-controlling interests</b>	169	–	169
<b>TOTAL EQUITY</b>	25 691	1	25 692
<b>Non-current liabilities</b>	5 623	–	5 623
<b>Current liabilities</b>	4 137	(1)	4 136
Accrued expenses and other current liabilities	3 163	(1)	3 162
<b>TOTAL EQUITY AND LIABILITIES</b>	35 451	–	35 451

**Note**

<sup>(1)</sup> Represents the impact of adopting IFRS 15.

## Notes to the summarised consolidated financial statements continued

for the year ended 31 March

**Basis of presentation and accounting policies** continued

### Adjustments to the opening balances of the statement of financial position (extract)

	As at 1 April 2018		
	Restated <sup>(1)</sup> US\$'m	Change in accounting policy <sup>(2)</sup> US\$'m	Restated US\$'m
<b>ASSETS</b>			
<b>Non-current assets</b>	22 386	–	22 386
<b>Current assets</b>	13 065	(4)	13 061
Trade receivables	452	(14)	438
Other receivables and loans	762	10	772
<b>TOTAL ASSETS</b>	35 451	(4)	35 447
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to the group's equity holders</b>	25 523	–	25 523
Share capital and premium	4 965	–	4 965
Other reserves	425	(838)	(413)
Retained earnings	20 133	838	20 971
<b>Non-controlling interests</b>	169	–	169
<b>TOTAL EQUITY</b>	25 692	–	25 692
<b>Non-current liabilities</b>	5 623	–	5 623
<b>Current liabilities</b>	4 136	(4)	4 132
Accrued expenses and other current liabilities	3 162	(4)	3 158
<b>TOTAL EQUITY AND LIABILITIES</b>	35 451	(4)	35 447

**Notes**

<sup>(1)</sup> IFRS 15 has been adopted on a retrospective basis and accordingly the 31 March 2018 statement of financial position has already been restated for its impact.

<sup>(2)</sup> Represents the impacts of adopting IFRS 9 and IFRIC 22 as of 1 April 2018.

### Profit from discontinued operations

The group concluded the disposal of its subsidiary MultiChoice Group Limited (MultiChoice Group) in February 2019. The assets and liabilities of MultiChoice Group were classified as held for sale in September 2018. The results and cash flows of the group's Video Entertainment segment have been presented as discontinued operations in these consolidated annual financial statements. Discontinued operations also include the group's subscription video-on-demand service in Poland which was closed at the end of January 2019.

### Income statement information of discontinued operations

	31 March	
	2019 US\$'m	2018 Restated <sup>(1)</sup> US\$'m
Revenue from contracts with customers	3 321	3 672
Expenses	(2 851)	(3 192)
<b>Profit before tax</b>	470	480
Taxation	(200)	(290)
<b>Profit for the year</b>	270	190
Gain on disposal of discontinued operation	2 489	–
<b>Profit from discontinued operations</b>	2 759	190
<b>Profit from discontinued operations attributable to:</b>		
Equity holders of the group	2 683	113
Non-controlling interest	76	77
	2 759	190
<b>Revenue from contracts with customers</b>		
Revenue from discontinued operations comprises:		
Subscription revenue	2 750	2 982
Advertising revenue	211	239
Hardware sales and maintenance revenue	171	192
Technology revenue	98	128
Sublicense and reconnection fee revenue	63	71
Other revenue	28	60
<b>Revenue from contracts with customers</b>	3 321	3 672
<b>Cash flow statement information of discontinued operations</b>		
Net cash generated from operating activities	344	245
Net cash utilised in investing activities	(63)	(60)
Net cash generated from financing activities	20	102
<b>Cash generated by discontinued operations</b>	301	287

**Note**

<sup>(1)</sup> Represents the impact of adopting IFRS 15.

## Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

### Profit from discontinued operations *continued*

#### Per share information of discontinued operations

	31 March	
	2019 US\$'m	2018 US\$'m
Core headline earnings for the year (US\$'m)	308	120
Core headline earnings per N ordinary share (US cents)	71	28
Diluted core headline earnings per N ordinary share (US cents)	71	28
Headline earnings for the year (US\$'m)	216	125
Headline earnings per N ordinary share (US cents)	50	29
Diluted headline earnings per N ordinary share (US cents)	50	28
Earnings per N ordinary share (US cents)	621	27
Diluted earnings per N ordinary share (US cents)	618	27
Net number of shares issued ('000)		
– at year-end	432 200	432 126
– weighted average for the year	432 202	431 635
– diluted weighted average	434 060	433 003

### Headline and core headline earnings

	31 March 2019	
	Continuing operations US\$'m	Discontinued operations US\$'m
<b>Net profit attributable to shareholders</b>	<b>4 218</b>	<b>2 683</b>
Adjusted for:		
– impairment of property, plant and equipment and other assets	1	21
– impairment of goodwill and other intangible assets	7	3
– loss on sale of assets	2	1
– gains on acquisitions and disposals of investments	(1 621)	(2 489)
– remeasurement of previously held interest	(7)	–
– dilution losses on equity-accounted investments	182	–
– remeasurements included in equity-accounted earnings	695	–
– impairment of equity-accounted investments	88	–
	<b>3 565</b>	<b>219</b>
Total tax effects of adjustments	175	–
Total adjustment for non-controlling interest	(21)	(3)
<b>Headline earnings</b>	<b>3 719</b>	<b>216</b>
Adjusted for:		
– equity-settled share-based payment expenses	561	13
– initial recognition of tax losses from previous years	(36)	–
– amortisation of other intangible assets	295	2
– fair-value adjustments and currency translation differences	(1 570)	77
– retention option expense	11	–
– business combination related losses	20	–
<b>Core headline earnings</b>	<b>3 000</b>	<b>308</b>

The diluted earnings, headline earnings and core headline earnings per share figures presented on the face of the income statement include a decrease of US\$47m relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees and subsidiaries.

## Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

### Headline and core headline earnings *continued*

	31 March 2018	
	Continuing operations US\$'m	Discontinued operations US\$'m
<b>Net profit attributable to shareholders</b>	11 245	113
Adjusted for:		
– impairment of property, plant and equipment and other assets	24	15
– impairment of goodwill and other intangible assets	4	–
– gain on sale of assets	–	(1)
– losses on acquisitions and disposals of investments	95	–
– remeasurement of previously held interest	(21)	–
– dilution gains on equity-accounted investments <sup>(i)</sup>	(9 216)	–
– remeasurements included in equity-accounted earnings	(526)	2
– impairment of equity-accounted investments	46	–
	1 651	129
Total tax effects of adjustments	20	(2)
Total adjustment for non-controlling interest	(1)	(2)
<b>Headline earnings</b>	<b>1 670</b>	<b>125</b>
Adjusted for:		
– equity-settled share-based payment expenses	425	10
– amortisation of other intangible assets	187	3
– fair-value adjustments and currency translation differences	79	(19)
– retention option expense	7	1
– business combination related losses	20	–
<b>Core headline earnings</b>	<b>2 388</b>	<b>120</b>

#### Note

<sup>(i)</sup> Includes the gain recognised on the disposal of a 2% interest in Tencent Holdings Limited.

The diluted earnings, headline earnings and core headline earnings per share figures presented on the face of the income statement include a decrease of US\$49m relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees and subsidiaries.

### Revenue from contracts with customers

	31 March	
Reportable segment(s) where revenue is included	2019 US\$'m	2018 US\$'m
Online sale of goods revenue	1 481	1 245
Classifieds listings revenue	623	491
Payment transaction commissions and fees	308	255
Mobile and other content revenue	159	142
Food-delivery revenue	159	115
Travel package revenue and commissions	27	53
Advertising revenue	229	241
Comparison shopping commissions and fees	45	59
Printing, distribution, circulation, publishing and subscription revenue	145	284
Other revenue	115	100
	3 291	2 985

Revenue is presented on an economic-interest basis (ie including a proportionate consolidation of the revenue of associates and joint ventures) in the group's segmental review and is accordingly not directly comparable to the above consolidated revenue figures.

### Finance (costs)/income

	31 March	
	2019 US\$'m	2018 US\$'m
<b>Interest income</b>	<b>284</b>	<b>52</b>
– loans and bank accounts	283	49
– other	1	3
<b>Interest expense</b>	<b>(205)</b>	<b>(197)</b>
– loans and overdrafts	(201)	(193)
– other	(4)	(4)
<b>Other finance income/(cost) – net</b>	<b>130</b>	<b>(379)</b>
– net foreign exchange differences and fair-value adjustments on derivatives	77	(127)
– remeasurement of written put option liabilities	53	(252)

## Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

### Profit before taxation

In addition to the items already detailed, profit before taxation has been determined after taking into account, *inter alia*, the following:

	31 March	
	2019 US\$'m	2018 US\$'m
Depreciation of property, plant and equipment	35	31
Amortisation	111	111
– other intangible assets	94	97
– software	17	14
Impairment losses on financial assets measured at amortised cost	18	15
Net realisable value adjustments on inventory, net of reversals <sup>(i)</sup>	28	8
Other (losses)/gains – net	(38)	(32)
– (loss)/gain on sale of assets	(2)	1
– impairment of goodwill and other intangible assets	(7)	(4)
– impairment of property, plant and equipment and other assets	(1)	(24)
– dividends received on investments	4	1
– fair-value adjustments on financial instruments	(27)	(6)
– other	(5)	–
Gains on acquisitions and disposals	1 609	(93)
– gains/(losses) on disposal of investments	1 618	(91)
– remeasurement of contingent consideration	3	(5)
– acquisition-related costs	(19)	(18)
– remeasurement of previously held interest	7	21

#### Note

<sup>(i)</sup> Net realisable value writedowns relate primarily to general inventory writedowns in the retail segment.

### Equity-accounted results

The group's equity-accounted investments contributed to the summarised consolidated financial results as follows:

	31 March	
	2019 US\$'m	2018 US\$'m
Share of equity-accounted results	3 410	3 285
– sale of non-current assets	–	2
– gains on acquisitions and disposals	(126)	(692)
– impairment of investments	799	162
Contribution to headline earnings	4 083	2 757
– amortisation of other intangible assets	236	135
– equity-settled share-based payment expenses	535	385
– fair-value adjustments and currency translation differences	(1 499)	(224)
Contribution to core headline earnings	3 355	3 053
Tencent	3 587	3 288
Mail.ru	15	37
MakeMyTrip	(49)	(76)
Delivery Hero	(55)	(17)
Other	(143)	(179)

The group applies an appropriate lag period in reporting the results of equity-accounted investments, where the year-ends of investees are not coterminous with that of Naspers Limited.

## Notes to the summarised consolidated financial statements continued

for the year ended 31 March

### Goodwill

Goodwill is subject to an annual impairment assessment. Movements in the group's goodwill for the year are detailed below:

	31 March	
	2019 US\$'m	2018 US\$'m
<b>Goodwill</b>		
– cost	2 961	2 790
– accumulated impairment	(354)	(348)
<b>Opening balance</b>	<b>2 607</b>	<b>2 442</b>
– foreign currency translation effects	(292)	41
– acquisitions of subsidiaries and businesses	105	124
– disposals of subsidiaries and businesses	(7)	–
– transferred to assets classified as held for sale <sup>(i)</sup>	(287)	–
– impairment	(6)	–
<b>Closing balance</b>	<b>2 120</b>	<b>2 607</b>
– cost	2 360	2 961
– accumulated impairment	(240)	(354)

**Note**

<sup>(i)</sup> Assets classified as held for sale include those assets of MultiChoice Group that were classified as held for sale in September 2018 and subsequently distributed to shareholders.

### Commitments and contingent liabilities

Commitments relate to amounts for which the group has contracted, but that have not yet been recognised as obligations in the statement of financial position.

	31 March	
	2019 US\$'m	2018 US\$'m
<b>Commitments<sup>(i)</sup></b>	<b>327</b>	<b>3 537</b>
– capital expenditure	19	17
– programme and film rights	–	2 906
– network and other service commitments	26	104
– operating lease commitments	282	327
– set-top box commitments	–	183

**Note**

<sup>(i)</sup> The group is subject to commitments which occur in the normal course of business. The group plans to fund these commitments out of existing facilities and internally generated funds. Prior-period commitments for programme and film rights and set-top boxes related to MultiChoice Group which was distributed to shareholders during the current year.

The group operates across a large number of jurisdictions and pays tax in the countries in which it operates. In certain jurisdictions uncertainty exists as to whether certain transactions or payments are subject to tax. In these countries the group continues to seek relevant advice and works with its advisers to identify and/or quantify tax exposures. Our current assessment of possible tax exposures, including penalties and interest, amounts to approximately US\$22.0m (2018: US\$226.1m). No provision has been made as at 31 March 2019 (and 2018) for these possible exposures. The current-year reduction in possible tax exposures relates primarily to the distribution of MultiChoice Group to shareholders.

Furthermore, the group has a contingent asset of US\$177.0m (2018: US\$nil) related to amounts receivable from tax authorities.

### Disposal groups classified as held for sale

The group distributed its shareholding in MultiChoice Group Limited (MultiChoice Group) to shareholders during the year. As a consequence of this transaction, equity-compensation plans and other group entities that held Naspers Limited N ordinary shares (as treasury shares) at the time of distribution received MultiChoice Group shares. The group has classified a portion of these MultiChoice Group shares with a fair value of US\$50.7m as held for sale as at 31 March 2019 as it has committed to dispose of these shares within 12 months from the end of the current reporting period. The portion of MultiChoice Group shares not classified as held for sale are presented as part of "Other Investments and loans" on the statement of financial position.

The assets and liabilities of the group's subsidiary Netpreneur Connections Enterprises, Inc. (Sulit) were also classified as held for sale during the year as the group signed an agreement to contribute this investment to Carousell Private Limited (Carousell) in exchange for an equity interest in Carousell.

## Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

### Disposal groups classified as held for sale continued

The assets and liabilities classified as held for sale as at 31 March 2019 are detailed in the table below:

	31 March	
	2019 US\$'m	2018 US\$'m
<b>Assets classified as held for sale</b>	<b>67</b>	–
Goodwill and other intangible assets	13	–
Investments at fair value through other comprehensive income	51	–
Trade and other receivables	2	–
Cash and cash equivalents	1	–
<b>Liabilities classified as held for sale</b>	<b>2</b>	–
Accrued expenses and other current liabilities	2	–

### Business combinations, other acquisitions and disposals

In August 2018 the group invested US\$60m for a 100% effective and fully diluted interest in the issued share capital of Zooz Mobile Limited (Zooz), a management and optimisation payment provider based in Israel. The transaction was accounted for as a business combination with an effective date of August 2018. The purchase price allocation: cash and deposits US\$2m; trade and other receivables US\$1m; intangible assets US\$22m; trade and other payables US\$1m; loan liabilities US\$1m; deferred tax liability US\$5m; and the balance of US\$42m to goodwill. The main intangible assets recognised in the business combination were technology and customer relationships.

In December 2018 the group invested US\$36m for a 69% effective interest (65% fully diluted) in the issued share capital of Aasaanjobs Private Limited (Aasaanjobs), an online recruitment marketplace based in India. The transaction was accounted for as a business combination with an effective date of December 2018. The purchase price allocation: cash and deposits US\$23m; trade and other receivables US\$1m; intangible assets US\$5m; trade and other payables US\$3m; deferred tax liability US\$2m; and the balance of US\$13m to goodwill. The main intangible assets recognised in the business combination were customer relationships and tradenames.

Since the acquisition dates of the above business combinations, revenue of US\$1m and net losses of US\$9m have been included in the income statement. Had the revenue and net losses of the above business combinations been included from 1 April 2018 group revenue from continuing operations and group net profit from continuing operations would have amounted to US\$3.29bn and US\$4.15bn respectively.

The main factor contributing to the goodwill recognised in these acquisitions was the acquirees' market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US\$2m were recorded in "(Losses)/gains on acquisitions and disposals" in the income statement regarding the abovementioned acquisitions.

In April 2018 the group acquired the share capital held by non-controlling shareholders of its subsidiary Dubizzle Limited (Dubizzle) for US\$190m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Dubizzle and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective and fully diluted interest in Dubizzle.

In August 2018 the group's subsidiary Letgo Global B.V. (previously named Ambatana Holdings B.V.) acquired the share capital held by non-controlling shareholders of Letgo USA B.V. for US\$189m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in the business and the derecognition of the related non-controlling interest. Following a US\$150m funding round in June 2018, the group's shareholding in Letgo Global B.V. increased from an effective 73.4% at 31 March 2018 to 80% (77% fully diluted) at 31 March 2019.

In January 2019 the group acquired the share capital held by non-controlling shareholders of its subsidiary Avito AB (Avito) for US\$1.16bn. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Avito and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective interest (99.5% fully diluted) in Avito.

In March 2019 the group acquired an additional interest in its subsidiary Silver Indonesia JVCo B.V. (Silver Indonesia) from non-controlling shareholders for US\$46m. Following the acquisition, the group holds a 66% effective interest in Silver Indonesia.

The following relates to the group's investments in its equity-accounted investees:

In May 2018 the group invested US\$35m for a 16% effective interest (15% fully diluted) in Honor Technology, Inc. (Honor) a comprehensive home-care company for older adults in the US. The group accounts for its interest as an investment in an associate.

In May 2018 the group invested US\$89m in Frontier Car Group, Inc. (Frontier Car Group), an online car marketplace headquartered in Berlin and currently operating in eight countries, for a 36% effective (35% fully diluted) shareholding. The group accounts for its interest as an investment in an associate. The group also entered into a collaboration with Frontier Car Group in India during February 2019 through an investment of US\$25m in the group's subsidiary India Used Car Group B.V.

In July 2018 the group invested an additional US\$12m in PaySense Private Limited (PaySense), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. Following this investment, the group holds a 19% effective interest (17% fully diluted) in PaySense. The group now accounts for its interest in PaySense as an investment in an associate.

The group invested an additional US\$79m in Bundl Technologies Private Limited (Swiggy), a leading online food-ordering and delivery platform in India, during July 2018, followed by a further investment of US\$637m in January 2019. Following these investments, the group holds a 39% effective interest (35% fully diluted) in Swiggy. The group continues to account for its interest as an investment in an associate.

In December 2018 the group invested US\$383m in Think & Learn Private Limited (BYJU'S) for a 12% effective (12% fully diluted) shareholding in India's largest education company and the creator of India's largest personalised learning app. The group accounts for its interest as an investment in an associate.

The following relates to significant disposals by the group during the reporting period:

During May 2018 the group announced the disposal of its 12% effective interest (11% fully diluted) in Flipkart Limited – its equity-accounted etail investment in India – to US-based retailer Wal-Mart International Holdings, Inc. for US\$2.2bn (inclusive of applicable withholding taxes and amounts held in escrow). Amounts held in escrow following the disposal have been included as part of "Other receivables and loans" in the statement of financial position. The transaction was concluded in August 2018 following regulatory approval. A gain on disposal of US\$1.6bn has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement. This gain includes the reclassification of a foreign currency translation reserve of US\$97m to the income statement. Related income tax expenses of US\$177m have been included as part of "Taxation" in the income statement.

## Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

### **Business combinations, other acquisitions and disposals continued**

In September 2018 the group concluded the sale of its 52% interest in Tek Travels Private Limited, its online business-to-business (B2B) travel distribution business, for US\$37m. A gain on disposal of US\$6m has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement.

Following its listing on the JSE in February 2019, the group distributed its shares in its Video Entertainment business, MultiChoice Group Limited (MultiChoice Group), to shareholders as a pro rata distribution in specie (the distribution). MultiChoice Group and, accordingly, the group's Video Entertainment segment, have been presented as a discontinued operation in these consolidated annual financial statements. The group recorded a gain of US\$2.49bn as part of "Profit from discontinued operations" in the income statement following the distribution, being the difference between the fair value of MultiChoice Group shares distributed, measured using its listed share price, and the book value of the net assets derecognised. The gain recognised is presented net of the reclassification of reserves (primarily foreign currency translation and hedging reserves) of US\$546m (losses) to the income statement following the distribution. The distribution reduced retained earnings by US\$3.83bn being the fair value of the distributed MultiChoice Group shares. The group calculated the gain on distribution based on the fair value of MultiChoice Group as at the date of distribution. In calculating the fair value, the group determined that the share price of MultiChoice Group for the first 15 days of trading did not represent an orderly transaction on account of the trading volumes during this period and the fact that there was no exposure to the market before the measurement date. Consequently, the group used the 15-day volume-weighted average share price of MultiChoice Group and excluded the first 15 days of trading as this was considered more representative of the fair value of MultiChoice Group in an orderly transaction. This is consequently a level 2 fair value measurement.

## Financial instruments

The fair values of the group's financial instruments that are measured at fair value at each reporting period are categorised as follows:

	Fair-value measurements at 31 March 2019 using:			
	Carrying value US\$m	Quoted prices in active markets for identical assets or liabilities (level 1) US\$m	Significant other observable inputs (level 2) US\$m	Significant unobservable inputs (level 3) US\$m
<b>Assets</b>				
Financial assets at fair value through other comprehensive income <sup>(1)</sup>	122	73	3	46
Foreign exchange contracts	4	–	4	–
Derivatives embedded in leases	1	–	–	1
<b>Liabilities</b>				
Foreign exchange contracts	3	–	3	–
Earn-out obligations	7	–	–	7
Cross-currency swap	33	–	33	–

### Note

<sup>(1)</sup> Includes assets classified as held for sale.

## Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

### Financial instruments *continued*

#### Fair-value measurements at 31 March 2018 using:

	Carrying value US\$'m	Quoted prices in active markets for identical assets or liabilities (level 1) US\$'m	Significant other observable inputs (level 2) US\$'m	Significant unobservable inputs (level 3) US\$'m	
<b>Assets</b>					
Available-for-sale investments	35	33	2	–	
Foreign exchange contracts	9	–	9	–	
Derivatives embedded in leases	1	–	–	1	
Currency devaluation features	2	–	–	2	
<b>Liabilities</b>					
Foreign exchange contracts	162	–	162	–	
Earn-out obligations	58	–	–	58	
Interest rate and cross-currency swaps	124	–	124	–	

There have been no transfers between levels 1 or 2 during the reporting period, nor were there any significant changes to the valuation techniques and inputs used in measuring fair value.

Currency devaluation features related to clauses in content acquisition agreements within the Video Entertainment business that provided the group with protection against significant currency devaluations. The group distributed the MultiChoice Group to shareholders during the current year. The fair value of currency devaluation features was measured through the use of discounted cash flow techniques.

For earn-out obligations, current forecasts of the extent to which management believes performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments are used.

Changes in these assumptions could affect the reported fair value of these financial instruments.

The fair value of level 2 financial instruments is determined with the use of exchange rates quoted in active markets and interest rate extracts from observable yield curves.

The group discloses the fair values of the following financial instruments as their carrying values are not a reasonable approximation of their fair values:

Financial liabilities	Carrying value US\$'m	Fair value US\$'m
31 March 2019		
Publicly traded bonds	3 200	3 350
31 March 2018		
Capitalised finance leases <sup>(i)</sup>	1 158	1 125
Publicly traded bonds	3 200	3 357

**Note**

<sup>(i)</sup> Related primarily to MultiChoice Group which was distributed to shareholders during the current year.

The fair values of the capitalised finance leases have been determined through discounted cash flow analysis. The fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments as at the end of the reporting period.

### Related party transactions and balances

The group entered into various related party transactions in the ordinary course of business. There have been no significant changes in related party transactions and balances since the previous reporting period.

### Events after the reporting period

In April 2019 the group contributed 100% of the issued share capital of its subsidiary Netrepreneur Connections Enterprises Inc. (Sulit) as well as cash with an aggregate value of US\$56.1m to Carousell Private Limited (Carousell) in exchange for a 12% (10% fully diluted) interest in Carousell, one of Asia's largest and fastest-growing classifieds marketplaces. The companies will merge their operations in the Philippines, a process that is expected to conclude in the second half of the 2019 calendar year. The group will classify its interest in Carousell as an investment in an associate on account of its representation on the board of Carousell.

In April 2019 the group announced the exchange of its 43% interest in its online travel associate MakeMyTrip Limited for an approximate 6% interest in Ctrip.com International Limited (Ctrip), a well-known provider of online travel and related services headquartered in China. The transaction is expected to be finalised in the second half of the 2019 calendar year and is subject to regulatory approval. The group will classify its interest in Ctrip as an investment at fair value.

## Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

### **Events after the reporting period** *continued*

In April 2019 the group signed an agreement to invest US\$70m for a 100% effective and fully diluted interest in Wibmo, Inc. (Wibmo) a digital payment company providing payment security, mobile payment solutions and processing services in India. The transaction is subject to regulatory approval. The group will account for the acquisition of its interest in Wibmo as a business combination and will classify the investment as an investment in a subsidiary.

In May 2019 the group announced the sale of its 100% effective interest in its subsidiary BuscaPé Company Informação e Tecnologia Limitada. The transaction is subject to regulatory approval.

In June 2019 the group signed an agreement to invest approximately US\$131m for a 85% effective interest (79% fully diluted) in İzci Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (Iyzico), a leading payment service provider in Turkey. The transaction is subject to regulatory approval. The group will account for the acquisition of its interest in Iyzico as a business combination and will classify the investment as an investment in a subsidiary.

### **Pro forma financial information**

The group has presented certain revenue and trading profit metrics in local currency, excluding the effects of changes in the composition of the group (the pro forma financial information) in the following tables. The pro forma financial information is the responsibility of the board of directors (the board) of Naspers Limited and is presented for illustrative purposes. Information presented on a pro forma basis has been extracted from the group's management accounts, the quality of which the board is satisfied with.

Shareholders are advised that, due to the nature of the pro forma financial information and the fact that it has been extracted from the group's management accounts, it may not fairly present the group's financial position, changes in equity, results of operations, or cash flows.

The pro forma financial information has been prepared to illustrate the impact of changes in foreign exchange rates and changes in the composition of the group on its results for the year ended 31 March 2019. The following methodology was applied in calculating the pro forma financial information:

I. Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted is calculated as the constant currency results, arrived at using the methodology outlined above, compared to the prior period's actual IFRS results. The relevant average exchange rates (relative to the US dollar) used for the group's most significant functional currencies, were: South African rand (2019: 0.0723; 2018: 0.0774), Polish złoty (2019: 0.2684; 2018: 0.2794), Russian rouble (2019: 0.0153; 2018: 0.0173), Chinese yuan renminbi (2019: 0.1485; 2018: 0.1517), Indian rupee (2019: 0.0143; 2018: 0.0155), Brazilian real (2019: 0.2622; 2018: 0.3097), Angolan kwanza (2019: 0.0035; 2018: 0.0056), and Nigerian naira (2019: 0.0028; 2018: 0.0028).

2. Adjustments made for changes in the composition of the group relate to acquisitions and disposals of subsidiaries and equity-accounted investments, as well as to changes in the group's shareholding in its equity-accounted investments. For mergers, the group composition adjustments include a portion of the prior year results of the entity with which the merger took place. The following significant changes in the composition of the group during the respective reporting periods have been adjusted for in arriving at the pro forma financial information:

### **Year ended 31 March 2019**

<b>Transaction</b>	<b>Basis of accounting</b>	<b>Reportable segment</b>	<b>Acquisition/Disposal</b>
<b>Continuing operations</b>			
Dilution of the group's interest in Tencent	Associate	Social and internet platforms	Disposal
Disposal of the group's interest in Flipkart	Associate	Ecommerce	Disposal
Effect of merger of ibibo with MakeMyTrip	Associate	Ecommerce	Acquisition and disposal
Acquisition of the group's interest in Delivery Hero	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Swiggy	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Frontier Car Group	Associate	Ecommerce	Acquisition
Disposal of the group's interest in Souq	Joint venture	Ecommerce	Disposal
Disposal of the group's interest in Tek Travels	Subsidiary	Ecommerce	Disposal
Acquisition of the group's interest in Takealot	Subsidiary	Ecommerce	Acquisition
Distribution of the group's interest in Novus to shareholders	Subsidiary	Media	Disposal
<b>Discontinued operations</b>			
Distribution of MultiChoice Group to shareholders	Subsidiary	Video Entertainment	Disposal
Disposal of the group's interest in MWEB	Subsidiary	Video Entertainment	Disposal

The net adjustment made for all acquisitions and disposals that took place during the year ended 31 March 2019 amounted to a negative adjustment of US\$1.4bn on revenue and a negative adjustment of US\$181m on trading profit.

An assurance report issued in respect of the pro forma financial information, by the group's external auditor, is available at the registered office of the company.

## Notes to the summarised consolidated financial statements continued

for the year ended 31 March

### Pro forma financial information continued

The adjustments to the amounts, reported in terms of IFRS, that have been made in arriving at the pro forma financial information are presented in the table below:

	Year ended 31 March							
	2018 A	2019 B	2019 C	2019 D	2019 E	2019 F <sup>(2)</sup>	2019 G <sup>(3)</sup>	2019 H <sup>(4)</sup>
Restated IFRS <sup>(1)</sup> US\$'m	Group composition disposal adjustment US\$'m	Group composition acquisition adjustment US\$'m	Foreign currency adjustment US\$'m	Local currency growth US\$'m	IFRS <sup>(1)</sup> growth US\$'m	Local currency growth % change	IFRS <sup>(1)</sup> growth % change	IFRS <sup>(1)</sup> growth % change
<b>CONTINUING</b>								
<b>Revenue</b>								
Internet	15 863	(1 248)	324	(663)	4 402	18 678	30	18
Ecommerce	3 582	(493)	324	(277)	798	3 934	26	10
– Classifieds	628	(1)	85	(67)	230	875	37	39
– Payments and Fintech	294	(1)	25	(40)	82	360	28	22
– Food Delivery	166	–	149	(33)	95	377	57	>100
– Etail	2 060	(476)	53	(102)	312	1 847	20	(10)
– Travel	211	(15)	–	(1)	39	234	20	11
– Other	223	–	12	(34)	40	241	18	8
Social and internet platforms	12 281	(755)	–	(386)	3 604	14 744	31	20
– Tencent	12 024	(753)	–	(348)	3 534	14 457	31	20
– Mail.ru	257	(2)	–	(38)	70	287	27	12
Media	507	(145)	–	(22)	(14)	326	(4)	(36)
Corporate segment	2	–	–	–	–	2	–	–
Intersegmental	(20)			1	3	(16)		
<b>Economic interest</b>	<b>16 352</b>	<b>(1 393)</b>	<b>324</b>	<b>(684)</b>	<b>4 391</b>	<b>18 990</b>	<b>29</b>	<b>16</b>
<b>DISCONTINUED</b>								
Video Entertainment	3 677	(373)	4	(195)	211	3 324	6	(10)
<b>Group economic interest</b>	<b>20 029</b>	<b>(1 766)</b>	<b>328</b>	<b>(879)</b>	<b>4 602</b>	<b>22 314</b>	<b>25</b>	<b>11</b>

### Notes

<sup>(1)</sup> Figures presented on an economic-interest basis as per the segmental review.

<sup>(2)</sup> A + B + C + D + E.

<sup>(3)</sup> E/(A + B) x 100.

<sup>(4)</sup> (F/A) – 1 x 100.

<sup>(5)</sup> (F/A) – 1 x 100.

<sup>(6)</sup> Includes an adjustment for depreciation and amortisation which the group ceased recognising on classification of MultiChoice Group as held for sale at 30 September 2018 in terms of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations up to the date of distribution to shareholders.

Refer to the segmental review and basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

The adjustments to the amounts, reported in terms of IFRS, that have been made in arriving at the pro forma financial information are presented in the table below:

	Year ended 31 March							
	2018 A	2019 B	2019 C	2019 D	2019 E	2019 F <sup>(2)</sup>	2019 G <sup>(3)</sup>	2019 H <sup>(4)</sup>
Restated IFRS <sup>(1)</sup> US\$'m	Group composition disposal adjustment US\$'m	Group composition acquisition adjustment US\$'m	Foreign currency adjustment US\$'m	Local currency growth US\$'m	IFRS <sup>(1)</sup> growth US\$'m	Local currency growth % change	IFRS <sup>(1)</sup> growth US\$'m	Local currency growth % change
<b>CONTINUING</b>								
<b>Trading profit</b>								
Internet	3 013	(142)	(108)	(49)	625	3 339	22	11
Ecommerce	(713)	88	(108)	26	94	(613)	15	14
Classifieds	(114)	2	(14)	–	128	2	>100	>100
– Payments and Fintech	(64)	–	(20)	(2)	43	(43)	67	33
– Food Delivery	(30)	–	(56)	12	(97)	(171)	>(100)	>(100)
– Etail	(270)	93	(9)	11	25	(150)	14	44
– Travel	(61)	(7)	–	–	31	(37)	46	39
– Other <sup>(5)</sup>	(174)	–	(9)	5	(36)	(214)	(21)	(23)
Social and internet platforms	3 726	(230)	–	(75)	531	3 952	15	6
– Tencent	3 675	(230)	–	(72)	556	3 929	16	7
– Mail.ru	51	–	–	(3)	(25)	23	(49)	(55)
Media	3	(26)	–	2	7	(14)	(30)	>(100)
Corporate segment	(22)	–	–	5	(4)	(21)	(18)	5
<b>Group economic interest</b>	<b>2 994</b>	<b>(168)</b>	<b>(108)</b>	<b>(42)</b>	<b>628</b>	<b>3 304</b>	<b>22</b>	<b>10</b>
<b>DISCONTINUED</b>								
Video Entertainment <sup>(6)</sup>	410	16	79	(94)	101	512	24	25
<b>Economic interest</b>	<b>3 404</b>	<b>(152)</b>	<b>(29)</b>	<b>(136)</b>	<b>729</b>	<b>3 816</b>	<b>22</b>	<b>12</b>

### Notes

<sup>(1)</sup> Figures presented on an economic-interest basis as per the segmental review.

<sup>(2)</sup> A + B + C + D + E.

<sup>(3)</sup> E/(A + B) x 100.

<sup>(4)</sup> (F/A) – 1 x 100.

<sup>(5)</sup> The group historically allocated a portion of its corporate costs to the Video Entertainment segment. Following the distribution of MultiChoice Group to shareholders in the current year, and the consequent presentation of the Video Entertainment segment as a discontinued operation, corporate costs are now allocated to the ecommerce business. The group views these corporate costs as primarily relating to the support of the ecommerce business. In line with IFRS 8 Operating Segments the group has accordingly presented the comparative information contained in the segmental review on a similar basis.

<sup>(6)</sup> Includes an adjustment for depreciation and amortisation which the group ceased recognising on classification of MultiChoice Group as held for sale at 30 September 2018 in terms of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations up to the date of distribution to shareholders.

Refer to the segmental review and basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

## Notes to the summarised consolidated financial statements *continued*

for the year ended 31 March

### *Pro forma financial information continued*

The adjustments to the amounts, reported in terms of IFRS, that have been made in arriving at the pro forma financial information are presented in the table below:

Year ended 31 March								
2018 A	2019 B	2019 C	2019 D	2019 E	2019 F <sup>(1)</sup>	2019 G <sup>(2)</sup>	2019 H <sup>(3)</sup>	
IFRS US\$'m	Group compo- sition disposal adjust- ment US\$'m	Group compo- sition acquisition adjust- ment US\$'m	Foreign currency adjust- ment US\$'m	Local currency growth US\$'m	IFRS US\$'m	Local currency growth % change	IFRS % change	
<b>Other metrics reported</b>								
Consolidated Avito revenue	284	–	–	(42)	80	322	28	13

Core headline earnings, calculated on a constant-currency basis, amounted to US\$3.0bn.

### Notes

<sup>(1)</sup> A + B + C + D + E.

<sup>(2)</sup> E/(A + B) x 100.

<sup>(3)</sup> (F/A) – 1 x 100.

Refer to the segmental review and basis of presentation and accounting policies for details of the group's adoption of new accounting pronouncements during the year.

A close-up photograph of a woman with long dark hair, smiling broadly as she looks down at a tablet device she is holding. She is wearing a blue top.

We're ensuring the highest standards of data privacy across Naspers ...

*It's at the heart of how we create value by improving people's lives*

► Read more on pages 64 to 66

# Further information

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# Notice of annual general meeting

Notice is hereby given in terms of the Companies Act No 71 of 2008, as amended (the Act), that the 105th annual general meeting of Naspers Limited (the company or Naspers) will be held on the 2nd floor, Daisy Room, Cape Town International Convention Centre 2 (CTICC2), corner of Heerengracht and Rue Bartholomeu Dias, Foreshore, Cape Town, South Africa on Friday 23 August 2019 at 11:15.

## Record date, attendance and voting

The record date for the meeting (being the date used to determine which shareholders are entitled to participate in and vote at the meeting) is 16 August 2019.

Votes at the annual general meeting will be taken by way of a poll and not on a show of hands.

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate in and vote at the meeting in their place. A proxy need not be a shareholder of the company.

Before any person may attend or participate in a shareholders' meeting, they must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder or as proxy for a shareholder, has been reasonably verified. Forms of identification include valid identity document, driver's licence and passport.

A form of proxy, which includes the relevant instructions for its completion, is attached for the use of holders of certificated shares and 'own name' dematerialised shareholders who wish to be represented at the annual general meeting. Completing a form of proxy will not preclude that shareholder from attending and voting (in preference to their proxy) at the annual general meeting.

## Holders of dematerialised shares, other than 'own name' dematerialised shareholders, who wish to vote at the annual general meeting, must instruct their central securities depository participant (CSDP) or broker accordingly in the manner and cut-off time stipulated by their CSDP or broker.

Holders of dematerialised shares, other than 'own name' dematerialised shareholders, who wish to attend the annual general meeting in person, need to arrange the necessary authorisation as soon as possible through their CSDP or broker.

A shareholder may appoint a proxy at any time. For practical purposes, the form appointing a proxy and the authority (if any) under which it is signed, must reach the transfer secretaries of the company (Link Market Services South Africa Proprietary Limited, 13th floor, 19 Ameshoff Street, Braamfontein 2001 or PO Box 4844, Johannesburg 2000) by no later than 11:15 on Wednesday 21 August 2019 to allow time to process the proxy. Should you hold Naspers A ordinary shares, the signed proxy must reach the registered office of the company by 11:15 on Wednesday 21 August 2019 to allow for processing. A form of proxy is enclosed with this notice. The form of proxy may also be obtained from the registered office of the company or on the company website as a separate pdf download in the 2019 integrated annual report available under investors. All other proxies must be handed to the company secretary before the start of the meeting.

## Purpose of meeting

The purpose of the meeting is to:

- present the directors' report and audited annual financial statements of the company for the immediate preceding financial year; an audit committee report and the social and ethics committee report

- consider and, if approved, adopt with or without amendment, resolutions set out below; and
- consider any matters raised by shareholders of the company, with or without advance notice to the company.

## Electronic participation

Shareholders entitled to attend and vote at the meeting or their proxies will be entitled to participate in the meeting (but not vote) by electronic communication. Should a shareholder wish to participate in the meeting by electronic communication, they should advise the company by 09:00 on Friday 16 August 2019 by submitting via registered mail addressed to the company (for the attention of Mrs Gillian Kisbey-Green) relevant contact details, as well as full details of the shareholder's title to securities issued by the company and proof of identity, in the form of certified copies of identity documents and share certificates (in the case of materialised shares) and (in the case of dematerialised shares) written confirmation from the shareholder's CSDP, confirming their title to the dematerialised shares. On receipt of the required information, the shareholder will be given a secure code and instructions to access electronic communication during the annual general meeting. Shareholders must note that access to the electronic communication will be at their expense.

## Integrated annual report

The integrated annual report of the company for the year ended 31 March 2019 is available on [www.naspers.com](http://www.naspers.com) or on request during business hours at Naspers's registered address, 40 Heerengracht, Cape Town 8000 (contact person Ms Yasmin Abrahams) and in Johannesburg at MultiChoice City, 144 Bram Fischer Drive, Randburg 2194 (contact person Mrs Toni Lutz).

## Ordinary resolutions

For the ordinary resolutions below to be adopted, the support of a majority of votes exercised by shareholders present or represented by proxy at this meeting is required. Ordinary resolutions numbers 10 and 11 require the support of at least 75% of the total number of votes exercised by shareholders present or represented by proxy at this meeting.

4. To approve the appointment of Mr F L N Letele as non-executive director from 27 February 2019. His abridged curriculum vitae appear on page 56 of the integrated annual report. The board unanimously recommends approval of the appointment of the director in question.
5. To elect Messrs J P Bekker, S J Z Pacak, J D T Stofberg, B J van der Ross and Prof D Meyer who retire by rotation and, being eligible, offer themselves for re-election as directors of the company. Their abridged curricula vitae appear on pages 56 and 57 of the integrated annual report. The board unanimously recommends that the re-election of directors in terms of resolution number 5 be approved by shareholders of the company. The appointments of the director in ordinary resolution number 4 and re-election of directors in ordinary resolution number 5 will be conducted as a series of votes, each being for 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.
6. To confirm and approve payment of dividends in relation to the N ordinary and A ordinary shares of the company as authorised by the board after having applied the solvency and liquidity tests contemplated in the Act.
3. To reappoint, on the recommendation of the company's audit committee, the firm PricewaterhouseCoopers Inc. as independent registered auditor of the company (noting that Mrs V Myburgh is the individual registered auditor of that firm who will undertake the audit) for the period until the next annual general meeting of the company.

## Notice of annual general meeting

continued

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 board and nomination committee therefore unanimously recommend Messrs D G Eriksson and B J van der Ross and Prof R C C Jafra for election to the audit committee. Their abridged curricula vitae appear on pages 56 and 57 of the integrated annual report. The appointment of members of the audit committee will be conducted by way of a separate vote for each individual.

7. To endorse the company's remuneration policy, as set out in the 2019 remuneration report on pages 14 to 20, by way of a non-binding advisory vote.

8. To approve the implementation of the remuneration policy as set out on pages 21 to 30 of the 2019 remuneration report, by way of a non-binding advisory vote.

9. To place the authorised but unissued share capital of the company under the control of directors and to grant, until the conclusion of the next annual general meeting of the company, an unconditional authority to directors to allot and issue at their discretion (but subject to the provisions of the Act and the JSE Listings Requirements, and the rules of any other exchange on which the shares of the company may be quoted or listed from time to time, and the memorandum of incorporation of the company), the unissued shares of the company, on such terms and conditions and to such persons, whether they be shareholders or not, as the directors in their discretion deem fit.

- 10. Subject to a minimum of 75% of the votes of shareholders of the company present in person or by proxy at the annual general meeting and entitled to vote, voting in favour, the directors be and are hereby authorised to issue unissued shares of a class of shares already in issue in the capital of the company for cash as the opportunity arises, subject to the requirements of the JSE, including:
  - This authority will not endure beyond the earlier of the next annual general meeting of the company or beyond fifteen (15) months from the date of this meeting.
  - That a paid press announcement giving full details, including intended use of the funds, will be published at the time of any issue representing, on a cumulative basis within one year, 5% or more of the number of shares of that class in issue prior to the issue.
  - The aggregate issue of any particular class of shares in any financial year will not exceed 5% (21 932 802) of the issued number of that class of shares (including securities that are compulsorily convertible into shares of that class).
  - That in determining the price at which an issue of shares will be made in terms of this authority, the discount at which the shares may be issued, may not exceed 10% of the weighted average traded price of the shares in question, as determined over the thirty (30) business days prior to the date that the price of the issue is determined.
  - That the shares will only be issued to 'public shareholders' as defined in the JSE Listings Requirements, and not to related parties.

- 11. To approve amendments to the trust deed constituting the Naspers Restricted Stock Plan Trust (the trust deed) and the share scheme envisaged by such trust deed (the scheme), as laid before the meeting, with effect from the date of this resolution.

### ***Reason for and effect of ordinary resolution 11***

Schedule 14 of the JSE Listings Requirements (Schedule 14) governs share option schemes and share incentive schemes involving the issue of equity securities by issuers to, or for the benefit of, employees and other persons involved in the business of the Naspers group (the group) and which result in a dilution of the shareholding of equity securities holders in the issuer. This includes the issue of equity securities from the issuer's authorised, but unissued, share capital, as well as the use of equity securities held as treasury shares. Schedule 14 is applicable to the scheme and the trust deed. The scheme and the trust deed were originally approved in terms of Schedule 14.

In order to bring the scheme in line with market standards, the board proposes certain amendments to the scheme and the trust deed. These amendments will be effective on and as from the date on which they are approved by shareholders.

The trust deed currently contemplates the granting of awards to defined employees in the group, being conditional rights awarded to employees to the delivery or distribution of Naspers N ordinary shares in the company (or cash in lieu thereof) from the trust. Subject to the provisions of the trust deed (including applicable leaver provisions) such awards vest in four equal tranches over a four-year period and is not subject to the satisfaction of any performance conditions (such awards hereinafter the RSU awards). It is proposed that the trust deed be amended to allow for a second type of award to be awarded to employees (such proposed awards hereinafter the PSU awards). PSU awards will be the same as existing RSU awards in all respects, except for the following differences:

- (i) Performance condition: PSU awards will have a performance condition attached to them, being a condition which is specified by the board in the relevant award letter (RSU awards are not subject to the satisfaction of any performance conditions).

- (ii) Vesting: subject to the provisions of the trust deed (including applicable leaver provisions), PSU awards will vest on the vesting date as set out in the relevant award letter or, if later, the date on which the board determines whether or not the performance condition for the relevant measurement period has been satisfied (in whole or in part), and only to the extent that the performance condition is satisfied (subject to the provisions of the trust deed (including applicable leaver provisions) RSU awards vest in four equal tranches over a four-year period).

(iii) Annual awards limit: a separate aggregate maximum will apply in respect of the number of PSU awards that may be granted in any financial year of the company, namely such number as determined by the board in its discretion (the current aggregate maximum number of RSU awards that may be granted in any financial year will continue to apply).

(iv) Individual limit: a separate individual limit (being the aggregate maximum number of shares at any time allocated in respect of unvested awards to any one employee) will apply in respect of PSU awards, namely 400 000 N ordinary shares in the company, subject to adjustments made in terms of the trust deed (the individual limit in respect of RSU awards will continue to apply).

(v) Leaver provisions: death, ill health and disability: if the employment of a beneficiary under a PSU award terminates prior to the vesting date due to any of these reasons, the vesting of such PSU award will be accelerated on the termination date assuming at target achievement of any performance condition and, if following the end of the period over which the performance condition is measured, the board determines that the performance condition has been satisfied above target, an additional amount (payable in cash or shares) will be due to the beneficiary or his/her heirs equal to the difference in value between at target and actual achievement of the performance condition (in such instances under the RSU awards, vesting will also be accelerated but no additional amount will be due based on the satisfaction of any performance condition).

## Notice of annual general meeting

*continued*

- (vi) Leaver provisions: other event, matter, fact or circumstance as determined by the board: if the employment of a beneficiary under a PSU award terminates prior to the vesting date due to any of these reasons, the board may determine that all or only a portion of the relevant PSU award will vest on the termination date, subject to the achievement of any performance condition as determined by the board (in such instances under the RSU awards, the same provisions regarding vesting will apply, provided that such vesting will not be subject to the achievement of any performance condition).
- (vii) Leaver provisions: jurisdictional issues, retrenchment, retirement, transfer of employment pursuant to a transaction entered into by an employer company: if the employment of a beneficiary under a PSU award terminates prior to the vesting date due to any of these reasons, the PSU award will be accelerated and will vest on the termination date, but on a pro rata basis based on the proportion of the period between the award date to the vesting date that the relevant beneficiary has worked as at the termination date, subject to the achievement of any performance condition as determined by the board (in such instances under the RSU awards, the portion of the beneficiary's RSU award which would have vested on the next vesting date will be accelerated and vest on the termination date, but on a pro

rata basis based on the year that the relevant beneficiary has worked as at the termination date).

- (viii) Leaver provisions: employer company ceases to form part of the group: if, prior to the vesting date of a PSU award, an employer company ceases to form part of the group, then the vesting of the relevant PSU award will be accelerated on a pro rata basis based on the proportion of the period between the award date to the vesting date that the employer company remained part of the group, subject to the achievement of any performance condition as determined by the board (in such instances under the RSU awards, unless the board continues to designate the relevant company as an employer company, in respect of each beneficiary who has been granted RSU awards from such company, the vesting of the unvested awards in the year that the employer company ceases to form part of the group will be accelerated on a pro rata basis on the date on which the employer company ceases to be part of the group, based on the proportion of the year that the employer company remained part of the group, provided that the accelerated portion to be vested will only be that portion of the RSU award which would have vested on the following vesting date).

Furthermore, the trust deed does not currently provide for the acceleration of awards where a change of control or demerger is implemented in respect of the company. It is proposed that the trust deed be amended to provide that in the case of a demerger or if control of the company passes to a person or persons acting in concert in whom control did not vest before, the RSU awards and PSU awards will vest on the date control is obtained or the demerger is implemented, but on a pro rata basis based on the proportion of the period between the award date to the vesting date that the beneficiary has worked as at the date control is obtained or the demerger is implemented and subject to the achievement of any performance condition, as determined by the board, in the case of PSU awards. For this purpose, a demerger is a restructure of the company that results in the segregation of its business activities into one or more components which are under the same control immediately before and after the segregation, and control is the beneficial ownership of more than 50% of the combined voting power of the issued voting securities of the company.

This ordinary resolution number 11 will only be effective if passed by a majority of 75% or more of the votes cast by all shareholders present or represented by proxy, excluding any votes exercised in respect of any treasury shares held by the group and any shares held by share schemes of the group.

The trust deed will be made available for inspection by shareholders during normal business hours at the company's registered address, 40 Heerengracht, Cape Town 8000 (contact person Ms Yasmin Abrahams) and in Johannesburg at MultiChoice City, 144 Bram Fischer Drive, Randburg 2194 (contact person Mrs Toni Lutz) for a period of not less than fourteen (14) days prior to the annual general meeting.

## Notice of annual general meeting

continued

### Special resolutions

The special resolutions set out below require the support of at least 75% of votes exercised by shareholders present or represented by proxy at this meeting to be adopted.

#### Special resolutions numbers I.1 to I.13

The approval of the remuneration of non-executive directors for the year ending 31 March 2021 (up to 5% increase on fees for 31 March 2020 already approved by shareholders at the annual general meeting on 24 August 2018), as follows:

Board		31 March 2021 <sup>(1)</sup> (proposed up to 5% increase year on year)
I.1	Chair <sup>(2)</sup>	2.5 times member
I.2	Member	US\$209 297
All members: Daily fees when travelling to and attending meetings outside home country		US\$3 500
<b>Committees</b>		
I.3	Audit committee: Chair	2.5 times member
I.4	Member	US\$51 566
I.5	Risk committee: Chair	2.5 times member
I.6	Member	US\$30 629
I.7	Human resources and remuneration committee: Chair	2.5 times member
I.8	Member	US\$36 236
I.9	Nomination committee: Chair	2.5 times member
I.10	Member	US\$19 530
I.11	Social and ethics committee: Chair	2.5 times member
I.12	Member	US\$26 805
<b>Other</b>		
I.13	Trustee of group share schemes/ other personnel funds	R56 448

#### Notes

<sup>(1)</sup> In the 2020 financial year, subject to the proposed listing of Prosus on Euronext Amsterdam, Naspers' non-executive directors will serve on the boards of both companies. As a result of the non-executive directors assuming these dual responsibilities, going forward, the proposed fees will be split between Naspers and Prosus, on a 30/70 basis.

<sup>(2)</sup> The chair of Naspers does not receive additional remuneration for attending meetings, or being a member of or chairing any committee of the board.

The reason for and effect of special resolution numbers I.1 to I.13 is to grant the company the authority to pay remuneration to its directors for their services as directors.

Each of the special resolution numbers I.1 to I.13, in respect of the proposed 31 March 2021 remuneration, will be considered by way of a separate vote.

#### Special resolution number 2

That the board may authorise the company to generally provide any financial assistance in the manner contemplated in and subject to the provisions of section 44 of the Act to a director or prescribed officer of the company or of a related or interrelated company, subject to (ii) below, or to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, pursuant to the authority hereby conferred upon the board for these purposes. This authority shall: (i) include and also apply to the granting of financial assistance to the Naspers share incentive scheme, the other existing group share-based incentive schemes (details of which appear on pages 150 to 152 in the annual financial statements) and such group share-based incentive schemes that are established in future (collectively the Naspers group share-based incentive schemes) and participants thereunder (which may include directors, future directors, prescribed officers and future prescribed officers of the company or of a related or interrelated company) (participants) for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or interrelated company, or for the purchase of any securities of the company or a related or interrelated company, pursuant to the administration and implementation of the Naspers group share-based incentive schemes, in each instance on the terms applicable to the Naspers group share-based incentive scheme in question; and (ii) be limited, in

respect of directors and prescribed officers, to financial assistance in relation to the acquisition of securities as contemplated in (i).

The reason for and effect of special resolution number 2 is to approve generally the provision of financial assistance to the potential recipients as set out in the resolution.

#### Special resolution number 3

That the company, as authorised by the board, may generally provide, in terms of and subject to the requirements of section 45 of the Act, any direct or indirect financial assistance to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, pursuant to the authority hereby conferred upon the board for these purposes.

The reason for and effect of special resolution number 3 is to approve generally the provision of financial assistance to the potential recipients as set out in the resolution.

#### Special resolution number 4

That the company or any of its subsidiaries be and are hereby authorised to acquire N ordinary shares issued by the company from any person (including any director or prescribed officer of the company or any person related to any director or prescribed officer of the company), in terms of and subject to the Act and in terms of the rules and requirements of the JSE, being that:

- Any such acquisition of N ordinary shares will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement.
- This general authority will be valid until the company's next annual general meeting, provided that it will not extend beyond fifteen (15) months from the date of passing of this special resolution.

## Notice of annual general meeting

continued

- An announcement will be published as soon as the company or any of its subsidiaries have acquired N ordinary shares constituting, on a cumulative basis, 3% of the number of N ordinary shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions.
- Acquisitions of N ordinary shares in aggregate in any one financial year may not exceed 20% of the company's N ordinary issued share capital as at the date of passing of this special resolution.
- In determining the price at which N ordinary shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such N ordinary shares may be acquired will not exceed 10% of the weighted average of the market value at which such N ordinary shares are traded on the JSE as determined over the five (5) business days immediately preceding the date of repurchase of such N ordinary shares by the company or any of its subsidiaries.
- At any point, the company may only appoint one agent to effect any repurchase on its behalf.
- The company and/or its subsidiaries may not repurchase any N ordinary shares during a prohibited period as defined by the JSE Listings Requirements, unless a repurchase programme is in place where dates and quantities of shares to be traded during the prohibited period are fixed, and full details of the programme have been submitted to the JSE in writing prior to the start of the prohibited period.
- Authorisation for the repurchase is given by the company's memorandum of incorporation.

A resolution has been passed by the board authorising the repurchase, and confirming that the company and its subsidiaries passed the solvency and liquidity test and that, from the time that the test was done, there have been no material changes to the financial position of the group. Before the general repurchase is effected, the directors, having considered the effects of the repurchase of the maximum number of N ordinary shares in terms of the foregoing general authority, will ensure that for a period of twelve (12) months after the date of the notice of the annual general meeting:

- The company and the group will be able, in the ordinary course of business, to pay their debts.
- The assets of the company and the group, fairly valued in accordance with IFRS, will exceed the liabilities of the company and the group.
- The company and the group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

Additional information on the following appears in the integrated annual report and in the annual financial statements, and is provided in terms of the JSE Listings Requirements for purposes of the general authority:

- Major shareholders.
- Share capital of the company.

**Directors' responsibility statement**  
The directors, whose names appear in the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 4 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 4 contains all information required by the applicable JSE Listing Requirements.

### Material changes

Other than the facts and developments disclosed in the integrated annual report and annual financial statements, except for the purposes of the group's share-based incentive schemes, there have been no material changes in the affairs or financial position of the company and its subsidiaries between the date of signature of the audit report to the date of this notice.

The directors have no specific intention, at present, for the company to repurchase any of its N ordinary shares, but believe that such a general authority should be put in place in case an opportunity presents itself during the year, which is in the best interests of the company and its shareholders.

*The reason for and effect of special resolution number 4 is to grant the company the authority in terms of the Act and JSE Listings Requirements for the acquisition by the company, or a subsidiary of the company, of the company's N ordinary shares.*

**Special resolution number 5**  
That the company or any of its subsidiaries be and are hereby authorised to acquire A ordinary shares issued by the company from any person (including any director or prescribed officer of the company or any person related to any director or prescribed officer of the company), in terms of and subject to the Act.

*The reason for and effect of special resolution number 5 is to grant the company the authority in terms of the Act for the acquisition by the company, or a subsidiary of the company, of the company's A ordinary shares.*

### Special resolution number 6

That the company be and is hereby specifically authorised, for a period of fifteen (15) months from the date of adoption of this resolution, to acquire up to 10% of the number of issued N ordinary shares immediately following the implementation of the proposed capitalisation issue by the company (announced on 25 March 2019), through structured repurchase mechanisms implemented by or on behalf of the company, including through a modified Dutch auction process and/or reverse bookbuild process (as described below), from holders of N ordinary shares at the time of implementing any such repurchase (including any director or prescribed officer of the company or any person related to any director or prescribed officer of the company) but not exclusively from a single Naspers shareholder or related party (as envisaged in the JSE Listings Requirements) at a price to be determined through such structured repurchase mechanisms but which price shall not exceed the higher of: (i) 10% above the weighted average of the

market value of the N ordinary shares for the five (5) trading days immediately preceding the date on which the structured repurchase mechanism is implemented; and (ii) 10% above the spot price of the N ordinary shares on the date on which the structured repurchase mechanism is implemented (Specific Repurchase Authorisation). Any repurchase under the Specific Repurchase Authorisation will be implemented in accordance with the JSE Listings Requirements applicable to specific repurchases, which requirements currently require, *inter alia*, that:

- Authorisation for the repurchase is given by the company's memorandum of incorporation.
- If the company has announced that it will make a specific repurchase, it must pursue the proposal, unless the JSE permits the company not to do so.
- The company or a subsidiary may not repurchase securities during a prohibited period (as defined in the JSE Listings Requirements) unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period. The company must instruct an independent third party, which makes its investment decisions in relation to the issuer's securities independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE.

## Notice of annual general meeting

continued

The company will comply with the applicable provisions of the Act and the JSE Listings Requirements prior to implementing any repurchase in terms of the Specific Repurchase Authorisation. In particular, the board will comply with the applicable requirements of section 48 of the Act read with section 4 of the Act and the board will, in its approval of any repurchase that is to be implemented under the Specific Repurchase Authorisation, confirm that:

- The company and the Naspers group will be able in the ordinary course of business to pay their debts for a period of twelve (12) months after the date of any such board approval.
- The assets of the company and the Naspers group will be in excess of the liabilities of the company and the Naspers group for a period of twelve (12) months after the date of any such board approval.
- The share capital and reserves of the company and the Naspers group will be adequate for ordinary business purposes for a period of twelve (12) months after the date of any such board approval.
- The working capital of the company and the Naspers group will be adequate for ordinary business purposes for a period of twelve months after the date of any such board approval.

Additional information in respect of the major shareholders, share capital of the company and directors' interests in the company appear in the integrated annual report and annual financial statements of the company and is provided in terms of the JSE Listings Requirements for purposes of the Specific Repurchase Authorisation. The company has not incurred any preliminary expenses as envisaged in the JSE Listings Requirements in relation to the Specific Repurchase Authorisation as at the date hereof.

### **Material changes**

Other than the facts and developments reported on in the integrated annual report and annual financial statements, except for the purposes of the group's share-based incentive schemes, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

### **Directors' responsibility statement**

The directors, whose names appear in the list of directors contained in the integrated annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 6 and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 6 contains all information required by the applicable JSE Listings Requirements.

*The reason and effect of special resolution number 6 is to grant the company the authority, in terms of the JSE Listings Requirements and the Act, as applicable, to acquire N ordinary shares through structured mechanisms on an expedited basis (despite the Specific Repurchase Authorisation being valid for fifteen (15) months from the date on which it is granted), including through a modified Dutch auction process and/or a reverse bookbuild process. The Specific Repurchase Authorisation is intended to provide the company with additional flexibility and thus enable the board to drive shareholder value.*

*Should the board determine to implement any structured repurchase in terms of the Specific Repurchase Authorisation, any structured repurchase implemented will involve the company announcing the ambit of any proposed structured repurchase including the number of N ordinary shares to be acquired in terms of such structured repurchase within the parameters set in the Specific Repurchase Authorisation. The structured repurchase will then be open for a period of time for all holders of N ordinary shares to tender shares in terms of the structured repurchase proposed, which offer period will be open for sufficient time to allow all holders of N ordinary shares to participate in the structured repurchase. Thereafter, a clearing price will be determined by the company for any such structured repurchase having regard to tenders received that allows the company to acquire the number of N ordinary shares proposed to be repurchased.*

*The Specific Repurchase Authorisation is separate from and in addition to the general authority proposed for approval in special resolution number 4 and any repurchase made under this Specific Repurchase Authorisation (if granted) will not affect any authority granted under special resolution number 4.*

### **Ordinary resolution**

12. Each of the directors of the company or the company secretary is hereby authorised to do all things, perform all acts and sign all documentation necessary to effect the implementation of the ordinary and special resolutions adopted at this annual general meeting.

### **Other business**

To transact such other business as may be transacted at an annual general meeting.

By order of the board

**G Kisbey-Green**  
Company secretary

19 July 2019  
Cape Town

## Form of proxy

### Naspers Limited

Incorporated in the Republic of South Africa  
Registration number: 1925/001431/06

JSE share code: NPN ISIN: ZAE000015889 LSE share code: NPSN ISIN: US 6315121003  
(the company)

#### 105th annual general meeting of shareholders

For use by holders of certificated shares or 'own name' dematerialised shareholders at the 105th annual general meeting of shareholders of the company to be held on the 2nd floor, Daisy Room, Cape Town International Convention Centre 2 (CITCC2), corner of Heerengracht and Rua Bartholomeu Dias, Foreshore, Cape Town, South Africa on Friday 23 August 2019 at 11:15.

I/We (please print) of		
being a holder of		certificated shares or
'own name' dematerialised shares of Naspers and entitled to (see note 1)		votes, hereby appoint
1.		or, failing him/her;
2.		or, failing him/her;
3.	the chair of the annual general meeting as my/our proxy to act for me/us at the annual general meeting, which will be held in the boardroom on the 2nd floor, Daisy Room, Cape Town International Convention Centre 2 (CITCC2), corner of Heerengracht and Rua Bartholomeu Dias, Foreshore, Cape Town, South Africa on Friday 23 August 2019 at 11:15 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement, and to vote for or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of the company registered in my/our name(s) (see note 2) as follows:	

	In favour of	Against	Abstain
<b>Ordinary resolutions</b>			
1. Acceptance of annual financial statements			
2. Confirmation and approval of payment of dividends			
3. Reappointment of PricewaterhouseCoopers Inc. as auditor			
4. To confirm the appointment of F L N Letele as a non-executive director			
5. To re-elect the following directors:			
5.1 J P Bekker			
5.2 S J Z Pacak			

	In favour of	Against	Abstain
5.3 J D T Stofberg			
5.4 B J van der Ross			
5.5 D Meyer			
6. Appointment of the following audit committee members:			
6.1 D G Eriksson			
6.2 B J van der Ross			
6.3 R C C Jafta			
7. To endorse the company's remuneration policy			
8. To approve the implementation report of the remuneration report			
9. Approval of general authority placing unissued shares under the control of the directors			
10. Approval of general issue of shares for cash			
11. Approval of amendments to the Naspers Restricted Stock Plan Trust			
12. Authorisation to implement all resolutions adopted at the annual general meeting			
<b>Special resolution number 1</b>			
Approval of the remuneration of the non-executive directors			
Proposed financial year 31 March 2021:			
I.1 Board: Chair			
I.2 Board: Member			
I.3 Audit committee: Chair			
I.4 Audit committee: Member			
I.5 Risk committee: Chair			
I.6 Risk committee: Member			
I.7 Human resources and remuneration committee: Chair			
I.8 Human resources and remuneration committee: Member			
I.9 Nomination committee: Chair			
I.10 Nomination committee: Member			
I.11 Social and ethics committee: Chair			
I.12 Social and ethics committee: Member			
I.13 Trustees of group share schemes/other personnel funds			

## Form of proxy

continued

	In favour of	Against	Abstain
<b>Special resolution number 2</b> Approve generally the provision of financial assistance in terms of section 44 of the Act			
<b>Special resolution number 3</b> Approve generally the provision of financial assistance in terms of section 45 of the Act			
<b>Special resolution number 4</b> General authority for the company or its subsidiaries to acquire N ordinary shares in the company			
<b>Special resolution number 5</b> General authority for the company or its subsidiaries to acquire A ordinary shares in the company			
<b>Special resolution number 6</b> Granting the Specific Repurchase Authority			

and generally to act as my/our proxy at the said annual general meeting (tick whichever is applicable. If no indication is given, the proxy holder will be entitled to vote or to abstain from voting as the proxy holder deems fit).

Signed at..... on this ..... day of ..... 2019

Signature..... Assisted by (where applicable) .....

## Notes to the form of proxy

- I. I The following provisions apply to proxies:
  - I.1 A shareholder of the company may appoint any individual (including an individual who is not a shareholder of the company) as a proxy to participate in, speak and vote at the annual general meeting of the company.
  - I.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.
  - I.3 A proxy instrument must be in writing, dated and signed by the shareholder.
  - I.4 A proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
  - I.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 annual general meeting.
  - I.6 Irrespective of the form of instrument used to appoint the proxy: i) if 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.
  - I.7 The proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the memorandum of incorporation of the company, or the instrument appointing the proxy, provides otherwise.
2. A certificated or 'own name' dematerialised shareholder may insert the names of two alternative proxies of their choice in the space provided, deleting "the chair of the annual general meeting". The person whose name appears first on the form of proxy and whose name has not been deleted and who attends the meeting, will be entitled and authorised to act as proxy to the exclusion of those whose names follow.
3. A shareholder's instructions to the proxy must be indicated by that shareholder in the appropriate space provided, failing which the proxy will not be entitled to vote at the annual general meeting in respect of the shareholder's votes exercisable at that meeting, provided where the proxy is the chair, failure to so comply will be deemed to authorise the chair to vote in favour of the resolutions.
4. A shareholder may appoint a proxy at any time. For practical purposes, forms of proxy for Naspers N ordinary shares must be lodged at or posted to the transfer secretaries of the company, Link Market Services South Africa Proprietary Limited, 13th floor, 19 Ameshoff Street, Braamfontein 2001 or PO Box 4844, Johannesburg 2000. Forms of proxy for Naspers A ordinary shares must be lodged at or posted to the registered office of the company, 40 Heerengracht, Cape Town 8001 or PO Box 2271, Cape Town 8000. Forms of proxy lodged in this manner are to be received by not later than 11:15 on Wednesday 21 August 2019, or such later date if the annual general meeting is postponed to allow for processing of such proxies. All other proxies must be handed to the company secretary prior to the start of the meeting.
5. The completion and lodging of this form of proxy will not preclude the certificated shareholder or 'own name' dematerialised shareholder from attending the annual general meeting and speaking and voting in person at the meeting to the exclusion of any appointed proxy.
6. An instrument of proxy will be valid for any adjournment or postponement of the annual general meeting, as well as for the meeting to which it relates, unless the contrary is stated therein, but will not be used at the resumption of an adjourned annual general meeting if it could not have been used at the annual general meeting from which it was adjourned for any reason other than that it was not lodged timeously for the meeting from which the adjournment took place.

## Notes to the form of proxy

*continued*

7. A vote cast or act done in accordance with the terms of a form of proxy will be deemed to be valid despite:
  - the death, insanity, or any other legal disability of the person appointing the proxy, or
  - revocation of the proxy, or
  - transfer of a share for which the proxy was given, unless notice on any of the above-mentioned matters has been received by the company at its registered office or by the chair of the annual general meeting at the place of the annual general meeting, if not held at the registered office, before the commencement or resumption (if adjourned) of the annual general meeting at which the vote was cast or the act was done or before the poll on which the vote was cast.
8. The authority of a person signing the form of proxy:
  - 8.1 under a power of attorney, or
  - 8.2 on behalf of a company or close corporation or trust, must be attached to the form of proxy unless the full power of attorney has already been received by the company or the transfer secretaries.
9. Where shares are held jointly, all joint holders must sign.
10. Dematerialised shareholders, other than by 'own name' registration, must NOT complete this form of proxy and must provide their central securities depository participant (CSDP) or broker of their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP and/or broker.

## Shareholder and corporate information

### Administration and corporate information

#### Company secretary

Gillian Kisbey-Green  
MultiChoice City  
144 Bram Fischer Drive  
Randburg 2194  
South Africa  
Companysecretariat@naspers.com  
Tel: +27 (0)11 289 3032

#### Registered office

40 Heerengracht  
Cape Town 8001  
South Africa  
PO Box 2271  
Cape Town 8000  
South Africa  
Tel: +27 (0)21 406 2121  
Fax: +27 (0)21 406 3753

#### Registration number

1925/001431/06  
Incorporated in South Africa

#### Auditor

PricewaterhouseCoopers Inc.

#### Transfer secretaries

Link Market Services South Africa Proprietary Limited  
(Registration number: 2000/007239/07)  
PO Box 4844  
Johannesburg 2000  
South Africa  
Tel: +27 (0)11 630 0800  
Fax: +27 (0)11 834 4398

### ADR programme

Bank of New York Mellon maintains a Global BuyDIRECT™ plan for Naspers Limited.

For additional information, visit Bank of New York Mellon's website at [www.globalbuydirect.com](http://www.globalbuydirect.com) or call Shareholder Relations at 1-888-BNY-ADRS or 1-800-345-1612 or write to:

Bank of New York Mellon  
Shareholder Relations Department –  
Global BuyDIRECT™  
Church Street Station  
PO Box 11258  
New York  
NY 10286-1258  
USA

### Sponsor

Investec Bank Limited  
(Registration number: 1969/004763/06)  
PO Box 785700  
Sandton 2146  
South Africa  
Tel: +27 (0)11 286 7326  
Fax: +27 (0)11 286 9986

### Attorneys

Webber Wentzel (in alliance with Linklaters)  
PO Box 61771  
Marshalltown  
Johannesburg 2107  
South Africa

Werksmans Inc.  
PO Box 1474  
Cape Town 8000  
South Africa

### Investor relations

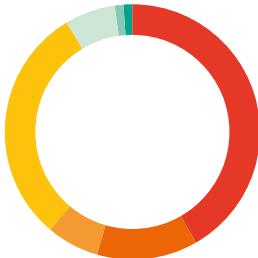
Eoin Ryan  
[InvestorRelations@naspers.com](mailto:InvestorRelations@naspers.com)  
Tel: +1 347-210-4305

## Analysis of shareholders and shareholders' diary

### Analysis of N ordinary shareholders

Size of holdings	Number of shareholders	Number of N ordinary shares owned
1 – 100 shares	61 516	2 064 873
101 – 1 000 shares	23 238	7 084 794
1 001 – 5 000 shares	3 212	7 026 933
5 001 – 10 000 shares	694	5 047 256
More than 10 000 shares	1 490	417 432 203
	<b>90 150</b>	<b>438 656 059</b>

### GEOGRAPHIC DISPERSION



### SHAREHOLDER TYPES



The following shareholders hold 5% or more of the N ordinary issued share capital of the company:

Name	% of N ordinary shares held	Number of N ordinary shares owned
Public Investment Corporation of South Africa	13.33	58 484 062

### Public shareholder spread (N ordinary shares)

To the best knowledge of the directors, the spread of public shareholders under section 4.25 of the JSE Listings Requirements at 31 March 2019 was 96.95%, represented by 90 138 shareholders holding 425 285 532 N ordinary shares in the company. The non-public shareholders of the company comprising 12 shareholders representing 13 370 527 N ordinary shares are analysed as follows:

Category	Number of N ordinary shares	% of N ordinary issued share capital
Naspers share-based incentive schemes	3 023 498	0.69%
Directors	6 914 703	1.58%
Group companies	3 432 326	0.78%

### Shareholders' diary

Annual general meeting	August
Reports	
Interim for half-year to September	November
Announcement of annual results	June
Annual financial statements	July
Dividend	
Declaration	August
Payment	September
Financial year-end	March

## Naspers's voting control structure

### Aim

The aim of the Naspers voting control structure is to ensure the continued independence of the group. When entering foreign countries in the broad media or communications spheres, and when dealing with regulators, it is critical that we give an assurance of our continuity of identity: in other words, that we will not, after we have entered a territory or secured a licence, be taken over by unknown entities with whom the country or regulator may be uncomfortable. We believe that this assurance of independence and continuity is critical for our entry into, and operation in, many markets.

### International

Differentiated voting rights and control structures are commonly used in the media and internet sectors to secure independence and deter raids and efforts to seize control. Many international media and technology companies have differentiated rights or control structures. Some well-known examples include: Schibsted and Tele2 in Norway, Altice in The Netherlands, MTG in Sweden, Daily Mail and General Trust in the United Kingdom, JD.Com and Alibaba in China, and Alphabet (Google), Facebook, LinkedIn, 21st Century Fox, News Corporation, Discovery, Liberty Global, Snap Inc, Zillow and Zynga in the United States. Recently, many internet and tech companies in particular have implemented similar structures.

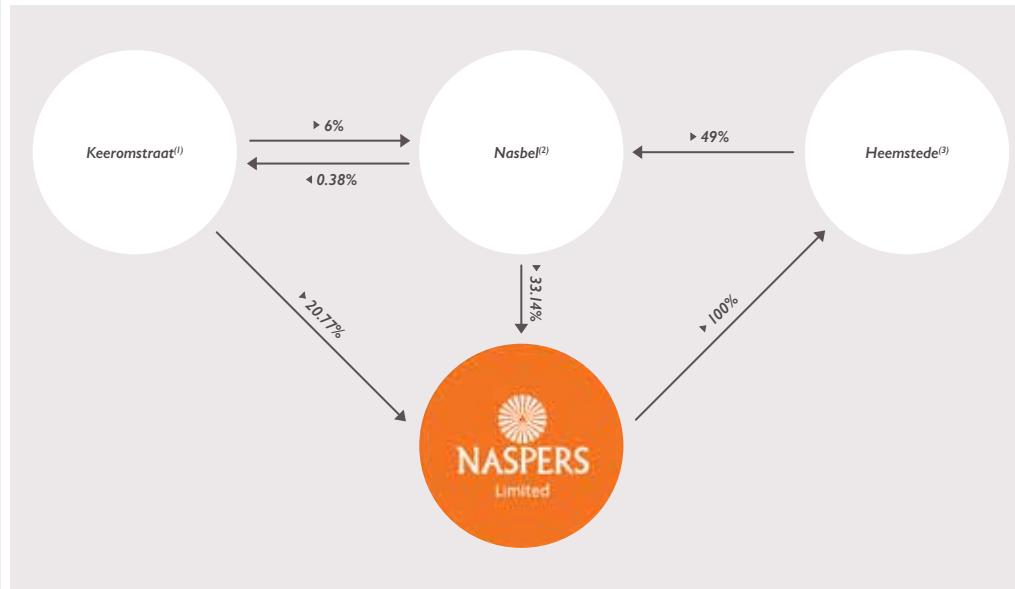
### Structure

The issued share capital of Naspers comprises two classes of shares:

- N class ordinary shares that have one vote per share and are listed on the JSE Limited (JSE). As at 31 March 2019, there are **438 656 059** N ordinary shares in issue
- Unlisted A class ordinary shares, that have 1 000 votes per share, but have relatively insignificant economic participation. (The dividends declared to A ordinary shareholders are equal to one fifth of the dividends per share to which N ordinary shareholders are entitled.) As at 31 March 2019, there are **907 128** A ordinary shares in issue.

For more information visit [www.naspers.com/about/control-structure](http://www.naspers.com/about/control-structure)

A majority of A class ordinary shares is held by two companies that together comprise the control structure of Naspers. The effective voting interests of these two companies are shown below:



Keerom<sup>(1)</sup> and Nasbel<sup>(2)</sup> hold such A class ordinary shares that together they control over 50% (currently 53%) of the voting rights in Naspers. These two companies exercise such rights in consultation with one another. No other entities are part of the control structure.

Keerom has 2 846 shareholders and its constitutional documents provide that no shareholder is entitled to exercise more than 50 votes regardless of shareholding.

Nasbel has 2 614 shareholders, one of which is Heemstede<sup>(3)</sup> (a subsidiary of Naspers) that holds 49% of the shares in Nasbel.

The board of directors of Keerom and the board of directors of Nasbel operate independently.

### History

The voting control structure has been in place since the original listing of the Naspers group on the JSE more than two decades ago. It was approved by Naspers shareholders and the JSE and is entrenched in the Naspers memorandum of incorporation.





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