



NASPER

Building leading companies



Cape Town, South Africa



Integrated annual report 2020

...that improve
people's lives





This year, we laid down a strong foundation for the group's next chapter. We continued to build leading companies that use technology to improve the daily lives of millions of people.

Bob van Dijk
Chief executive

"Our ambition remains unchanged: to build outstanding technology companies that help people improve their daily lives in some of the most exciting markets on the planet."

Contents

Group overview

- 04** About this report
- 05** Statement of the board of directors on the integrated annual report
- 06** Group overview
- 07** Responding to Covid-19
- 09** Chair's review
- 11** Chief executive's review
- 14** Backing local; building global
- 15** Building long-term partnerships
- 16** Building positive impact around the world
- 17** Delivering sustainable value throughout the year
- 17** Our business model
- 18** Value creation this year
- 19** The world around us
- 22** Engaging our stakeholders
- 25** Capital allocation strategy

Performance review

- 27** Our performance
- 28** Classifieds
- 31** Food Delivery
- 36** Payments and Fintech
- 39** Etail
- 43** Ventures
- 46** Social and internet platforms
- 48** Media
- 50** Financial review
- 51** Managing risks and opportunities
- 53** Monitoring of key risks

Sustainability review

- 58** Focusing on sustainability
- 59** Our alignment to the SDGs
- 60** Data privacy and protection
- 62** Cybersecurity
- 63** Artificial intelligence and machine learning
- 65** Our people
- 69** The environment
- 70** Society
- 71** Investing in South Africa's success
- 71** Naspers Labs
- 72** Naspers Foundry
- 73** Tax

Governance

- 76** Our board
- 78** Governance at a glance
- 90** Remuneration at a glance

In South Africa we deepened our commitment to supporting the country's progress. Naspers Labs is a programme dedicated to tackling youth unemployment. Naspers Foundry is our initiative to find and fund the next generation of South African technology companies.

We contributed R1.5bn in emergency aid in support of the South African government's response to the Covid-19 pandemic, which was the largest contribution by any company. We also donated in support of disaster relief and recovery efforts in Durban and the wider KwaZulu-Natal coastal area following devastating floods there.

On the following pages we share the story of another transformative year for Naspers – the companies our teams are building; the value we are creating for all stakeholders; our performance and progress in this financial year; and where we are heading.

Summarised consolidated annual financial statements

- 98** Statement of responsibility by the board of directors
- 99** Independent auditor's report
- 100** Summarised consolidated annual financial statements

Further information

- 122** Notice of annual general meeting
- 129** Form of proxy
- 130** Notes to the form of proxy
- 132** Shareholder and corporate information
- 133** Analysis of shareholders and shareholders' diary
- 134** Naspers voting control structure



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

Through Prosus the group invests and operates globally in markets with long-term growth potential, building leading consumer internet companies that empower people and enrich communities. Prosus has its primary listing on Euronext Amsterdam and a secondary listing on the JSE Limited's stock exchange. It also has an American Depository Receipts (ADR) programme trading on an over-the-counter basis in the United States. Naspers is the majority owner of Prosus.

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.

We operate or partner with several leading internet businesses across Africa, Central and Eastern Europe, the Americas and Asia in sectors that include online classifieds, food delivery, payments and fintech, eetail, social and internet platforms, education and health.

Every day hundreds of millions of people use the products and services of companies that Naspers has invested in, acquired or built, including OLX, Avito, Frontier Car Group, iFood, Swiggy, PayU, PaySense, Red Dot Payment (Red Dot), eMAG, Takealot, BYJU'S, Udemy, Brainly, Codecademy, Honor and Media24.

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

Today, our companies, joint ventures 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.

In South Africa, Naspers is one of the foremost investors in the technology sector and is committed to building its local internet and ecommerce companies. These include Takealot, Mr D Food (Mr D), Superbalist, OLX, AutoTrader, Property24 and PayU, in addition to Media24, South Africa's leading print and digital media business.

Naspers also focuses on stimulating South Africa's local tech sector through Naspers Foundry. This is a R1.4bn investment targeting early-stage technology companies in South Africa that seek to address big societal needs. In 2019, to help address youth unemployment in impoverished communities, Naspers launched Naspers Labs, a social impact programme for young, unemployed South Africans aged between 17 and 25. Located in low-income, urban settings, Naspers Labs provides a structured development journey enabling young people to enter the economy.

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). The ADRs are also traded on an over-the-counter basis in the United States (OTC: NPSNY).

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

Bob van Dijk
Chief executive

23%⁽¹⁾

growth in group revenues
to US\$22.1bn

US\$2.9bn

core headline earnings

17%⁽¹⁾

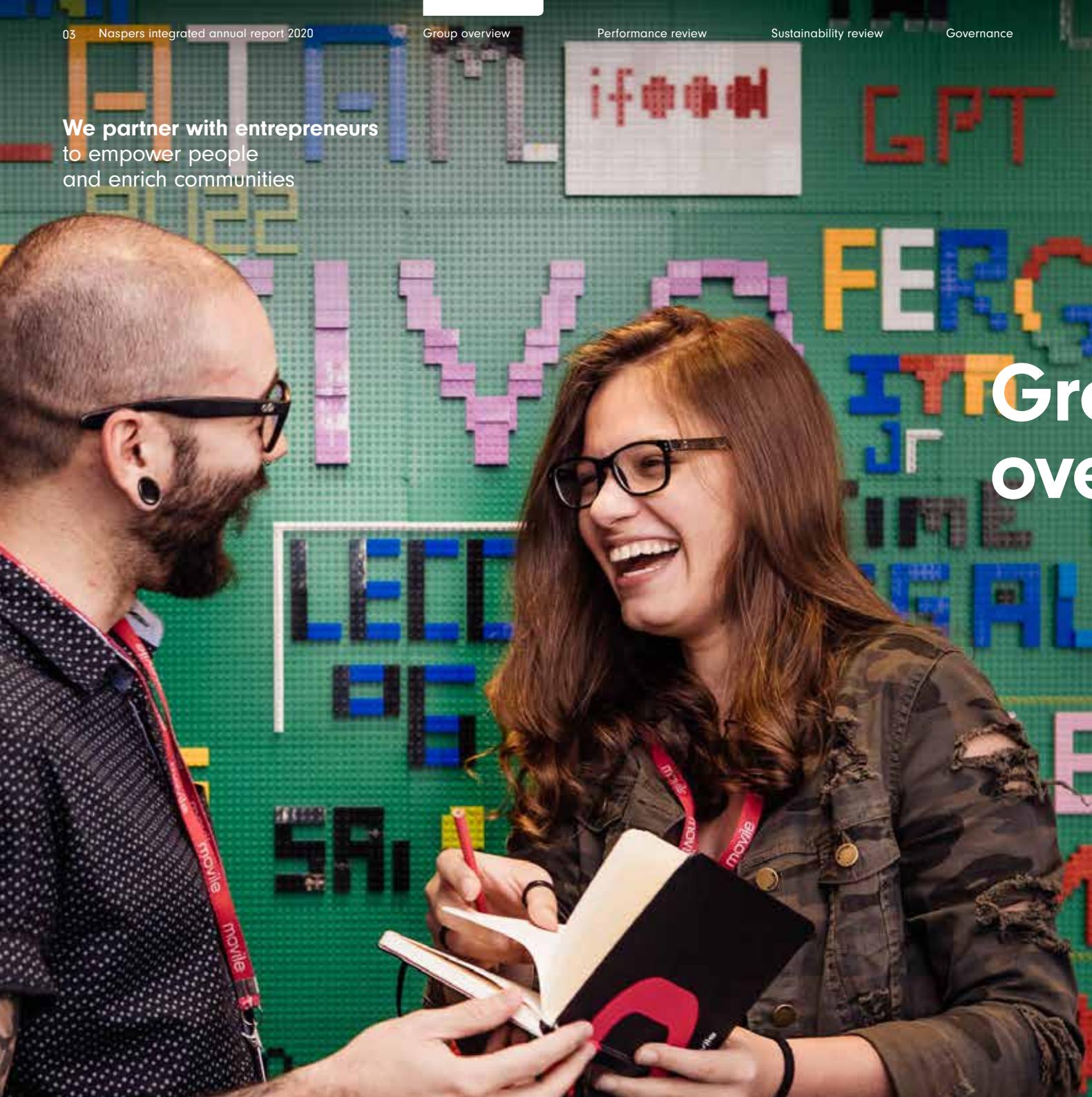
growth in trading profit
to US\$3.7bn

R1.4bn

investment via Naspers Foundry targeting
early-stage technology companies

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

We partner with entrepreneurs
to empower people
and enrich communities



Group overview

Contents

- 04 About this report
- 05 Statement of the board of directors on the integrated annual report
- 06 Group overview
- 07 Responding to Covid-19
- 09 Chair's review
- 11 Chief executive's review
- 14 Backing local, building global
- 15 Building long-term partnerships
- 16 Building positive impact around the world
- 17 Delivering sustainable value throughout the year
- 17 Our business model
- 18 Value creation this year
- 19 The world around us
- 22 Engaging our stakeholders
- 25 Capital allocation strategy

About this report

This integrated annual report assesses our performance for the financial year ended 31 March 2020. We aim to provide a picture of our progress and impact on society.

Our purpose

From India to Russia, Central and Eastern Europe, the Middle East, Africa and Brazil – well over a billion people around the world use some service we provide. Billions more are within our reach.

Who we are

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

Our approach

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

Managed on strong foundations

We understand the risks we take and try to manage these to minimise their impact on our businesses. Our strong governance is integral to the way we think and make decisions.

Creating a positive impact

Delivering performance and value for all our stakeholders.

Sustainability

We are committed to operating as a sustainable business that makes a lasting positive contribution to the world. We focus our efforts where we can make the greatest impact and to this end we are working on refining and evolving our sustainability strategy.

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.



Chief executive's review



Group overview



Business model



Governance



Value creation



Sustainability

● Read more on page 11

● Read more on page 06

● Read more on page 17

● Read more on page 78

● Read more on page 18

●

Read more on page 57



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, we take account of the six capitals⁽¹⁾, as well as progress against our strategy, and regularly measure returns on invested capital. We understand the risks we take and they 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. It is the largest South African company on the JSE. It also has a level 1 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 2) Naspers's subsidiary, Prosus N.V. (formerly Myriad International Holdings N.V.), is listed on Euronext Amsterdam and also has bonds listed on Euronext Dublin. Prosus also has ADRs which trade on an OTC basis in the US.

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, joint ventures and associates (the group). The scope of reporting on non-financial performance is indicated in this report. Media24, a South African subsidiary, publishes

a separate integrated annual report (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 this page.

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 pages 117 to 120 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.

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.

- We support the United Nations' Sustainable Development Goals (SDGs) and, like many other businesses, have identified which of those goals our business aligns with. We discuss this alignment and our activities in support of the SDGs in this report.

- South African Companies Act No 71 of 2008, as amended (Companies Act).
- King IV Report on Corporate Governance for South Africa, 2016 (King IV™⁽²⁾).
- IFRS.

Materiality and material matters

We apply the principle of materiality in assessing what information to include in our integrated annual report. This report focuses particularly on those issues, opportunities and challenges that impact materially on the group as well as on its ability to be a sustainable business that 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 concerning our financial condition, results of operations and businesses. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control and all of which are based on our current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates", or the negative thereof, or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. These forward-looking statements and other statements contained in this report regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties

facing us and our subsidiaries. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. There are a number of factors that could affect our future operations and could cause those results to differ materially from those expressed in the forward-looking statements, including (without limitation): (a) changes to IFRS and associated interpretations, applications and practices as they apply to past, present and future periods; (b) ongoing and future acquisitions, changes to domestic and international business and market conditions such as exchange rate and interest rate movements; (c) changes in domestic and international regulatory and legislative environments;

(d) changes to domestic and international operational, social, economic and political conditions; (e) labour disruptions and industrial action; and (f) the effects of both current and future litigation. The forward-looking statements contained in the report speak only as of the date of the report. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements to reflect events or circumstances after the date of the report or to reflect the occurrence of unanticipated events. 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.

Assurance

Financial information extracted from the audited Naspers Limited consolidated annual financial statements for the year ended 31 March 2020 in this report was audited by PricewaterhouseCoopers Inc. (PwC) (refer to page 99 for its report). PwC also performed specific procedures on material non-financial information in this report. In addition, PwC performed limited assurance on our scope 1 and scope 2 carbon footprint (refer to page 69). South African broad-based black economic

empowerment (BEE) information (for Naspers and Media24) was assured by EmpowerLogic.

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

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, such as forensic specialists or data-analytics experts, support the internal audit function. Other external assurance providers are enlisted as needed. In our more regulated businesses (like PayU), regulatory inspectors visit on an ongoing periodic basis.

The audit committee appoints 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.

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, customers, 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 2020 and its operations for the year then ended.

On behalf of the board

Koos Bekker
Chair

Bob van Dijk
Chief executive

Cape Town
29 June 2020

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

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

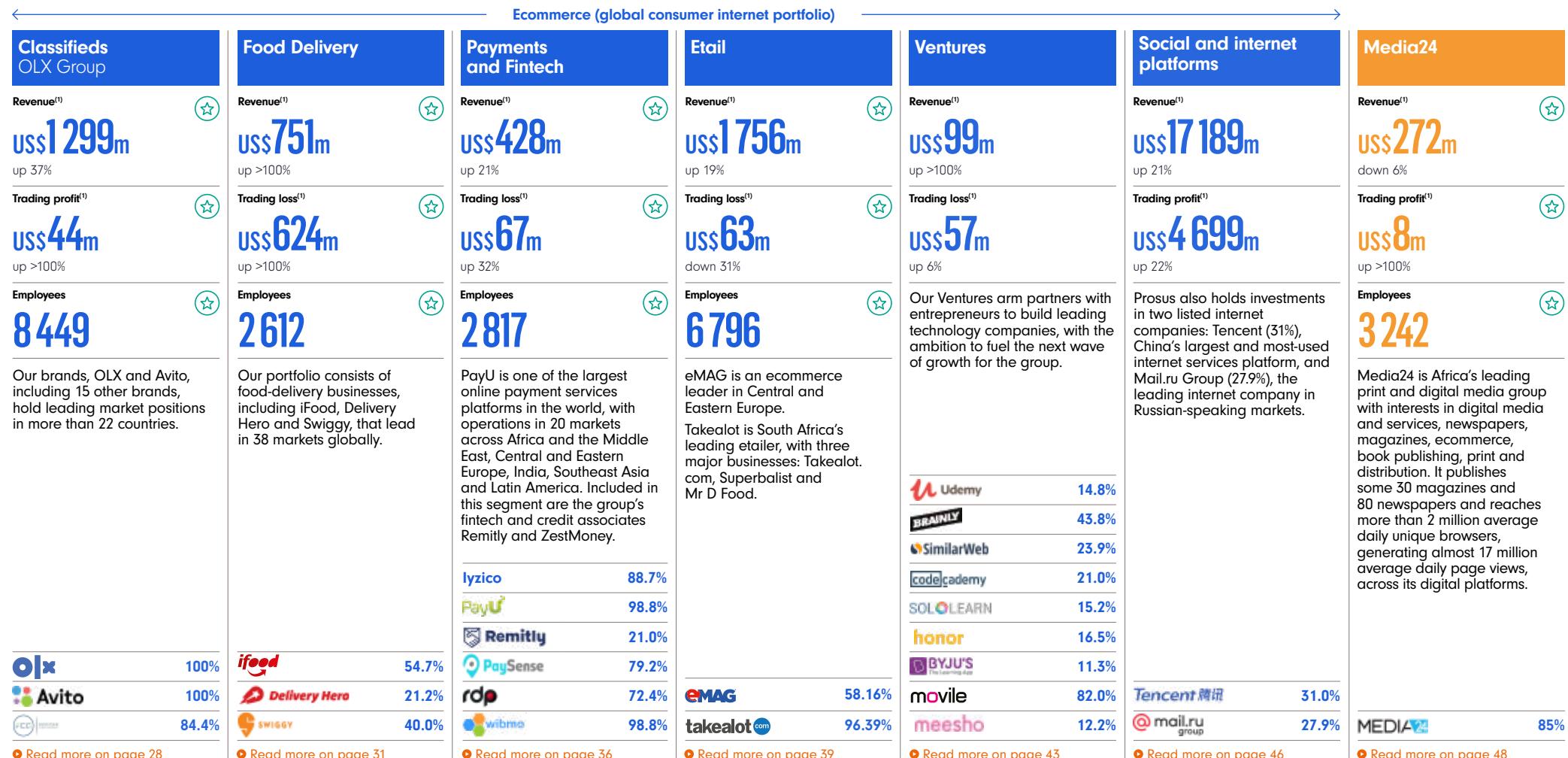


Group overview

Through Prosus, we focus on building global consumer internet businesses. We have investments in classifieds, food delivery, payments and fintech, education, health and etail, as well as ventures, and social and internet platforms. We also have a leading media business, Media24, and a leading etail business, Takealot, in South Africa.

Market leaders

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



⁽¹⁾ Presented on an economic-interest basis. Growth in local currency excluding acquisitions and disposals.

Responding to Covid-19

The Covid-19 pandemic has created unprecedented challenges and uncertainties for everyone around the world. The health and wellbeing of our people, their families and the communities we serve is our priority during this difficult time. In our response to the evolving situation we have ensured that we safeguard our people, maintain our ability to serve our customers, and protect our businesses for the long term.

Together, we are:

- focusing on the health of our employees and communities
- working hard to safeguard customers, partners and businesses, and
- leveraging our strong financial position to navigate uncertain times.

Supporting communities

Globally and at a local level we have been endeavouring to support the communities we live and work in so that together we can tackle the challenges of the pandemic and emerge stronger in the long term.

Spotlight on South Africa

In April 2020 we donated R1.5bn in emergency aid to the government's response to the Covid-19 crisis. This comprised R500m to the Solidarity Response Fund announced by President Cyril Ramaphosa, and R1bn of personal protective equipment and other medical supplies, which we sourced in China, in partnership with the Chinese government and Tencent, to support South Africa's health workers.

This included the logistics to fly the equipment to South Africa and, in conjunction with the South African government, the distribution to medical facilities across the country.

Spotlight on India

In April 2020, Prosus, the global consumer internet group of Naspers, donated 1 billion rupees to the Indian Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) created by Prime Minister Narendra Modi. Donations are used to alleviate directly the suffering of those affected by the Covid-19 crisis and to aid the emergency response.

Prosus is also working closely with the companies it partners with to support measures designed to help Indians affected by the situation. These companies have created a variety of innovative initiatives to benefit their customers and communities.

"This gesture by Prosus will have a positive impact on many lives. It will sharpen our fight against Covid-19"

Tweet by Indian Prime Minister Modi

Swiggy, for example, launched a campaign to donate meals to persons in need in India. The public were also invited to donate to this campaign. The campaign donated approximately 35 000 meals per day, with a goal of distributing approximately 500 000 meals per day in the short term. BYJU'S offered its learning platform for free in India.

Our approach

The group has a crisis response protocol to ensure that serious situations can be recognised early and addressed in a coordinated manner. We implemented the protocol globally and locally in response to Covid-19, including assessing the potential impact on our people and the businesses we operate and invest in. We assessed key business risks and put in place mitigation plans.

What we've been doing

Our primary objective has been to prioritise the health and wellbeing of our employees. In February 2020 we restricted business travel and implemented a work-from-home policy, in many cases before it was mandated by the relevant governments. Some of our teams are required to attend their place of work, because their jobs involve providing an essential service to our customers, for example etail warehouse workers and food-delivery drivers. We implemented a variety of measures for these teams designed to safeguard both them and our customers as we deliver the products and services they need.



South African President Cyril Ramaphosa receiving shipment of personal protective equipment at Takealot.

For employees in majority or wholly owned companies, we introduced an employee assistance programme (EAP) in 36 countries. It allows our people to access trained counsellors by phone in their local language, in order to provide confidential and personal support.

The impact so far

As the pandemic evolves, its impact on the world will inevitably change. Here we give an overview of the impact as at 25 May 2020 across key businesses.

Classifieds (OLX Group)

Through May 2020, we were still learning the impact that Covid-19 is having on our customers and our business.

In our biggest business, Avito, user activity and revenue started to come under pressure in late March, as Russia felt the effect on its population and imposed restrictions in major cities. Other large businesses, such as Poland and Brazil, experienced significant declines in user metrics in March and April with government lockdowns of many communities,

however, we have seen user traffic, particularly buyers, increase activity on our platforms in May. In India, the key impact has come from the closure of retail car inspection centres and the countrywide lockdown implemented on 24 March. Many other markets have faced widespread car inspection centre closures, notably Indonesia, Pakistan, Chile, Colombia and Argentina.

Other impacts reported from Covid-19 include users avoiding in-person meet-ups; consumers postponing large purchases, such as cars and property; professional sellers demonstrating a reduced appetite to pay for listings due to lower business activity; and economic shutdowns negatively affecting recruitment activity in our jobs categories.

Responding to Covid-19 continued



We are taking proactive action to mitigate the operational risk from the virus, including, but not limited to expanding pay-and-ship features, temporarily providing relief on fees to dealers and brokers, temporarily extending payment terms to assist key customers with cash flow, launching self-inspection and video capabilities, and overall, increasing communication to build trust with customers and clients.

We have also taken proactive short-term financial risk mitigation measures, including the halt of discretionary spending such as marketing, consulting and events, renegotiating rates and payment terms with service providers and restricting hiring to essential positions only. All travel has also been suspended to protect our employees.

As the situation unfolds, the longer-term implications on our business will become more clear.

We believe the coming year will be impacted, however, we have seen the early signs of recovery in our key markets and have identified areas of

opportunity to expand our product offerings to help our customers. We will continue to assess Covid-19 impacts on our outlook and will respond accordingly to protect our employees, our customers and our businesses.

Food Delivery

The effects of the Covid-19 virus on the food-delivery industry vary significantly by country, largely due to differences in governments' responses to the crisis. In Brazil, where food-delivery companies are deemed essential services, iFood exceeded its order target in March. In India, Swiggy struggled under a 21-day national lockdown. Although Swiggy had permission to do business at the national level, some municipalities enforced harsher restrictions at the local level and the general disruption to society created challenges for both supply, for example labour shortages as migrant workers return to their home villages, and demand, for example high-income consumers substituting in-home meals for delivery meals.

Based on publicly available information, Delivery Hero's business appears to be growing in line with historical trends across most markets. The one notable exception is the Middle East and North Africa region where government-imposed curfews depressed dinner sales.

Payments and Fintech

In March, we faced lockdowns across almost all PayU's countries. Segments such as travel and airlines have been severely affected, while others such as ecommerce and grocery deliveries have been very resilient, if not growing, due to consumers shifting their spend online. In aggregate, the business appears resilient.

Ventures

The edtech businesses in Ventures have been responding to the significant rise in demand for online learning that has resulted from pandemic-driven lockdowns around the world. The Ventures team has also been actively supporting earlier-stage, minority investment companies as they tackle the ongoing impact of the Covid-19 pandemic on their businesses.

eMAG

Until the end of March, the Covid-19 crisis boosted eMAG's sales as consumer purchasing shifted from offline to online. Surges in demand in categories such as grocery, health and home exercise equipment more than offset drops in demand in fashion and other categories. eMAG has adapted quickly to the situation, introducing contactless delivery to keep employees and customers safe and changing its product mix to match consumer demand.

Takealot

Government policies associated with South Africa's initial 21-day lockdown temporarily affected Takealot's businesses. Superbalist and Mr D were shut down completely for the duration of the initial lockdown. Takealot continued to operate but was restricted to selling 'essential' goods.

Tencent

China's economy was deeply affected by the Covid-19 outbreak in the first quarter of 2020. According to data from the National Bureau of Statistics, retail sales fell 20.5% over January and February versus the same period in 2019, industrial output was down 13.5% and fixed asset investment fell by nearly 25%. During the stay-at-home period, consumption in online services and digital entertainment surged, while offline industries increasingly embraced digital upgrades.

Tencent has responded to the Covid-19 pandemic by establishing a RMB1.5bn emergency fund and offered relief support and, through leveraging its cloud technology expertise, is assisting pandemic-related medical research. It has worked to update the public with news on the pandemic. Also, to provide healthcare services, businesses and educational establishments with access to remote working and collaboration tools. Funding has been provided for medical supplies procurement, financial support for frontline workers, patients and their families, and contributions made to research funding for medical treatment and public health to help fight the pandemic.

In addition, Tencent has launched a US\$100m Global Anti-Pandemic Fund to support international efforts against Covid-19. The fund is focusing on the sourcing and donation of medical supplies, such as personal protective equipment (PPE) and other essential products, for hospitals and frontline healthcare workers.

Financially Tencent has shown resilience in the first quarter of 2020 with its diversified business model. Further information is available on its website www.tencent.com.

Mail.ru

Russia has taken measures to combat the outbreak by shutting borders, limiting air travel, closing schools, imposing non-working periods to contain the spread of Covid-19 and has also launched a large economic stimulus package.

Mail.ru was quick to act. Most staff members are working remotely, with fewer than 100 essential staff continuing to work in offices. All IT systems can be fully controlled remotely. To protect employees who do have to work in the office, the group is disinfecting all buildings on an hourly basis and is reimbursing taxi fares for the commute to and from the office.

Media

Media24 continued to keep the public informed while taking the necessary measures to keep employees safe and healthy. The company implemented its business continuity plans and was able to serve record digital audiences and produce newspapers and magazines with almost all office-bound staff working from home. Additional safety measures were implemented for our journalists working in the field, as well as for logistics and warehousing staff responsible for servicing the distribution of our printed publications and processing ecommerce fulfilment orders for clients as allowed under regulations.

Print circulation and advertising revenues dropped significantly. Digital media audiences, on the other hand, increased sharply against the prior year and digital advertising also held its own.

Chair's review

We have a history of rapidly adapting to change. Also some resilience. These qualities were required this year. As before, we tried to create value by improving people's lives around the world.

You would have noted the successful listing of our international assets on Euronext Amsterdam . In Prosus we now have a top 10 global consumer internet company – a leader with a growth strategy, distinctive strengths across core segments and the know-how to excel further.

A big challenge has been Covid-19. We have responded as quickly as we could to the pandemic, in line with crisis management protocol. On pages 7 and 8 we outline our approach and the impact so far. How long the effects of the pandemic will linger is not yet clear.

Creating sustainable value

We continue to transform our group. That includes investing in new and existing businesses and creating innovative technology-enabled products and services. This ongoing growth and evolution flow from our focus on backing entrepreneurs, technology and business concepts that meet fundamental human needs.

We aim to create sustainable value for our different stakeholders. This value is measured across six capitals: financial, human, intellectual, manufacturing, social and relationship, and natural.

We also support the United Nations' Sustainable Development Goals (UN SDGs). Throughout this report we highlight some examples of our impact against these SDGs.

Investing in South Africa

Our commitment to South Africa is expanded via our ongoing investment in our businesses. Also via our initiatives Naspers Labs and Naspers Foundry. More information on these exciting programmes can be found on pages 71 and 72. We also continue to contribute significantly in terms of tax: in total, Naspers group paid R13.2bn in taxes in South Africa during the year.

Working as one

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 and productivity.

People are fundamental to our growth and success. Their commitment and contributions make the difference. On behalf of the board I thank all our people.

Bob van Dijk and his team implemented our strategy with enterprise and skill. Well done to the team!

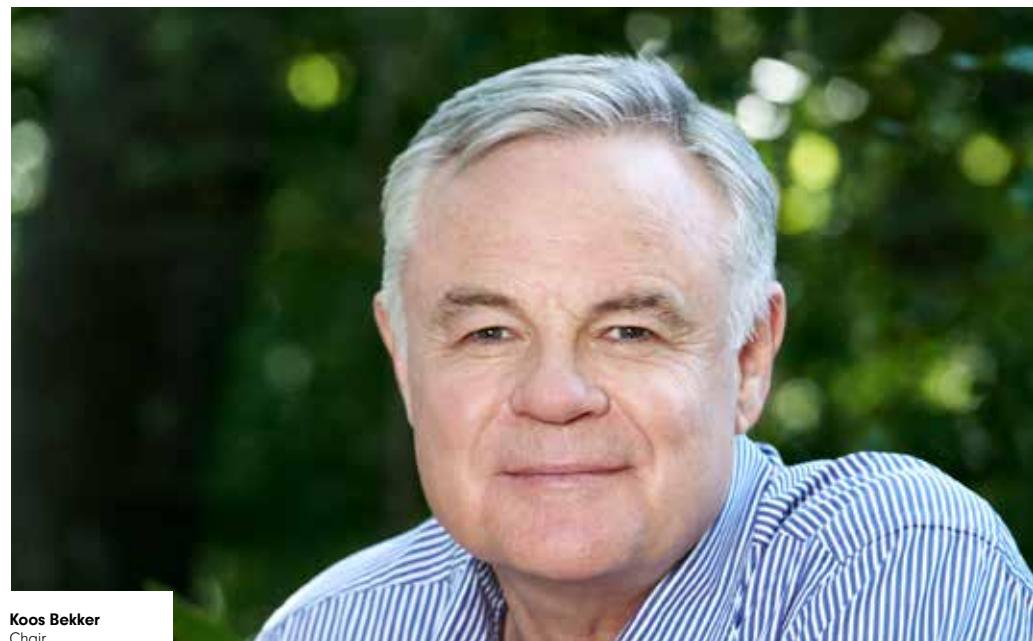
Board members provided valuable guidance and support during the year – an unusually active one in terms of meetings and decisions.

We also recognise the contributions of our many partners and suppliers. Also, the goodwill of governments and regulatory bodies in numerous countries.

PROPOSED DIVIDEND

580

South African cents



Koos Bekker
Chair

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 as best we can. More information appears in our risk management section on pages 51 to 56. We aim to conduct the group's business with integrity, applying appropriate corporate governance policies and principles. 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 82.

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

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.

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 strategic objectives.

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



Chair's review continued

Board changes

With effect from 1 April 2020, Naspers's independent non-executive director and lead independent director, Fred Phaswana, retired from the board. Hendrik du Toit, an independent non-executive director, was appointed lead independent director with effect from that date.

Fred Phaswana has served on the Naspers board since October 2003. He has served as lead independent director since April 2015 and was a director of various other group structures.

He was also a member of the Naspers human resources and remuneration, and nomination committees.

The board thanks Fred warmly for his commitment to the group over many years. His insights and unique contributions were highly valued and will be missed.

Furthermore, Manisha Girotra was appointed as an independent non-executive director on 1 October 2019. She also serves as a member of the audit committee. Confirmation of her appointment will be sought at the annual general meeting.

As announced on 29 April 2020, Ying Xu was appointed as an independent non-executive director of Naspers with effect from 26 June 2020. Confirmation of her appointment will be sought at the annual general meeting on 21 August 2020.

Effective 24 April 2020, Ben van der Ross, independent non-executive director, stepped down from the audit and risk committees and was appointed to the Naspers social, ethics and sustainability committee. The board thanks Ben for his valuable contribution so far.

In accordance with the company's memorandum of incorporation, one third of non-executive directors retire annually and reappointment is not automatic. Emilie Choi, Don Eriksson, Rachel Jafta and Mark Sorour retire by rotation at the annual general meeting. Being eligible, they offer themselves for re-election.

At this meeting, shareholders will be asked to consider the re-election of these directors (see notice of annual general meeting on page 122).

Don Eriksson, Rachel Jafta and Manisha Girotra are members of the audit committee. The board recommends to shareholders that they be reappointed to this committee and Steve Pacak be appointed. 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 76 and 77.

Dividend

(All figures in South African cents unless stated otherwise)

The board recommends that the annual gross dividend of 580 cents (2019: 715 cents) per listed N ordinary share, and 116 cents (2019: 143 cents) per unlisted A ordinary share be declared. In determining the proposed N ordinary share dividend, the board considered that shareholders who held listed N ordinary shares last year at the time of the listing of Prosus, would have received shares in Prosus or additional shares in Naspers Limited, which, if they continue to hold those shares would entitle them to receive either an additional Prosus dividend of 11 euro cents (South African rand equivalent to be determined at time of payment, currently 213 South African cents, based on exchange rate at 26 June 2020) per share, or dividends on their additional Naspers N ordinary shares received. The combined Naspers and Prosus dividend represents an increase of approximately 10% on the prior year Naspers dividend per share.

If confirmed by shareholders at the annual general meeting on 21 August 2020, dividends will be payable to shareholders recorded in the books on Friday 27 November 2020 and paid on Monday 30 November 2020. The last date to trade cum dividend will be on Tuesday 24 November 2020 (shares trade ex-dividend from Wednesday 25 November 2020). Share certificates may not be dematerialised or rematerialised between Wednesday 25 November 2020 and Friday 27 November 2020, 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 464 cents per listed N ordinary share and 92.8 cents per unlisted A ordinary share to those shareholders not exempt from paying dividend tax. Dividend tax will be 116 cents per listed N ordinary share and 23.2 cents per unlisted A ordinary share. The issued ordinary share capital at 29 June 2020 was 435 511 058 N ordinary shares and 961 193 A ordinary shares. The company's income tax reference number is 9550138714.

Looking ahead

In the financial year ahead we will no doubt face challenges like the lingering effects of the Covid-19 pandemic. We will navigate these as best as we can. Hopefully, new opportunities will also open up.

On behalf of the board, I thank all contributors. We look forward to continued growth and success as a global consumer internet company dedicated to improving people's lives around the world.

Koos Bekker

Chair

29 June 2020

Focusing on sustainability

Over the past 12 months we have worked to understand our impact through the various businesses we operate. Our sustainability approach fully supports our business strategy. We have focused our value creation on those SDGs where we can have the greatest material impact. To learn more about our approach, please see page 59.



Chief executive's review



Bob van Dijk
Chief executive

Key events through the year



A truly transformational year

Towards the end of the past financial year, we reached a milestone in our ongoing journey. With the unbundling of MultiChoice Group, which unlocked approximately US\$4bn of value for our shareholders, we created a 100% global consumer internet company. But in many ways, this was only the beginning.

This year we continued to move forward. We have executed on highly value-accretive merger and acquisition (M&A) transactions in a disciplined manner which has allowed us to accelerate growth in our core segments. These transactions have helped to fuel continued high growth across our core segments: Classifieds, Payments and Fintech, and Food Delivery. We successfully listed our international internet assets on Euronext Amsterdam, creating our new company, Prosus, as the home for these assets. This is an exciting step opening up fresh opportunities to create long-term sustainable value.

Creating a top 10 global consumer internet company

Prosus has firmly established itself as a top 10 global consumer internet company. Our US\$100bn valuation is on a par with some of the largest internet players in the world.

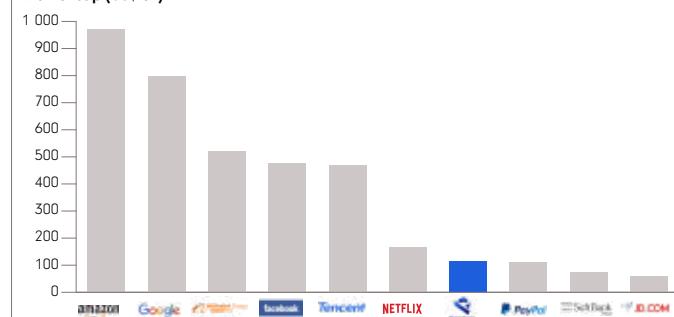
Remaining deeply committed to South Africa

Following the listing of Prosus, Naspers remains the largest South African company listed on the JSE Limited's stock exchange (JSE), and we remain deeply committed to the country. We are one of the foremost investors in the South African technology sector. In Takealot we have the country's leading retailer and in Media24, its leading print and digital media business. In October 2018 at the inaugural South Africa Investment Conference, we undertook to inject a further R3.2bn into our existing South African businesses. Moreover, through Naspers Foundry we aim to invest R1.4bn in the next generation of outstanding South African tech start-ups in the coming years. And Naspers Labs is pioneering an innovative hyper-local programme to tackle youth unemployment across the country. You will find more on these social initiatives on pages 71 and 72 of this report.

"The listing of Prosus presents a new opportunity for global investors to access our unique portfolio of high-growth international internet assets."

PROSUS IS A TOP 10 GLOBAL CONSUMER INTERNET COMPANY

Market cap (US\$b'n)



Unbundling of MultiChoice Group unlocked approximately

US\$4bn
of value for our shareholders

In January 2020, we sold 22 million shares in Prosus, representing approximately 1.4% of the issued Prosus N ordinary shares for gross proceeds of €1.5bn (US\$1.64bn).

The sale was effected through an accelerated bookbuild offering to institutional investors. Following the disposal, Prosus was 72.49% owned by Naspers with a free float of 27.51%.

All proceeds of the disposal received by Naspers, net of expenses and costs, were repatriated to South Africa and were used to return capital to Naspers shareholders in the form of a share repurchase programme.

Prosus lists on Euronext Amsterdam creating Europe's largest listed consumer internet company.

Chief executive's review continued

Leading around the world

Our companies lead in 77 markets around the world, and we are improving the daily lives of more than 1.5bn users globally. OLX Group is a global leader in online classifieds with over 300 million monthly users across 22 markets. PayU is processing more than US\$30bn in transactions annually. In just over two years, we have built a food-delivery segment that is changing the way people eat around the world. Our Ventures arm continues to explore and invest in the next wave of growth for the group. And as the largest shareholder of Tencent, we benefit significantly from its continued progress and our long-standing partnership with the team.

Driving to profitability

Our businesses continue to scale and are well on their way to driving trading profit margins to industry levels. We will focus on maintaining this strong execution – continuing to grow revenue and increase scale, driving more sales through our platforms. We have several profitable businesses in the group and they delivered a combined US\$475m in trading profit.

Meeting our targets

We met all our financial targets for the year, including revenues of US\$5.36bn (excluding Tencent) – organic revenue growth year on year (YoY) of 29%. Core headline earnings were US\$2.86bn (including Tencent). Excluding Tencent was negative US\$1.31bn and free cash outflow was US\$383m.

Continuing to grow in Classifieds

In Classifieds, we continued to focus on constantly improving the customer experience and extended our leadership in the largest and most established markets while growing top and bottom line at a healthy pace. The Classifieds team moved decisively and fast to expand the classifieds ecosystem with the transaction model. Frontier Car Group exceeded volume growth plans and we are now a majority shareholder. OLX CashMyCar also grew fast in India and increased its focus on delivering a compelling end-to-end consumer proposition. Classifieds delivered strong financials with organic topline growth of 37%, excluding impact of FX and M&A (revenues of US\$1.3bn) and organic trading profit of US\$44m (excluding FX and M&A impact). letgo and OfferUp combined their respective US marketplaces, with OLX Group owning 40% of the combined entity. This transaction received regulatory approval and is expected to close

1 July 2020. In April 2020, Emerging Markets Property Group (EMPG), a property portal group, and OLX Group announced their merger in Pakistan, Egypt, Lebanon and the UAE. OLX Group will become EMPG's largest single shareholder, owning 39% of the company.

Forging ahead with Food Delivery

Food Delivery had a strong year, meeting all financial goals and exceeding targets on operational metrics. The segment doubled revenues and increased orders at an even faster pace while delivering rapid first-party (1P) expansion in both iFood and Delivery Hero. Improving underlying unit economics and falling customer-acquisition costs are driving operating leverage in iFood, which doubled revenue versus last year. In the sizeable Indian market, Swiggy performed well in the face of strong competition. Our investment in food delivery increased by US\$364m during the year. We explored and were ultimately not successful in bidding for Just Eat. We emerged from the process even more convinced that there is still significant value to be unlocked globally and we plan to allocate meaningful capital to the right M&A opportunities and existing investments.

Making strong progress in Payments and Fintech

PayU made strong progress in India, where we grew our revenue by 21% (excluding FX and M&A) and exceeded our financial and operational metrics. PayU continues to

lead and grow faster than the market in the payment service provider (PSP) segment. PayU is also expanding its ecosystem as it moves into credit. India was the standout performer where we continued to drive growth by scaling credit. PayU has accelerated its capabilities in India by acquiring PaySense. We completed the acquisition of a majority stake in Red Dot Payments to expand our presence across the Southeast Asian market and the acquisition of lyzico to strengthen our position in Turkey's high-growth ecommerce market.

Performing well in retail

Our retail businesses also had a good year, delivering to plan with organic revenue growth of 19%, excluding FX and M&A (US\$1.76bn revenues) and organic trading loss improvement of 31%.

Investing in the next wave through Ventures

Through Ventures, we continue to explore and invest in the next wave of growth for the group. Our core Food Delivery segment graduated from Ventures last year and this year we focused on several key areas. We increased our participation in the sizeable Indian market with several investments in uniquely local business models, including tech-enabled logistics platform ElasticRun and app-based social selling platform Meesho. We continued to support our investees in the educational technology (edtech) space. We are also expanding our geographic footprint, for example in Southeast Asia.



An enduring strategy

At the heart of our success, we have a differentiated strategy which is proven and remains appropriate for the future:

- We **partner** with local entrepreneurs to build global technology leaders.
- We **operate** at the intersection of high-growth markets and technology to address big societal needs at scale.
- We aim to **build** sustainable leadership positions – this simple goal is the key to reaching scale and profitability. Most of our platforms are leaders in their markets.

"We look for the right entrepreneurs with the right plans and ambitions. And when we find them, we fund and support them. That's what we've always done, and we continually look for more opportunities."

Oct

eMAG continues its international expansion following the approval of its merger with Extreme Digital in Hungary.

PayU invests in Fisdom, a high-growth consumer wealthtech platform in India.

Dec

Proposed initial cash offer for Just Eat.

US\$30m investment in ElasticRun, innovative tech-enabled logistics network in India utilising local kirana stores.

Manisha Girotra appointed as independent non-executive director.

Jan

Merger of LazyPay, PayU's consumer-lending business, with PaySense, one of India's fastest-growing digital credit platforms, to create a new digital-lending leader in India.

Invested US\$320m in cash and contributed a portion of its investment in subsidiaries India Used Car Group B.V. and Poland Used Car Group B.V. for an additional interest in Frontier Car Group (FCG).

Feb

Lapse of Prosus's offer for Just Eat. Naspers announces sale of 22 million Prosus shares to increase the free float from 26.2% by 1.35%.

US\$100m

Mar

Swiggy raises US\$113m from existing investors led by Prosus investing US\$100m.

Naspers commits R1.5bn to support the South African government's response to the Covid-19 pandemic.

OLX Brazil acquires Grupo ZAP for US\$650m and strengthens its position in the real estate segment in the country.

Chief executive's review continued



Doing things differently

Across the group we have a distinctive approach:

- We are **active** participants in our investments and operations – we believe that to be successful, you have to bring much more than just money.
- We are **focused** – we invest in areas that we know and where we can make a difference based on deep industry insights.
- We are **long-term** orientated – we look to build sustainable businesses, rather than driving for short-term liquidity events or paper-value increases.
- We are **disciplined** – we play to win, but progressively grow our capital commitments as we learn and scale.
- We are **responsible** – we take responsibility for all stakeholders and our customers in particular.

"We partner with local entrepreneurs who use technology to address big societal needs. They help people connect with each other, buy and sell with ease, quickly order their favourite food, pay for the things they need, educate themselves, and more."

Scaling up artificial intelligence and machine learning

We made significant progress in scaling up our capabilities and focus around artificial intelligence (AI) and machine learning (ML) through the year. The amount of AI and ML talent and upskilling across the group has increased significantly as have the number of initiatives. We see this as a key priority and are concentrating on embedding AI and ML throughout the group's activities and culture.

Championing diversity and inclusion

Through the year we ramped up our focus on diversity and inclusion, with particular focus on gender diversity, an issue that many consumer tech firms grapple with. We are by nature a very diverse group, with many different businesses striving to improve the lives of many millions of different people around the world. We are focusing on making sure that we provide a meaningful place to work for all kinds of people and that we truly reflect and, in turn, can best serve the diverse world we all live in.

Responding to Covid-19

As we closed out the year, the world was brought to its knees by Covid-19, a pandemic that has touched every corner of the planet and continues to do so. Our response was fast, with our presence in Asia providing an early view of what was to come. From the start, we have prioritised the health and wellbeing of our people and their families. Our leadership teams reacted quickly to safeguard our people, to maintain our ability to safely serve our customers wherever possible, and to protect our businesses for the long term. We also take seriously our responsibility to support the communities we serve, and we have taken action at both a group level and at a local company level throughout the pandemic.

We have used our technological expertise, global networks and resources to contribute to the response to Covid-19 in many countries. More detail on this is provided on pages 7 and 8.

While there is considerable uncertainty ahead, as a group, we face the challenge from a position of relative financial strength. All of the group's businesses have continuity plans in place and while the challenges of Covid-19 will vary by sector and geography, we believe we have the teams, the resources and the experience required to navigate them successfully while also continuing to seek out new opportunities. Before Covid-19, we were coming towards the end of a truly transformative year, with strength in operations right across the group, buoyed by the increasing shift to online across our markets.

Notwithstanding the challenges of Covid-19 we are seeing signs that the pandemic is actually accelerating the move to online in many of our sectors. We believe we can emerge from this period well-placed to continue to deliver long-term growth.

Looking forward

Building on this year's transformation and strong performance, our primary focus remains to accelerate our core segments to scale, developing each into multibillion-dollar businesses, while continuing to explore and cultivate the next wave of growth.

Strong underlying market dynamics underpin our long-term structural growth. Capitalising on these dynamics, we are focused on driving core segments to sustainable profitability while outgrowing the market, and pursuing selective M&A to lead the global consolidation of segments and find the next-generation models.

In Classifieds, we aim to deliver superior customer value by accelerating expansions from buy-and-sell platforms to transaction-centred ecosystems, with cars being a key driver. In Food Delivery, we aim to sustain strong growth by investing in 1P, virtual kitchens and private labels, and realising scale benefits through improved operating leverage. In Payments and Fintech, we aim to build and expand our ecosystem by driving growth in credit.

We will invest more in building our AI and ML capabilities for strategic advantage – accelerating the adoption of AI by design and significantly increasing the number of ML modules in production across the group. Aided by AI and ML, we will adopt and drive a data-first approach in and across segments. Refer to pages 63 and 64 for more information.

We will continue to act as a responsible corporate citizen. This includes developing a plan to reduce our carbon emissions. It also includes focusing on the wellbeing of our users and engaging with policy makers to help shape the regulatory agenda.

Looking forward, our journey remains unchanged, but we see great opportunities to do and deliver more – create more value as we continue to focus on building leading global consumer internet businesses that improve people's lives.



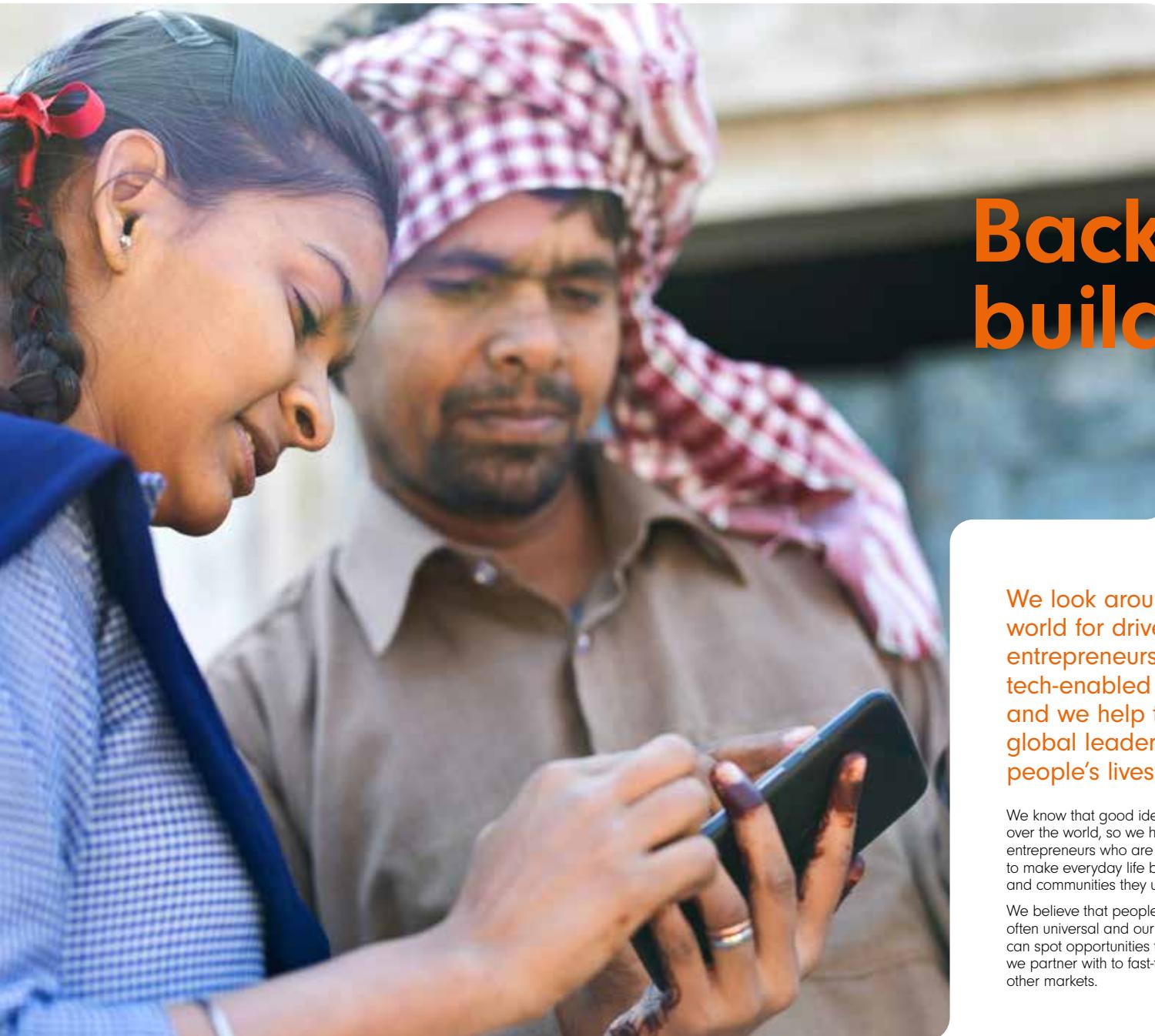
Bob van Dijk
Chief executive

29 June 2020

Performance highlights

- Improved performance across core segments: Classifieds, Payments and Fintech, and Food Delivery.
- Enhanced AI/ML capabilities, with deep integration across daily operations throughout the group.

"We never sit still – we actively seek new opportunities to build for the long term. It's what keeps us moving forward."



Backing local, building global ...

We look around the world for driven local entrepreneurs with notable tech-enabled businesses and we help them build global leaders that change people's lives for the better.

We know that good ideas can be found all over the world, so we hunt globally for local entrepreneurs who are using technology to make everyday life better for the people and communities they understand best.

We believe that people's everyday needs are often universal and our global reach means we can spot opportunities for the local companies we partner with to fast-track their expansion to other markets.

Investing and operating in around 80 countries enables us to facilitate global collaboration and idea sharing between our partner companies.

Our global perspective is reinforced with teams on the ground in all our key regions: Latin America, Asia, Europe and South Africa.

Our companies have leadership positions in 77 markets and we are improving the lives of more than

1.5bn
users globally



Building long-term partnerships ...

We build long-term partnerships with the companies we invest in, to help them reach their potential and to create the most value for our stakeholders.

We pick our partners carefully and spend a lot of time and energy making sure we're right for each other.

When we decide to invest, we do so strategically and energetically – bringing much more than just money to the companies we invest in.

We work in partnership with our founders and their teams, providing advice and expert resources to help them successfully scale their business for long-term growth. All our partner companies have access to the wider group resources and teams with expertise in key areas such as artificial intelligence (AI) and machine learning (ML), talent acquisition, intellectual property (IP) protection, legal and regulatory matters, finance, communications and product marketing.

Our partnership approach fosters long-term relationships and responsible growth. We have a long horizon for our investments: we invest off our balance sheet rather than via a fund, so we are not limited by exit deadlines and we are not short-term profit seekers. We have the financial capacity to invest across the life cycle of the companies we partner with, so we can fully support them from early stage through to maturity and scale.

We are disciplined in how we allocate capital and we do so based on growth plans and progress against those plans which we review together regularly.

We are both an operator and an investor

Operator

- Benefit from operations in local markets
- Empower entrepreneurial and seasoned talent
- Ability to drive organic and inorganic growth
- Early views on new emerging models



Investor

- Unparalleled access to investment opportunities
- Uniquely positioned for global buy-and-builds
- Ability to fund at every stage with long-term horizon
- Proprietary insights on value-creation opportunities





Building positive impact around the world...

From offering services that help people improve their lives to honouring our commitments as a responsible global consumer tech company - we are committed to building positive impact around the world.

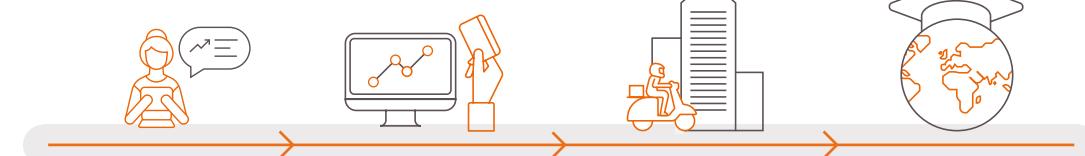
We aim to make everyday life better for the millions of people and communities that our companies serve. The companies we invest in and operate in currently help to improve the daily lives of around 1.5bn people through the innovative and popular services they provide.

In classifieds, we are helping to promote and increase conscious consumerism. Our payments and fintech businesses are pioneering a world without financial borders. Our food-delivery businesses are revolutionising the way we eat. Our edtech businesses are bringing more and better learning to people around the world.

We understand the positive impact that locally built businesses can deliver through the jobs they create, the products and services they provide, the taxes they pay, and the wider economic and societal ecosystem that they support. We are committed to the local markets and communities in which we invest and operate.

We are a responsible business and we take our responsibilities seriously. We aim to build businesses that can stand the test of time and we work hard to make a positive contribution to the world.

Building positive impact around the world



In classifieds, we are helping to promote and increase conscious consumerism.

Our payments and fintech businesses are pioneering a world without financial borders.

Our food-delivery businesses are revolutionising the way we eat.

Our edtech businesses are bringing more and better learning to people around the world.

Delivering sustainable value throughout the year

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.

Global trends

As we enter a new decade, we see three key trends shaping our world:

- The ongoing rise of Asia and other growth markets.
- Technology entering a deployment phase.
- The growing importance of responsible tech for the good of society.

[Read more on pages 19 to 21](#)

Stakeholders' views

We listen to our stakeholders.

By engaging with them and understanding their perspective, we allow feedback on our strategy and performance and align our future operations to answer their legitimate needs and interests.

[Read more on pages 22 to 24](#)

Input



Financial funds and assets used to invest and develop our operations.



Skills owned by our employees.

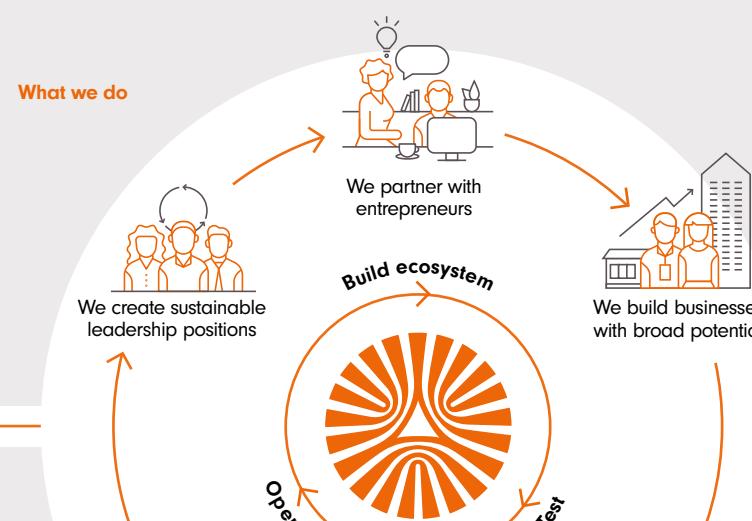


All investments in facilities and technologies across the group.

How we add value

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

What we do



Operating model



Underpinned by our active capital allocation and strategy
We ensure we optimise our portfolio for growth and competitiveness.

[Read more on page 25](#)

The value we create



We deliver long-term shareholder value through disciplined capital allocation and robust financial performance.



We create a working place with a fair and inclusive culture and development opportunities for all our employees.



We provide innovative platforms and services to customers globally.

Group contribution to SDGs

We align our value creation to the UN Sustainable Development Goals.

[Read more on page 59](#)



Through our intellectual property, we drive change and innovation within the industry.



We treat our partners fairly and drive high social value in our operations.

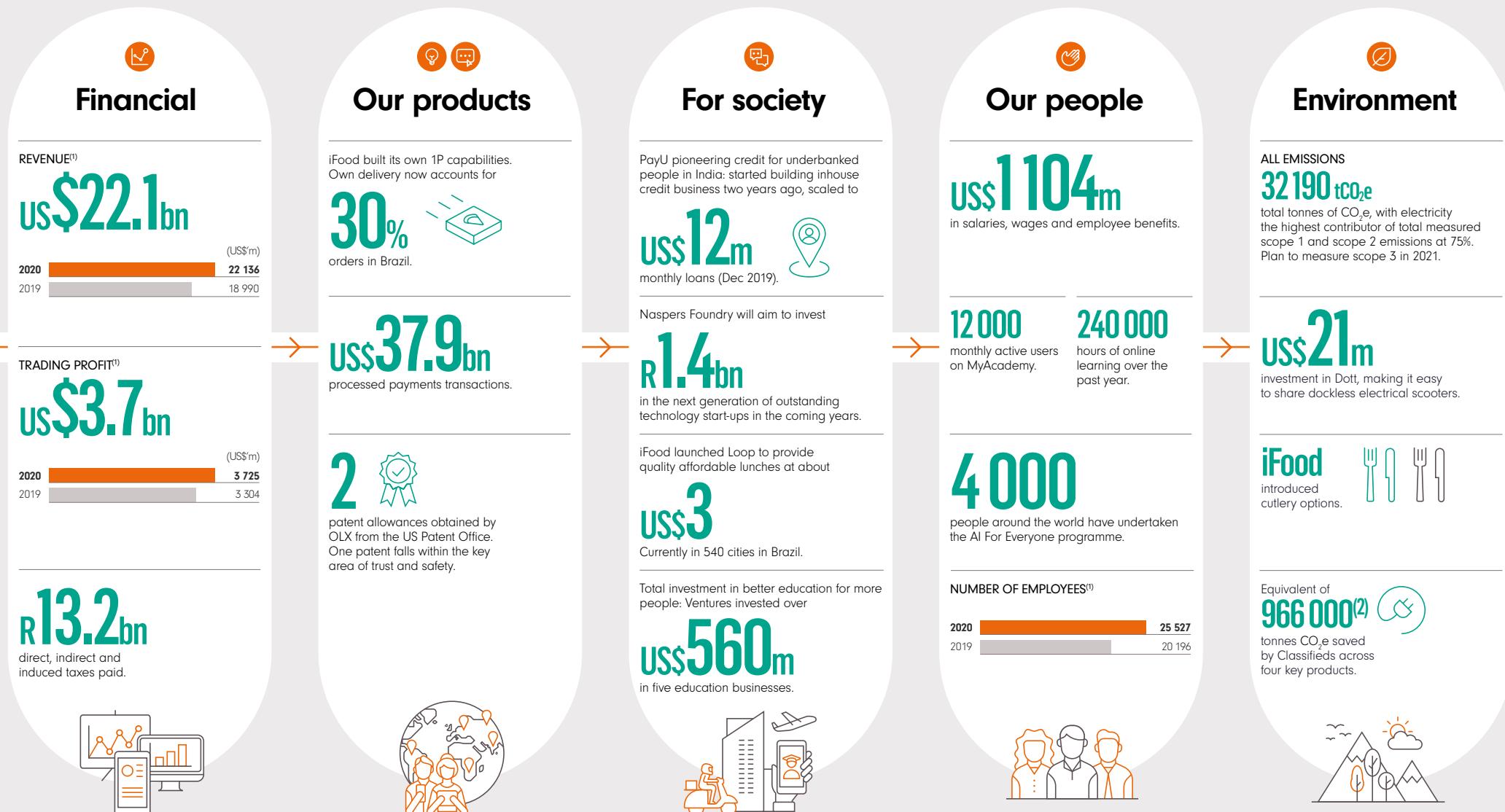


We seek to minimise our impact on the environment and to play our part in addressing issues, including climate change and the responsible use of natural resources.



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.



⁽¹⁾ Presented on an economic-interest basis and from continuing operations.

⁽²⁾ For the period 1 January 2019 to 31 December 2019.

The world around us

The Covid-19 pandemic creates unprecedented challenges and uncertainties for all of us in the immediate term. Yet the long-term prospects for the world around us remain positive, not least because of the progress and potential of technology to change people's lives for the better. The overarching trend of the world is to move online and that's where we focus.

Changing for the better

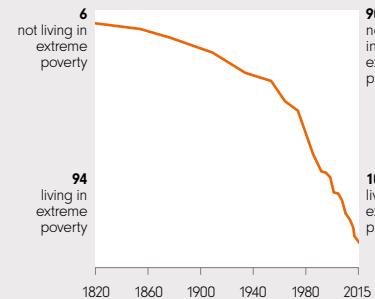
Over recent decades, the world has gone through a huge transformation, including the rise of the developing world and a wave of technological innovations.

Current challenges and uncertainties notwithstanding, in many ways the world has never been better (as the adjacent table demonstrates). With this in mind and in the spirit of our positive purpose and long-term view, we remain fundamentally optimistic.

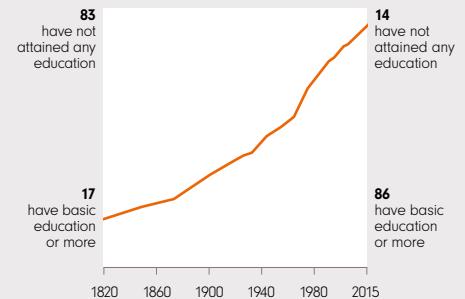


The world as 100 people over the past two centuries:

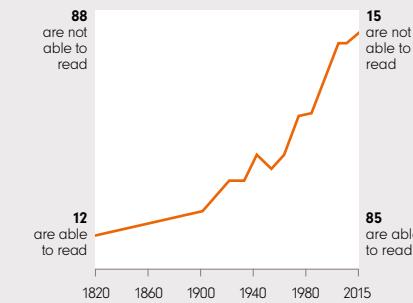
EXTREME POVERTY



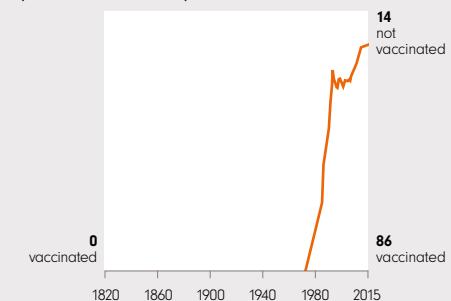
BASIC EDUCATION



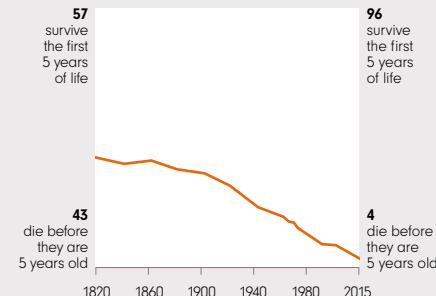
LITERACY



VACCINATION AGAINST DIPHTHERIA, PERTUSSIS (WHOOPING COUGH) AND TETANUS



CHILD MORTALITY



The world around us continued

Three key trends

As we enter a new decade, we see three key trends shaping our world:

1

The ongoing rise of Asia and other growth markets

2

Technology entering a deployment phase

3

The growing importance of responsible tech for the good of society



1 The ongoing rise of Asia and other growth markets

Our high-growth markets

Global growth for 2019 was 2.9%, down 0.6 percentage points YoY. The International Monetary Fund (IMF) is projecting global growth rate for 2020 to decline by 3.0%, with China and India as the only large economies expected to grow this year. Against this global backdrop, we continue to focus on high-growth markets.

The growth of Asia

The global centre of gravity is increasingly shifting to Asia. Asia now represents over half of global GDP at purchasing power parity (PPP), half the world's internet users and consumption growth. It will soon overtake the US as the largest consumer market.

China's changing relationship with the world

The transformation of Asia's anchor economy, China, has been a success story unlike any other. Its economy has grown 31 times in 40 years and, even as it matures, it is still adding the size of the Australian economy every year.

India's rapid ascendance

The future of Asia is no longer just about China. Driven by population growth, urbanisation and a rising middle class, India is projected to be the world's third-largest economy in the next decade. On many measures, India is also well on its way to becoming a digitally advanced country. With more than 500 million internet subscribers, it is already the second-largest and fastest-growing market for digital consumers. It is recording explosive growth in several areas, including mobile data consumption and digital payments. India's online market size is expected to reach US\$220bn by 2025. Its ecommerce market is already the fastest-growing globally. Based on this robust foundation and attracted by the country's vast potential, India's start-up economy is booming. In the past decade, India has become the third-largest entrepreneurial ecosystem in the world, right after the US and China.

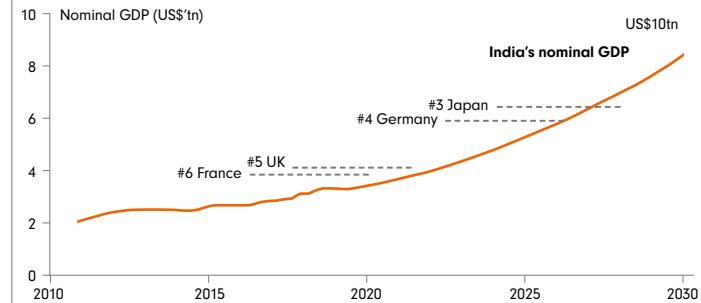
We are growing fast in India in our core segments of Classifieds, Payments and Fintech, and Food Delivery. India is an exciting area for our Ventures team too, given the vast opportunity for growth in the market across a number of segments. We have made recent investments in education, logistics, ecommerce and ride sharing in India and overall, our Ventures team, and have invested more than US\$500m in the country.

In education, both BYJU'S and Brainly are growing fast in India and looking to make the most of the opportunities there. In logistics, we invested in ElasticRun in 2019. We also invested in Meesho, a fast-growing app-based social selling platform.

"With the rapid growth of the country and the explosion of their internet use over the last few years, India presents huge opportunities for us."

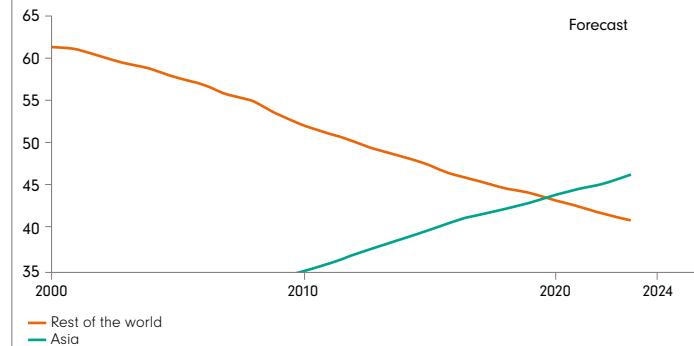
Bob van Dijk
Chief executive

INDIA COULD BECOME THE WORLD'S THIRD-LARGEST ECONOMY BY 2026



THE ASIA CENTURY IS ABOUT TO BEGIN

Share of world GDP at PPP US\$



"Right now, we are really excited about India – it's our newest market, growing really fast."

Michał Borkowski
Brainly co-founder and CEO

How much has per capita GDP grown since 1980?

Share of world GDP at PPP US\$, 2000-2024

- **China x31**
- **South Korea x17**
- **India x7**
- **Brazil x7**
- **Malaysia x6**
- **US x5**
- **Germany x4**
- **Japan x4**
- **Mexico x3**
- **South Africa x2**

Source: International Monetary Fund, gzeromedia

The world around us continued

2

Technology entering a deployment phase

We are arguably in the middle of the age of information technology. Computing has become fairly standardised, ubiquitous and continuous. The mobile platform allows users to access applications anytime, anywhere. New companies continue to leverage IT to open new verticals and address consumer pain points in ways that were previously impossible.

The power of artificial intelligence
Now that the tech foundations are in place, more progress will probably happen more broadly. Artificial intelligence (AI) is entering the mass-production phase and being fully integrated into society. We're heavily focused and invested in mastering AI.

5.5bn

Of 5.5 billion adults in the world, 5 billion have a phone and 4 billion have a smartphone.

Source: World Bank, GSMA, Apple, Google, GNNIC, ITU, Ben Evans



3

The growing importance of responsible tech for the good of society

Responsible business

From the specific urgency surrounding climate change to the broader concerns addressed in the United Nations Sustainable Development Goals (UN SDGs) - the need for businesses to be truly responsible has never been more crucial. All our futures and the future of the planet we share depend on businesses everywhere doing business responsibly - contributing and creating sustainable value for all stakeholders.

With power comes responsibility

Technology today has an immense impact in people's lives and with such immense power comes immense responsibility. It raises ethical dilemmas across a range of issues, including privacy and transparency, the impact of automation, inequality, biases in decision automation and uses of the technology we build. And there are no easy answers.

More regulated

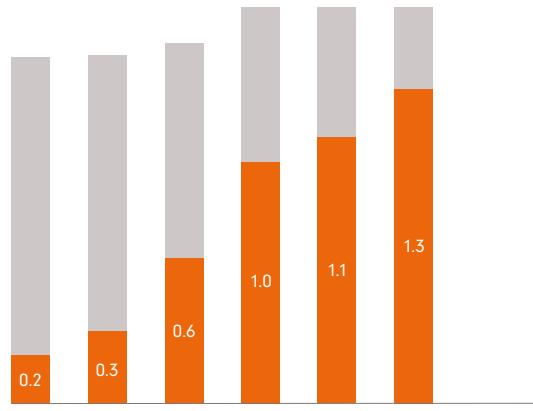
Governments are no longer assuming the tech industry will find the right answers. This is not unusual. Every wave of new tech that changed the world eventually became regulated. Regulation is complicated and the issues facing tech are many and complex - ranging from hate speech to face recognition, from filter bubbles to privacy, from elections interference to abuse of market power, to encryption and AI bias. And things are not becoming simpler.

Tech for good

Rather than move-fast-and-break-stuff, we need a new, more responsive, more inclusive type of corporation. One that lets entrepreneurs exploit new digital technologies but still holds them to account within the wider society in which they act. Simply put, technology companies can no longer live in a vacuum. Rather, it is the responsibility of those at the cutting edge of innovation to make a concerted effort to not only include, but also listen to those affected. This more grown-up, more regulated era creates big responsibilities and opportunities for the world's leading global consumer internet companies - responsibilities and opportunities we are keen to take on and live up to.



RISING PENETRATION OF AI-ENABLED SMARTPHONES ('bn)



● AI-enabled ● Smartphone

Source: IDC, Gartner, CMBIS

"We invest in what we really know. What has served us well is to build up expertise, then go bigger."

Bob van Dijk
Chief executive

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. This is about creating sustainable value in the broad sense – one that plays out across the six capitals and considers, engages and involves our key stakeholders.

Stakeholder relationships

Our businesses take a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in their best interests.

To support the board in fulfilling its governance role, our social, ethics and sustainability committee (which reports to the Prosus board on matters relating to Prosus) receives reports on stakeholder management across the group. More information can be found in the social, ethics and sustainability committee's report in the 2020 governance report.

We give an overview here of the main issues that matter to our key stakeholders, how we engage with them and our response and impact. More information on individual business initiatives with various stakeholders can be found in the performance review on pages 27 to 49.

We have identified eight key stakeholder groups:

- Customers and users
- Employees
- Investors and shareholders
- Business partners
- Industry bodies
- Society
- Media
- Governments and regulators



Customers and users

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



Main interests

- Good customer/user service
- Positive experience – fast delivery, return, and feedback
- Competitive pricing and range of products
- Content preference
- Trust
- Product safety
- Data privacy

How we engage

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

Our response and impact

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

Our businesses undertake a range of customer-focused initiatives. OLX Group, for example, is revamping its approach to customer trust and safety. This has been a key focus this year and will continue to be a priority going forward.

iFood has focused on the user experience, with dedicated product teams; clear and efficient communication, value propositions and compensations; retention programmes; and monitoring and analysis of KPIs. Throughout the year, iFood responded to 99% of complaints and 85% of customers believed the problem had been solved. iFood has also focused on ensuring data privacy and tackling fraud, via privacy policies and administrative, technical and physical measures to protect personal information.



Employees

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



Main interests

- Purpose – providing jobs with meaning and a sense of purpose, in a company committed to deploying technology to address big societal needs and to enriching the communities in which we operate
- Talent – recruitment, retention and development
- Culture – including diversity and inclusion, employee wellbeing, and engagement

How we engage

- We strive to maintain a healthy employee relations environment in which ongoing dialogue with our people is embedded in our work practices.
- We use various formal and informal channels to engage employees and encourage open communication, including leadership and CEO updates, manager interactions, webcasts, town hall meetings, surveys, team meetings, face-to-face gatherings and online collaboration and content sharing.
- We promote continuous learning and development through our online learning platform MyAcademy, as well as through live education programmes focused on leadership, management, business development and artificial intelligence
- Where appropriate, we also engage formally through employee forums.

Our response and impact

Our commitment to our people is evident in our ongoing investment in their development. We create and support professional development opportunities. We also recognise the great work of employees through fair and competitive rewards.

We focus on building an inclusive and supportive culture, ensuring that positive, engaging and inclusive leadership is at the heart of everything we do.

We are a diverse group of companies, but some things are consistent for our people regardless of where in the world we operate. These include our commitments to learning, diversity and inclusion, engagement, and empowerment.

We know that employee wellness is critical to organisational sustainability. We care for our employees through various initiatives, recognising that a healthy and resilient workforce is key to supporting our business growth and success.



Focusing on customers

eMAG, Central and Eastern Europe's leading etailer, focuses on giving customers the very best experience. This includes continuously growing its range of products and investing in the ongoing improvement of the customer experience.

The company runs loyal client campaigns with special discounts and vouchers, and targeted communication through direct marketing. A permanent call centre provides 24/7 service to customers. eMAG has expanded the team and improved client waiting time.

Other customer relationship-building initiatives include a dedicated team for social media channel support on tracking orders, enhanced transactional communication and sales consultants in showrooms.

eMAG wants to make the whole experience as easy and convenient as possible for customers, for example by offering diverse delivery options, including showrooms in main cities, and lockers providing customers with a fast and simple pick-up option; 30 days' free return; free courier delivery for orders over a specified amount; and a two-hour delivery option.

The company monitors its Net Promoter Score (NPS) weekly, monthly and annually, evaluating the main touchpoints to help identify ways to keep improving customer satisfaction.

Engaging our stakeholders continued



Investors and shareholders

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



Main interests

- Holding company discount
- Tax consequences related to Naspers ownership of Prosus, tax on distribution and tax due to sale of assets
- Capital allocation: Further buybacks or investment in core assets
- M&A: Industry consolidation or bigger deals
- Competition across core segments
- Remuneration policy and disclosure
- Internal rates of return
- Strategy for online food delivery and payments and how we are investing for growth in this space
- Path to profitability and cash flow generation

How we engage

- Investor meetings and teleconferences
- Conference appearances
- Interim and integrated annual reports
- Financial results presentations
- Investor Day
- Press and stock exchange releases
- Reporting via corporate website
- Dedicated email address for inbound queries and distribution of announcements
- Instructive videos

Our response and impact

We are openly exploring and acting upon measures to reduce the holding company discount.

Key value-creating actions over the past two years include unbundling the MultiChoice Group, which unlocked approximately US\$4bn of value for our shareholders; selling our stake in Indian ecommerce company Flipkart; and creating Prosus to successfully list our international internet assets on Euronext Amsterdam. At the time of the listing the Prosus value unlock was ~US\$10bn* through the reduction of the discount to the combined net asset value of Prosus and Naspers.

Management engages with shareholders and investors with greater frequency.

Our reporting includes focused messaging on the path to profitability for our core segments and the future potential of food delivery.

We provide biannual updates on our internal rate of return (IRR), for the total portfolio and for ecommerce.



Business partners

We aim to work closely with business partners across the group.



Main interests

- 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

How we engage

- Structured meetings, calls and electronic communication
- Informal day-to-day communication

Our response and impact

We actively engage with our business partners, responding quickly and constructively as required.

We have strong relationship management systems in place to ensure regular communication between key management and business representatives.

Structured grievance processes ensure that, in the event of a dispute, there is timely action to find a resolution.

Through active negotiations we ensure that mandates clearly lay out the relationship and agreement terms and requirements.

Business approaches are reviewed regularly to ensure they align with international norms.



Industry bodies

We want to be an industry leader, playing an active part in progress.



Main interests

- Clear communication of material issues
- Engagement around increasing meaningful and positive impact
- How to ensure a positive sector experience, for example through the regulation and culture of the sectors

How we engage

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

Our response and impact

We take the lead in responding to industry consultations on proposed regulations and legislation.

To build understanding and engagement across the industry we share our approach and examples of action on specific topics, such as how we align to changing legislation.

We produce thought leadership and positioning papers on material issues.

* Represents the uplift in valuation from the reduction of the combined holding company discount between the closing pricing on 24 March 2019, the day before the listing of Prosus was first announced, and 11 September 2019, the date of the listing of Prosus.

Engaging our stakeholders continued



Society

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



Media

We report honestly and transparently and aim to build constructive relationships with the media.



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.

Our response and impact

We provide transparency and have implemented a programme to ensure compliance with all applicable laws and regulations.

We make formal representations and written submissions to express views.

When invited or where relevant, we provide information to policy makers in the form of expert advice, based on our global experience and tech and sector expertise.

We invest in the group's capability and capacity to respond to enquiries and requests to share views on legislation and issues affecting the industry.

We share our views through media engagement and public speeches at various international events.



Main interests

- Corporate investment to support meaningful impact
- Sound business operations to improve quality of life
- Minimising our environmental impact
- Local employment and value creation, including supporting local businesses
- Adherence to local laws and paying taxes due

How we engage

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

Our response and impact

Our businesses focus on maximising positive impact in local communities in the most appropriate ways. More information on our corporate social responsibility programmes can be found on pages 70 to 72.

Our groupwide aim is to develop products and services that meet societal needs, for example food delivery (iFood and Swiggy) and education (BYJU'S, Codecademy and Brainly).

We play a positive part in enabling and encouraging conscious consumerism through our OLX Group online classifieds platform. This helps to extend the life of products, save water, energy materials (including conflict minerals) and to lower carbon emissions.

We focus on hiring local employees and growing local talent, including investing in local businesses.

Our groupwide legal compliance programme is tailored to the unique risks and local laws that apply for each business.

Details of the board-approved group tax policy and tax disclosure can be found on pages 73 and 74.



Main interests

- Our investment strategy and performance
- Requests for comment on rumour and speculation, notably regarding potential M&A and divestitures
- Requests for comment around reputational risk issues, such as cybersecurity and privacy
- Our focus on geographies, for example Indian press interest in how we view India
- Our view on key industry segments, such as classifieds, payments and fintech, and food delivery
- How we work across our group companies
- Requests for time with management, particularly at key times such as results announcements

How we engage

- Press releases, editorials and articles
- Interviews and reactive comment
- Reporting through company website
- Events

Our response and impact

- We invest time in regularly engaging with key journalists and editors to build relationships and understanding
- We proactively schedule media interviews to provide briefings on strategic updates and significant news
- We build announcement plans to maximise coverage of announcements
- We respond to requests for comment in line with communications and investor relations policies
- We are quick to correct inaccurate commentary or articles as appropriate
- We attend and participate in various events in line with our communication strategy



Main interests

- Sustainable development
- Innovation and entrepreneurship
- Competition policy
- Taxation
- Investments and international trade
- Data protection and privacy
- Private-public partnerships, international and other collaborations
- Intermediary liability
- Financial services legislation
- Copyright and intellectual property (IP)
- Tech policy, including ecommerce
- Societal contribution, including employment and social policy

How we engage

- Direct participation in advisory committees, meetings and public consultations
- Formal one-on-one meetings and roundtables
- Response to sector and company-specific enquiries
- Indirectly through sector and industry associations
- Participation in international events, such as the BRICS summits or membership of the World Economic Forum in Davos
- Site visits, including hosting official delegations
- Integrated annual report



Contributing to society

iFood, Brazil's leading food-delivery business, places a big emphasis on its contributions to society. To enhance skills and local employment, the company prioritises hiring local employees, and is increasing its engagement with colleges and universities to increase availability of talent. iFood also creates a diverse and inclusive workplace – implementing a new diversity programme in 2020. Currently, 45% of iFood's workforce is female and 35% is non-white.

iFood is also prioritising the development of a local supply chain. The company has zero tolerance for ethical deviations and shares anti-corruption and anti-bribery policies, both internally and externally.



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

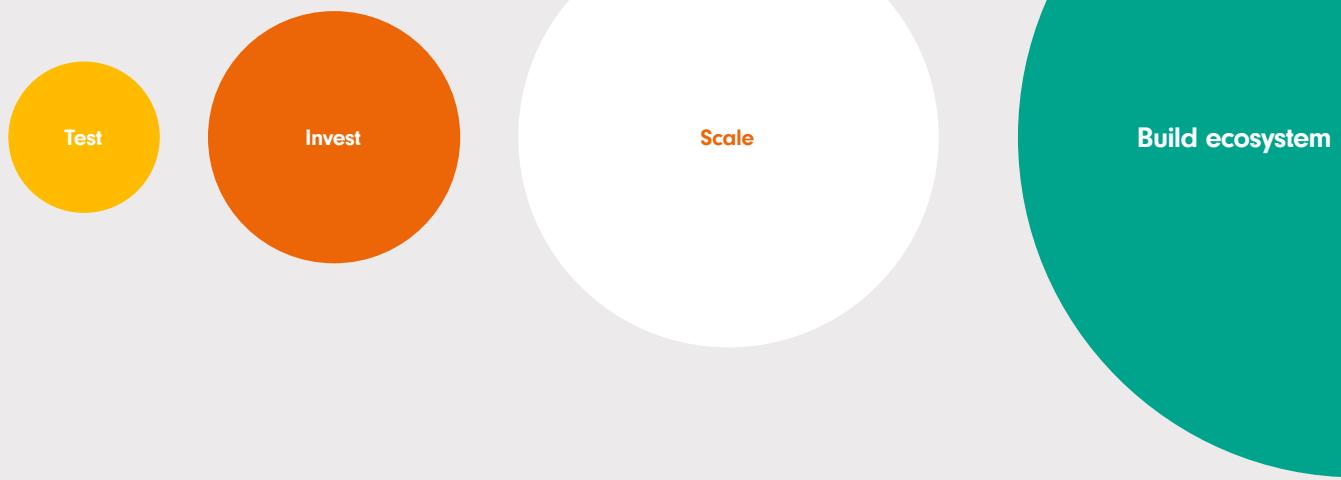
We have a tried-and-tested model which we have deployed with success to establish winning positions, get to scale and drive profitability.

"We are at the intersection of innovative technologies and high-growth markets. That is an exciting place to be where we are continuing to invest in creating sustainable value at scale."

Bob van Dijk
Chief executive



Our systematic approach



1

Test

We experiment and expand

- We explore promising trends and opportunities.
- We focus on addressing big societal needs – from giving people better ways to pay for things to providing quality food, delivered faster and cheaper.
- We concentrate on high-growth markets.
- We make initial investments to learn and explore further.
- We look for promising local players with strong founder-led teams.
- We build our stakes in the best opportunities and businesses.

2

Invest

We deploy capital and accelerate growth

- We focus our investment on a few core segments.
- We look to create global category leaders, stepping up our investment to drive growth and gain market share.
- We extend core assets.
- We invest for the long term.

3

Scale

We continue organic and inorganic growth and drive profitability

- We scale progressively – building lasting, leading businesses in our chosen focus areas.
- At the right moment, we go all-in, driving these businesses to profitability and cash generation.

We address big
societal needs
to empower people
and enrich communities



Performance review

Contents

- 27 Our performance
- 28 Classifieds
- 31 Food Delivery
- 36 Payments and Fintech
- 39 Etail
- 43 Ventures
- 46 Social and internet platforms
- 48 Media
- 50 Financial review
- 51 Managing risks and responsibilities
- 53 Monitoring of key risks



Our performance

We are building leading global businesses across our core segments of Classifieds, Payments and Fintech, and Food Delivery. And we are actively looking to capitalise on the next wave of growth through our Ventures arm. This year, we made strong progress on all fronts – growing our core businesses, capitalising on new opportunities and, as ever, relentlessly focusing on improving people's lives.

Highlights of the year



Ecommerce



Classifieds

OLX Group

At OLX Group, we shape the future of trade to unlock the hidden value of everything.

We had considerable success in FY20, meeting our financial and operational goals. We evolved our business in line with our strategic priorities, including strong horizontal and vertical growth in Russia and Europe, coupled with an increased transactions business focusing principally on our emerging markets.



Food Delivery

Food Delivery had a strong year, meeting all financial goals and exceeding targets on operational metrics. The segment doubled revenues and increased orders at an even faster pace while delivering rapid first-party (1P) expansion in both iFood and Delivery Hero. Improving underlying unit economics and falling customer acquisition costs are driving operating leverage in iFood, which doubled revenue compared to last year. In the sizeable Indian market, Swiggy performed well in the face of strong competition. Our investment in food delivery increased by US\$364m during the year.



Payments and Fintech

PayU made strong progress in India, where we grew transaction volumes in India organically by 30% (excluding FX and M&A) and exceeded our financial and operational metrics. PayU continues to lead and grow faster than the market in the payment service provider (PSP) segment, and is also expanding its ecosystem as it moves into credit. PayU accelerated its capabilities in India by acquiring PaySense.



Etail

eMAG, our leading etailer in Central and Eastern Europe, continued to grow and strengthen its position.

Takealot

Takealot's group revenue increased by 23% YoY and negative trading margin improved from 16% in 2019 to 11% in 2020. Gross merchandise value (GMV) grew 43%.



Ventures

We made key investments in our chosen areas of focus for Ventures, from education to blockchain. These included a number of investments in India, where we see big opportunities for the next wave of growth. All in all, Ventures invested US\$215m in 12 deals throughout the year as well as continuing to nurture its portfolio of investments totalling US\$855m, excluding Movile.



Social and internet

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's fundamentals remain strong with excellent growth prospects in China, while Mail.ru remains the largest internet group in Russia.



Media

Media24 had a strong year, meeting all financial targets. The digital audience of 2 million average daily unique browsers grew 28% YoY. News24 became profitable for the first time in its 21-year history. Netwerk24 grew subscriptions 32% YoY. Contract Logistics increased volumes 29%. VIA grew profit from R3m to R15m. And at 77%, staff engagement was a record high.



● Read more on page 28



● Read more on page 31



● Read more on page 36



● Read more on page 39



● Read more on page 46



● Read more on page 48



Classifieds

Shaping the future of trade to unlock the hidden value in everything.



PERFORMANCE HIGHLIGHTS
Building on the momentum from the previous financial year when the Classifieds business became profitable, Classifieds continued to deliver healthy financial results. Revenue grew 48% to US\$1 299m, and generated trading profits of US\$44m. Transaction revenue (including FCG) amounted to US\$393m compared to US\$103m in the prior year, growing 282% (164%) and contributing 30% of overall Classifieds revenue for the year.

⁽¹⁾ Presented on an economic-interest basis.

"In the OLX Group we shape the future of trade to unlock the hidden value in everything. We deliver superior customer value by creating a flawless user experience, underpinned by proprietary technology and data. Although we are proud of what we have accomplished so far, we will continue to grow the value of our business by innovating to solve all friction points in trade, both through online and offline products."

Martin Scheepbouwer
CEO, Classifieds

The opportunity

Classifieds is a dynamic, fast-changing and growing business. We see several key trends shaping the industry. Customers are increasingly demanding a seamless, convenient and safe trading experience. Competitive pressures are increasing across various markets. Advances in artificial intelligence (AI) and machine learning (ML) are enabling companies to offer transformative user experiences.

Going from strength to strength



Growing

OLX Group had another strong year of global growth. We are staying on top of the industry shift from being marketing-led to increasingly product and data-led, growing through a strong customer-centric approach.

The strongest-performing regions were Russia and Europe, which jointly accounted for 54% of global Classifieds revenue. Over the past year, we have invested to strengthen these markets further, for example by expanding investment in the car history reports product in Russia (Autoteka), which now accounts for 12% of car-related revenue in Avito.



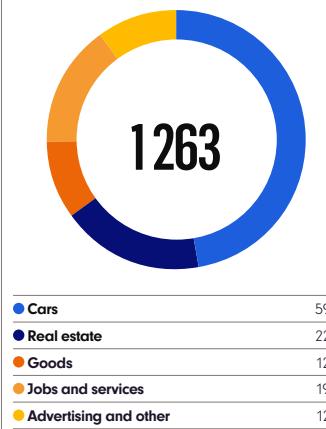
Investing

We continued our proactive strategic approach to mergers and acquisitions (M&A) – strengthening our Classifieds ecosystem by investing in strong verticals and convenient services. We closed several deals during the year, including Frontier Car Group (FCG) and Kiwi Jobs.

We are investing in building a pioneering autos operation for growth markets, to offer the most complete and convenient solution to our customers, primarily in Asia and Latin America. To this end, we have acquired the majority in FCG and are building a business unit dedicated to the autos vertical in our emerging markets.

Transaction models take us deeper into the lives of customers to solve more of their needs.

CAR AND REAL ESTATE REPRESENT KEY CATEGORIES IN REVENUE (US\$m)



Investing

OLX Group
309m
monthly active users

116m
monthly active app users

3.4m
paying listers

22

Present in 30 markets,
leading positions in 22



Harmonising data and technology

We have simplified the organisation to further integrate and harmonise data and technology so we can better serve customers and solve their problems. Each business unit controls its own product, technology and data resources to innovate faster and solve problems more effectively.

During the year, we successfully migrated nine markets to our global platform, developed to serve growth markets across Latin America and Asia. This platform operates as a shared, centrally managed, scalable marketplace, allowing core functionalities to be built and deployed once across multiple markets.

OLX platforms in Europe have been upgraded to a more modern look and feel, refreshed brand identity, and the addition of new features and enhanced performance in order to improve the classifieds experience for users.

Encouraging smart choices

We also finalised a refresh of the OLX brand in Latin America, Asia, Africa and Europe. Centred around the brand proposition of 'smart choices', the updated OLX brand encourages people to embrace classifieds as the smartest way to buy and sell goods and services – for convenience, great prices, and consciously helping the planet by extending the life of items.

Focusing on four strategic pillars

In 2020, we executed against four strategic pillars: easy and liquid (flawless core classifieds experience),

We are one of the largest global players in classifieds.

smart and personalised (individual experience via intelligent tech), safe and trustworthy (setting the industry standard for safety), and convenience (extending the experience where necessary).

We've made progress on all four pillars, with innovative solutions designed for millions of users.

In improving these strategic pillars, we enhance customer value, improve liquidity, reduce negative experiences, and satisfy more paying customers.

Classifieds continued

OLX Group

84%

OLX increased its stake in Frontier Car Group to 84%

12

OLX new app launched in 12 countries, including India, Indonesia, and LatAm markets since 2016, 9 in FY20

580 000

car history reports purchased monthly in Russia

>5.1m

Search2Vec automatically expands 5.1 million unique searches per month with related content

We invested in building an ecosystem of classifieds to enhance the user experience across our platforms.



Making the most of artificial intelligence and machine learning

We have used artificial intelligence (AI) and machine learning (ML) to enhance our core classifieds experience, making our platforms more personalised and reducing fraud. Our Search2Vec algorithm makes searching more successful for users, by providing relevant results in the presence of typos, allowing for synonyms, and incorporating personal search history. This is live across all our European markets. We have also improved the chat experience for users in India and Poland, using smart and contextual replies. In all markets, AI has enabled us to detect and filter images better and more efficiently.

AI has also helped in banning more fraudulent buyers and sellers, and identifying them more quickly. This technology is in operation across Europe and in India, with further iterations to follow. In addition, multicountry phishing attempts in Europe have been successfully mitigated by combining AI with human intervention.

Looking ahead, we are working with group AI teams to accelerate projects that focus on better serving customers' needs. Data scientists and teams from different business units will come together to share data, collaborate, and innovate at pace.

Increasing transparency

We also launched new features to increase transparency and make our platforms safer. In Russia, we launched the Autoteka car history and transparency reports, which have data on 90% of cars that are listed on Avito, providing more transparency to users. We now sell more than half a million car history reports per month.

Investing further in convenience

Furthering our expansion from buy-and-sell platforms to transaction-centred ecosystems, we have invested heavily in convenience for our users. We continued to invest in delivery in Russia and Ukraine, and due to Covid-19, expanded pay and ship to Poland, Bulgaria, Portugal and Romania, working on full integration as part of our service. Our investment in Frontier Car Group and its service where car sellers can instantly sell their

car for cash will help us accelerate the implementation of our OLX Autos vision – to become the most trusted partner for car buyers and sellers and offer them peace of mind on every transaction they make with us.



Championing conscious consumption

During the year, we launched our first Global Impact Report (<https://www.olxgroup.com/impact>). This pioneering report looked in depth and detail at the positive impact of using our Classifieds platforms in four key product lines: mobile phones, tablets, laptops and fashion. Resource savings for these products include material weight (including conflict minerals), energy-savings equivalent, water, and carbon-emissions-savings equivalent. The report, which was finalised in February 2020, included our horizontal platforms in 17 of our biggest markets.

In the 2019 calendar year, through trade in certain second-hand products via our platforms, we saved:

Electronics (smartphones, laptops and tablets)

Materials (kg)	Energy (GJ-eq)	Water (m³)	Emissions (tonnes CO ₂ -eq)
9.2 million	14.2 million	24.6 million	913 000
These savings were equivalent to:			
The weight of over 1.03 million bikes	The annual energy use of over 372 000 US households	The annual water use of over 61 000 US households	Over 315 000 plane passengers flying from Amsterdam to Los Angeles

Fashion (all products, excluding shoes)

Energy (GJ-eq)	Water (m³)	Emissions (tonnes CO ₂ -eq)
617 000	3.1 million	53 000
These savings were equivalent to:		
The annual energy use of over 15 000 US households	The annual water use of over 7 000 US households	Over 18 000 plane passengers flying from Amsterdam to Los Angeles

In the coming calendar year, we will measure the impact of additional product categories.



Fostering a diverse and inclusive workplace

We have invested heavily to foster a diverse and inclusive workplace and activate change in our workforce. We believe that a diverse team and an inclusive workforce enhance company performance, bring different points of view, contribute to better decisions, and drive innovation. Diversity and inclusion (D&I) is now a measurable goal within the existing management team.

To support this, we have developed a strategy and network to activate change. We implemented a global D&I council to align and coordinate efforts of local country D&I committees. Our D&I strategy centres on building more awareness and over time, improving female representation in technology and leadership roles. We also have dedicated workstreams to ensure all employee journey touchpoints are being addressed, including hiring, developing and rewarding our talent. This initiative was formally launched with an internal, companywide D&I campaign in October 2019. It included all our markets in activities and events to raise awareness and engagement.

Classifieds continued



Adding to our intellectual capital

We have an active team of intellectual property (IP) experts monitoring and proactively intervening against IP infringements.

We encourage responsible open-source code sharing, under licence, to ensure that our developers are engaged with the outside developer world. This increases our profile as a group among tech talent as an attractive place to work.

OLX Group obtained allowances for two OLX patent applications in the US Patent Office in 2019. One of the patents, US Patent No. 10,575,127 titled *Dynamic Determination of Smart Meetup*, falls within the key area of trust and safety. It focuses on dynamically providing a suggested meeting location to the buyer and seller on the OLX chat application. OLX also filed three new patent applications for key product functionality in 2019 that listed inventors from both the German and Indian offices.

We protect our OLX brand, both domain names and trademarks, aggressively and have seen notable success in our efforts to mitigate infringing activities during the year.



Doing the right thing

Doing the right thing lies at the heart of our responsible approach to Classifieds. Our OLX Group ethics officer and our head of the trust and safety programme lead the drive to ensure that our employees do the right thing to make our business safe, and that our users are safe when using our platforms and services.



Delivering social good

We are proud of the social good we deliver in Classifieds. We are the lifeline for individuals, from all walks of life, and for small businesses. We are good for individuals – enabling them to manage their own budgets and lifestyles, either buying items they could not afford new, or making money from items they no longer need, and especially in times of crisis. We are good for small businesses too – providing a simple, easy-to-use and low-cost leads channel.

We enable valuable social transactions whereby people meet in person, improving social cohesion in a more individualistic world.

Our platforms prompt reuse of items at scale, often giving items traded second, third, and even fourth lives.



Investing in communities

Many of our local teams organise fundraising, educational and awareness activities that additionally benefit local communities. In Poland, the OLX Boutique physical store opened in September 2019, with the US\$35 000 proceeds paying for air conditioning at a local hospital's children's ward. In Bosnia and Herzegovina, users were rewarded with extra OLX credits if they gave blood in August 2019. In India, a new partnership with the Cyber Peace Foundation was launched this year to provide ongoing local workshops to raise online safety awareness among community members.



Making the most of sustainability

Our commitment to sustainability across multiple dimensions is becoming a part of who we are and how we work. Sustainability has always been a natural part of our business model, and we continue to look for new ways to amplify our impact.

In July 2019, for example, OLX Group joined the Coalition To End Wildlife Trafficking Online. A coalition of non-governmental organisations (NGOs), global tech companies and others, working together to stop wildlife traffickers from operating via online products and platforms.

Looking ahead

We will explore as many as possible sustainability programmes to activate our employees and our users. Our company's purpose has been codified to unlock the hidden value in everything, including making the most of the resources we have in the world. We will therefore continue to create innovative ways to extend the life of products, to enable our people to develop to their full potential, and optimise smart processes that save time and resources.

Above all, we will make the most of the opportunity we have to champion conscious consumer-centric experiences that are good for people, good for the planet and good for our business.

A force for good
We believe that Classifieds is a force for good in the world – helping people consciously reuse and extend the life of all kinds of items, which in turn benefits the planet and communities.





Food Delivery

Transforming the way people source, consume and experience food

REVENUE⁽¹⁾ (US\$'m)

2020	751
2019	377

TRADING LOSS⁽¹⁾ (US\$'m)

2020	(624)
2019	(171)

PERFORMANCE HIGHLIGHTS

Our core food-delivery businesses all continued to grow and perform well. iFood remains the clear leader in Brazil and has competitive positions in Mexico and Colombia. Swiggy's annualised order volumes increased by 145%. Delivery Hero reported €7.4bn in GMV and €1.238m revenue from continuing operations for its year ended 31 December 2019.

⁽¹⁾ Presented on an economic-interest basis.

"Since our first investment in iFood in 2013, we have steadily built the world's most enviable online food-delivery footprint, with market leaders in 38 countries. Our online food-delivery platforms focus on product and technology innovation with the goal of providing consumers, restaurants and delivery partners the best possible experience."

Larry Illg
CEO, Food Delivery

The food-delivery opportunity

Food delivery is an attractive sector for the group, addressing a core societal need and is executed locally, which utilises group expertise in many areas. It remains an attractive long-term investment with a massive global market potential of over US\$330bn⁽²⁾ by 2022. This is especially true in the high-growth economies that are part of our group DNA and leverage our operating expertise. In these markets, food accounts for a relatively high share of total consumer spending.

We expect even more growth beyond 2022 – the sector is in the very early stages despite being sizeable already.

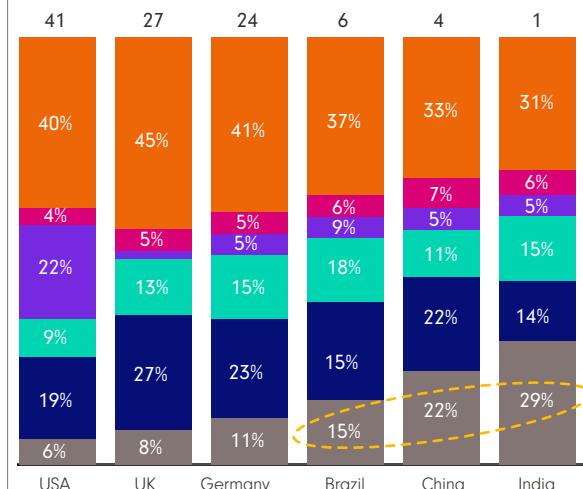
Moreover, we are on the cusp of a tech-enabled paradigm shift in dining habits, with increasingly more meals being delivered rather than home cooked or consumed onsite in restaurants.

The strong local network effects of food delivery also fit well with our strengths and strategy of partnering with local entrepreneurs who deeply understand their geographies.

The local nature of network effects makes the food-delivery market less susceptible to the potential entry of big-tech players. As yet, there is no global leader. We see signs of potential for market consolidation and we want to be at the forefront of those developments.

In addition, food delivery has high customer stickiness. Given its on-demand and high-frequency nature, food delivery exhibits higher retention rates than other verticals. This aligns well with our focus on increasing customer satisfaction at scale.

FOOD VS OTHER VERTICALS: CONSUMER SPEND SHARE
TOTAL CONSUMPTION PER CAPITA BY TYPE (2018) (US\$'000)



Source: Euromonitor



Building a global leader

We are one of the leading global investors and operators in food delivery, having invested some US\$3.0bn in the sector with an internal rate of return (IRR) of 34%, based on sell-side analyst valuations.

We have a presence in more than 40 markets, with leading positions in 38 countries via direct stakes in our three core companies, iFood, Swiggy and Delivery Hero, as well as indirect investments that provide further insights into the sector. In all, we cover over half the global population and have recorded significant growth across our portfolio.

Our journey in food delivery began with a US\$2m investment in iFood via Movile in early 2013. At that time, iFood Brazil's business was tiny compared to today (8 000 restaurants compared to 160 000+ restaurants in some 1 000 cities). Similarly, we first invested in Swiggy in 2017 when it was present in only seven cities with 12 000 restaurants, compared to 160 000+ restaurants in over 520 cities today.

MARKET OPPORTUNITY

>40

Present in over 40 markets, with leading positions in 38 countries, covering over half of the global population (>4bn people)

>US\$330bn

Global market potential >US\$330bn by 2022 (online food addressable market 2022E per Euromonitor International Limited, consumer Foodservice 2019)

The evolving world of food delivery

Food delivery has been changing dramatically over recent years and we believe it will continue to evolve.

In the early 2000s, food delivery started as a relatively simple marketplace business model (Food 1.0). In recent years, own-delivery challengers expanded food platforms (Food 2.0), increasing the selection of restaurants and raising consumers' expectations for service. But that is only the beginning. There are several exciting growth adjacencies, including cloud kitchens, private brands, groceries/convenience deliveries and restaurant software that could further expand the growth profile and improve the ability of leading food platforms to compete successfully (Food 3.0).

⁽²⁾ Online food total addressable market 2022E per Euromonitor International Limited, Consumer Foodservice 2019.

Food Delivery continued

The increasing importance of the first-party model

Historically, the industry was dominated by the capital-light marketplace model (third party or 3P), in which meals are delivered by restaurants. But the 3P model failed to address customer needs fully on restaurant assortment and delivery experience. Increasingly, the more capital-intensive own-delivery model (first party or 1P) has come to the fore, driven by the increased growth and value-creating opportunities it presents. Our food-delivery businesses are well positioned for 1P and continue to build and invest in this capability.



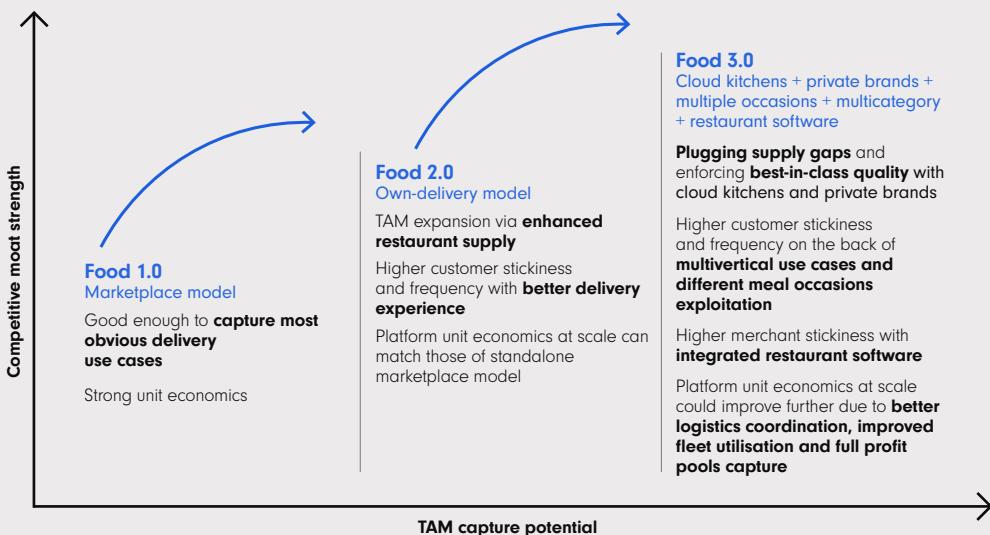
Leveraging artificial intelligence and machine learning
Another key advantage with 1P is that it creates greater touchpoints and opportunities for leveraging data and applying AI and ML along the value chain. We are making the most of AI- and ML-enabled 1P across our food-delivery businesses to increase efficiency, make deliveries faster and more reliable – give customers added choice and better service.

Driving change for the better

Having identified the strategic need to invest in own-delivery capabilities early on, we have a long track record of building market-leading businesses in some of the largest markets globally. Today, we have the broadest global perspective on the food-delivery industry of all leading players in the sector. We believe the opportunity in food delivery is to disrupt and transform across the supply chain, from how food is sourced to how it is prepared and consumed, and that the impact of this disruption is likely to have major societal impact. We aim to be at the forefront of this transformation globally.



Food platforms evolution



iFood

Prosus has a 54.68% stake in iFood through Movile. iFood is the largest food-delivery company in Latin America, with clear leadership in Brazil and positions in Mexico and Colombia.

IFOOD – A LEADER IN BRAZIL

1 000
cities covered
160 000
restaurant partners
>30.6m
monthly orders
30%
own-delivery orders

iFood's vision is to revolutionise the food universe and create a more practical and pleasurable life for its consumers. iFood aims to achieve this through its leadership position in Brazil as well as world-class execution and innovation.



Continuing to lead and grow

Despite fierce competition, iFood has held its ground and still accounts for a much higher portion of online food-delivery orders in Brazil than its closest competitors. Still, the share of online delivery in the total food-service market in Brazil remains low. iFood Brazil delivers around 30.6 million monthly orders, an increase of 76% YoY, to 10.1 million unique buyers from over 160 000 active restaurants in some 1 000 cities. iFood also has the highest customer Net Promoter Score (NPS) among food companies in Brazil.

To build an unparalleled value proposition to both consumers and merchants, iFood has focused on several strategic initiatives.

Food Delivery continued

Rolling out first-party capabilities

To compete effectively against 1P challengers, iFood has rapidly built its own 1P capabilities from scratch and own delivery now accounts for some 30% of total orders in Brazil.



Leveraging data and artificial intelligence

iFood leverages data and AI to predict demand, optimise products and drive down operating expenses. In particular, its deep food network enables iFood to generate significant and highly predictable volumes for its restaurant partners in exchange for higher commissions. Those higher commissions, together with user-preference analysis and order batching, allow iFood to give its customers top-rated meals at competitive prices and low delivery fees.

Artificial intelligence initiatives – iFood

- Dynamic pricing aimed at optimising delivery fees based on the demand, weather and distance
- Route optimiser used to determine best routes for couriers
- Anti-fraud tools powered by AI

Introducing more advanced technology

In line with its focus on using innovative technology to deliver an ever-better experience for customers, iFood is testing robots and drones to increase the speed and reliability of deliveries.



Targeting affordable lunches with Loop

To expand its customer base, drive order frequency and improve top-of-mind brand awareness, iFood has launched Loop, targeted at a relatively unpenetrated segment – affordable lunchtime orders. Loop meals are prepared by partner restaurants but are essentially white-label products, ensuring that the iFood platform is at the centre of the

PERFORMANCE IN 2020

US\$3bn

invested over the past three years

>102%

Order growth >102% YoY

>30.6m

iFood Brazil: Order growth 76% – 30.6 million monthly orders, from 160 000 active restaurants in some 1 000 cities

9.3m

iFood: 1P logistics business has grown to more than 9.3 million orders per month

59

iFood Net Promoter Score in Brazil

customer relationship. With Loop, iFood creates value for all stakeholders: customers receive reasonably priced meals and save time, restaurants can fully use their kitchens' spare capacity and couriers generate incremental income across a full day. At the same time, order batching significantly improves unit economics for iFood. With Loop, everybody wins.

iFood uses AI and ML to power its logistics. This is core to the significant cost savings passed on to consumers. It provides the ability to offer quality lunchtime meals for about US\$3 using kitchens during idle time (09:00 to midday). Orders can be batched so iFood delivery partners are able to take up to 18 simultaneous orders on delivery runs. As a result, the cost of delivery has decreased by 64% and order frequency jumped by more than 65%.

"We've focused on logistics improvements using AI so our delivery partners can arrive at iFood providers' locations at the exact moment that the food is ready, navigate through Brazil's crowded cities and diverse neighbourhoods quickly with our own mapping system, and bring in more revenue. Our goal is to serve more than 50 million Brazilians as rapidly as we can. We believe reducing food and delivery costs will boost our iFood Loop meals and popularity with customers quickly."

Fabricio Bloisi
CEO, iFood

Loop is proving to be very successful. Currently in 54 cities across Brazil, the plan is to expand and scale Loop as quickly as possible.



Making lives better

Through its Make Lives Better programme, iFood is delivering ever-greater sustainability benefits to restaurants, drivers, consumers – everyone involved in its rapidly expanding food-delivery ecosystem.

Improving driver safety

iFood is committed to improving the health and safety of its fast-growing driver fleet. Several initiatives were introduced throughout the year. These included traffic safety videos on the drivers' platform; an accident button on the riders' app so they can get instant dedicated support if needed; and changing incentives for riders to promote safe driving and reduce rider stress. iFood also introduced comprehensive accident insurance for all riders, covering not only when the

drivers are picking up and delivering orders but also, uniquely, the relatively high-risk time when they are going home after their last delivery.

Promoting wellbeing

iFood has developed scalable and sustainable solutions to improve the wellbeing and lives of drivers.

Highlights include a loyalty programme, iFood Delivery de Vantagens. It counts on a strong network of partners through which iFood can provide a broad set of products and services to drivers, while in return increasing each partner's user base. It is a great way to help promote a better life for drivers and their families, giving them access to services and benefits not offered anywhere else.

Helping drivers learn and prosper

iFood also wants to help to make sure drivers can have a prosperous occupation, develop professionally and increase their compensation. Learning is key here and through the iFood Academy, iFood offers drivers

an educational hub. Using a range of online and class-based learning and development tools, drivers are encouraged to improve the quality of their service, the way they manage their money, and how to plan the next steps of their lives – from developing further as drivers to changing careers.

Training drivers in first aid

iFood is pioneering an innovative White Helmets first-aid training programme that is helping to boost the reputation of drivers in the community. In partnership with São Paulo's biggest public hospital, drivers attend in-class training. Trained drivers are provided with first-aid tools and content that they can carry with them as they travel around Brazil's busy cities. They also proudly wear white helmets – a mark of their new skills for everyone to see. As well as increasing the potential for drivers to save lives, this initiative draws attention to their social importance – enhancing recognition and respect. Following a highly successful pilot, iFood is rolling out the initiative in the coming year.



Food Delivery continued



Helping restaurants too

Building on the success of the iFood Academy for drivers, iFood is also now looking to create an academy for the 160 000 restaurants on its platform. The aim is to provide learning and other support to help restaurants develop their commercial and culinary skills and know-how so they can truly prosper. The programme is due to launch in the coming year.



Tackling hunger

iFood is using its technology to help fight hunger in Brazil. It has created a platform to facilitate consumer donations to affiliated non-profit organisations (NGOs) that produce low-cost, nutritious meals. The platform offers the opportunity to donate meals easily via the iFood app.

Through the app, iFood will implement several initiatives to encourage sustainability practices. The first pilot is an opt-in/opt-out option that gives customers the choice not to receive unwanted disposable items like cutlery, straws and cups. This also helps the restaurants to save money on purchases. The second initiative is to give customers the option to replace plastic packaging and items by choosing biodegradable and other sustainable materials.

Another solution is to increase recycling awareness and behaviour with the help of WhatsApp and QR codes on packages. Users simply scan the code and it will initiate a WhatsApp conversation that explains how to properly discard of each type of material.

In addition, iFood is planning to encourage best practices in restaurants, for example by creating a green category on the iFood app and a green restaurants list and/or label. And iFood Shop (the materials purchase service for restaurants) has stopped selling disposable single-use plastic items such as cutlery, cups and plates.

Initiatives have also begun across iFood's offices. These include implementing segregated recyclable and non-recyclable waste collection and stopping the use of plastic cups.

The first partnership is with Ação da Cidadania, one of the major organisations working to mitigate hunger across Brazil. Users can make small donations quickly and easily via the iFood app. All the money raised will go to Ação da Cidadania. It is a great way to use smart technology to quickly change the culture of donating in Brazil from special occasions or specific campaigns to simple everyday gifts. Looking ahead, iFood plans to build on the initiative to engage more closely with the people who donate by giving them reports on how their donations are being put to good use. It is an example of technology with a human touch.

Environmental initiatives

iFood is undertaking a number of environmental initiatives. Reducing single-use packaging is a priority. In the year ahead, iFood is committed to reducing the amount of disposable plastic items delivered to consumers. The work includes providing awareness through marketing campaigns and stimulating restaurants to rethink their procurement practices.



SWIGGY – A LEADER IN INDIA

>520

cities covered, adding a new city every two days

>160 000

restaurant partners

240 000

own-delivery partners

>95%

own-delivery orders

Swiggy

Prosus has a 40.02% stake in Swiggy – India's largest food-delivery platform with an ambition to become India's 'everything app'. Since our initial investment in 2017, Swiggy has grown rapidly – building its core 1P food-delivery business by expanding to over 520 cities; growing its supply base to over 160 000 restaurants; unlocking the middle-class segment with curated low average order value (AOV) offerings and subscription/loyalty innovations such as Swiggy POP, Swiggy Daily, Droptt and Swiggy Super; and heavily investing in 1P infrastructure, vouchers, marketing, product and tech.

Leading the way

Swiggy currently delivers food from 160 000 restaurant partners leveraging the network of 240 000 couriers.



Food Delivery continued



Expanding into adjacent areas

Swiggy has been active in moving into adjacent growth areas. Capitalising on the relatively underdeveloped restaurant supply in India, it has vertically integrated upstream in the food-value chain by investing in new supply concepts, including cloud kitchens (Swiggy Access) and private brands (Homely, The Bowl Company and other brands). Swiggy's private-brand revenues have approached those of top 10 food brands in India in two years.



Green cloud kitchens

In Swiggy Access cloud kitchens, sensors monitor and regulate fuel and electricity consumption. In addition, infra-red burners have reduced fuel consumption by 20%. It is part of Swiggy's focus on reducing environmental impact across its operations.



Artificial intelligence initiatives – Swiggy

Swiggy's AI platform helps to predict consumer demand in specific geographic areas and at certain times of the day, opening up further opportunities for growth, for example through cloud kitchens.



Delivery Hero

Prosus has a 21.16% stake in Delivery Hero, the leading multibrand food-delivery platform with a presence in 42 markets, including 36 countries where it has a leading position. By the 2019 financial year, Delivery Hero had rapidly transformed into a hybrid 1P/3P player with 1P orders accounting for around 52% of the total.

A global player

Delivery Hero delivered over 216 million orders in Q4 2019, an increase of 99% YoY. It has a supply base of over 500 000 restaurants.

South Korea acquisition

In December 2019, Delivery Hero announced its plans to acquire Woowa Brothers' business in South Korea for US\$4bn on a cash and

debt-free basis and set up a joint venture to manage combined Asian operations.

The rationale for this strategic partnership is compelling: Woowa is the largest online food-delivery platform in South Korea via its brand Baedal Minjok, and the country is one of the most lucrative food-delivery areas, with a total addressable market estimated at US\$93bn. This is set to be a transformational deal for Delivery Hero, boosting its global gross merchandise value (GMV) and revenues by around 90% and 30% YoY respectively⁽¹⁾.

⁽¹⁾ Pro forma YoY for nine months of 2019, as per Delivery Hero investor presentation on 13 December 2019.

DELIVERY HERO – A LEADER IN 35 OF 44 COUNTRIES

>4 000

cities covered

1.2 bn

people covered

44%

own-delivery orders

216m

orders delivered in Q4 2019
(+99% YoY)

500 000+

restaurants in the supply base. Its core region is Middle East (Turkey, Saudi Arabia, Kuwait and other states) where it holds strong leadership positions. Announced US\$4bn acquisition of Woowa Brothers in South Korea.

Mr D Food

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

MR D

2x

Mr D delivered double last year's volume in orders

Looking ahead

Today we have a big local presence in fast-growing food-delivery markets through our core portfolio companies. Looking ahead, we will continue to grow in these core markets and build adjacencies – local food-service brands, convenience stores, and more. We want to play an ever-bigger part in leading the food-delivery revolution for consumers, restaurants and delivery partners around the world.

Part of everyone's everyday

Swiggy: Long-term consumer value proposition – Transforming consumers' lifestyles in a hitherto unimagined way

07:00

Milk, freshly baked bread, diapers, cold pressed juice from previous night



09:10

Swiggy Bike-Taxi when running late for meeting at 09:30



13:00

Working lunch with Bowl Company



16:00

Daily fruit salad from Swiggy Daily



19:00

Special birthday dinner for Swiggy One customers



22:00

Night snacks – Swiggy Store or Dark Pods for last-minute convenience (eg chips, ice-cream, beverages)



23:00

Remember meal subscription





Payments and Fintech

Building a world without financial borders where everybody can prosper

REVENUE⁽¹⁾ (US\$m)

2020	428
2019	360

TRADING LOSS⁽¹⁾ (US\$m)

2020	(67)
2019	(43)

PERFORMANCE HIGHLIGHTS

PayU continued to grow well – delivering solid results, strengthening its market position in India, boosting its credit business, consolidating in Turkey and expanding in Southeast Asia.

⁽¹⁾ Presented on an economic-interest basis.

"Our mission is to connect consumer and merchants online across all high-growth markets around the world. We are now present in more than 20 markets with more than 2.5 billion people who need access to digital payments and alternative lending solutions. We are a leading provider of more than 300 local payments solutions to global brands and a technological partner of major financial institutions. We are different because we were 'born local' but operate at global scale, focusing on data and digital-only."

Laurent Le Moal
CEO, PayU

The opportunity

Payments remain one of the most important and fastest-growing areas in financial services worldwide. Global payments revenues are expected to grow from US\$1.9tn in 2018 to US\$2.7tn by 2023, with 60% of relative growth coming from emerging markets. In addition, online payments are expected to increase at double the rate of offline payments. Four key trends are shaping the industry: growth is driven by high-growth markets and the shift from cash to digital payments; accelerating consolidation in the payments market is creating global players at scale; alternative payment methods are growing fast; and data is enabling new service.



Continuing to grow well (excluding FX and M&A)

PayU's revenue grew 19% YoY (excluding FX and M&A). The growth came on the back of 26% YoY growth in the volume processed in the payments business. The processed volumes reached US\$37.9bn, driven by 30% growth in the number of transactions processed.

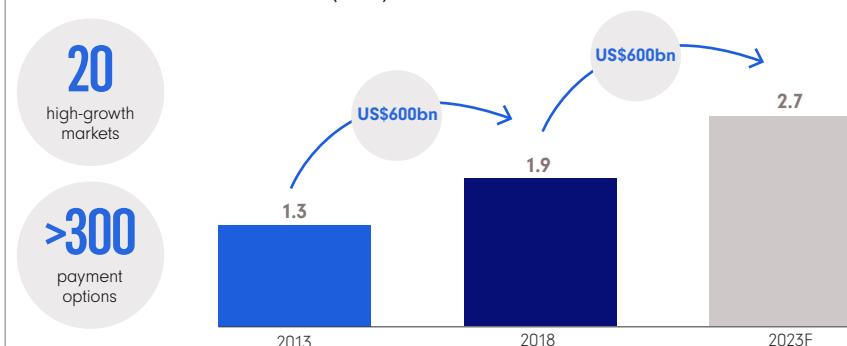
Sustaining growth in India

The payments business in India has continued to be the growth engine – with volumes growing 30% YoY. India's processed volumes were US\$19.4bn, 51% of the total volume processed by PayU. The structural shift to digital payments in the country, together with our ability to increase conversion rates for enterprise merchants and our ability to enter new segments such as billing and small and medium-sized businesses have been the main drivers of this sustained growth, above market rates.

Acquiring Wibmo

With the acquisition of Wibmo, a payment security leader, we were able to create closer partnerships with leading banks, enabling a reduction in transaction failures, therefore further strengthening our relationship with merchants.

GLOBAL PAYMENTS INDUSTRY REVENUES (US\$'tn)



Source: McKinsey Global Payments report, September 2019

Pioneering credit in India

In line with PayU's mission to build a world without financial borders, we have been pioneering credit for underbanked people in India. We started building an inhouse credit business two years ago and organically scaled the business to US\$10m monthly loan issuances by December 2019. Starting first with LazyPay, a delayed-payment convenience product, we graduated to issuing instalment loans, all the while managing the credit losses.

To scale our credit business in India, we recently acquired the majority shareholding in PaySense. PayU is setting the ambitious goal to rapidly grow its online credit business by combining PaySense and LazyPay.

Strengthening in Turkey

We completed the acquisition of lyzico to strengthen our position in Turkey's high-growth ecommerce market, which experienced a compound annual growth rate (CAGR) of 30% between 2014 and 2017. Turkey has a large presence of global merchants and is now our single-largest market in the Europe, Middle East and Africa (EMEA) region. With the integration of lyzico, PayU will be able to leverage its existing relationships with global merchants and lyzico's product capabilities to drive incremental crossborder volume.

Expanding in Southeast Asia

We completed the acquisition of a majority stake in Red Dot to expand our presence across the Southeast Asian market. Southeast Asia is an attractive base to enter one of the most dynamic markets globally, with high ecommerce growth (62% CAGR 2015 to 2019) and a high share of alternative payment methods (70% of ecommerce). Many of our crossborder merchants were expecting local payment processing for Southeast Asia. This transaction gives us access to local payment-processing capabilities in the region as well as unique payment solutions for the hotel and hospitality segments. We have integrated Red Dot into our global hub in order to offer all existing merchants access to the Southeast Asian market.

Key trends in payments

The shift from cash to digital money



The increasing share of alternative payment methods (APM)



The growth in crossborder payments



Data enabling new services



KEY TRENDS IN PAYMENTS

20

PayU operates in 18 high-growth markets, five of which are in the top 10 fastest-growing markets (India, Russia, Argentina, Turkey and Mexico)

2022

Digital payments are expected to overtake cash payments by 2022 in India



Ensuring responsible lending

PayU's financial services, and especially its growing credit business in India, are key drivers for removing financial borders and enabling digital inclusion. PayU aims to use technology and data responsibly to increase financial inclusion and broaden access to finance for underserved segments of the population. At the same time, PayU is aware of the importance of applying clearly defined principles on responsible lending and aligning internal processes towards this end. For this purpose, PayU has formally defined a responsible lending guideline to govern its approach in this vital area, including elements of responsible AI and the avoidance of bias and discrimination within automated and data-driven credit decision models.



Payments and Fintech continued



Gaining a real understanding of financial prosperity

We wanted to understand better what financial prosperity actually means for our customers and our markets. To this end, PayU created and published an innovative financial prosperity barometer.

The report was highly enlightening, underlining how prosperity means different things to individuals across different markets. Throughout the report, PayU has explored the depths of these different views on what it means to be prosperous and looked at how access to different financial services can impact them.

Building on its increasing global impact and the understanding gained from the report, PayU's ambition is to continually rise to the challenge of financial inclusion and education. Using the technology of today, and tomorrow, PayU aims to truly create a world without financial borders where everyone can prosper.



Using data to build the business

We have made several strides in incorporating AI and ML capabilities in our own operations and training the workforce in the AI/ML technologies.



Strengthening the data science team

We strengthened the data science team by hiring a new chief data scientist and will hire more team members in the year ahead. The data team enables both payment and credit decisions to leverage the data successfully from the payments and credit businesses.



Value-added services

We are developing a platform to offer value-added services to merchants, lenders and banks. Multiple initiatives are underway, including providing improved analytics and data insights to our merchants; improving our credit models using ML capabilities; providing credit scores to other financial services institutions; and preventing fraud in payment transactions.



Training our people in artificial intelligence and machine learning

Providing enterprise-wide training to our employees on AI/ML has been our top priority. During the year almost 650 employees participated in various ML/AI programmes delivered by MyAcademy. We also arranged

PERFORMANCE IN 2020

>US\$37.9bn

processed payment volume, up 29%, 51% contributed by India

>10bn

data fields captured

>1.18bn

transactions, up 30%

>10m

loan transactions per month

US\$66m

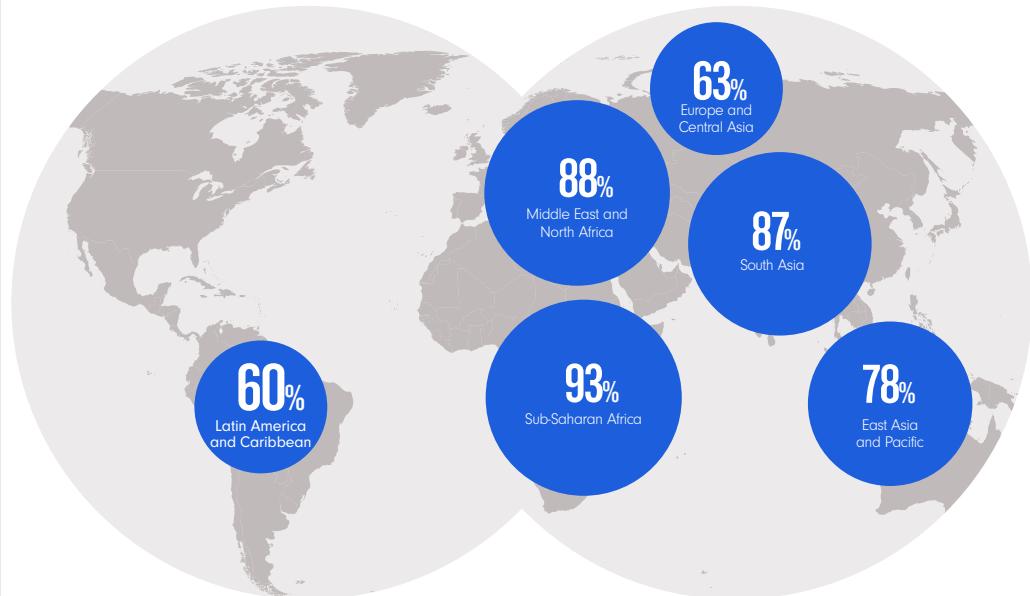
Majority acquisition in PaySense to scale our credit business in India

Acquisition of Iyzico in Turkey

Acquisition of digital payments company, Wibmo, for US\$66m

Majority acquisition in Red Dot Payments

Adults without credit bureau coverage – regional % of population



meet-and-greet sessions across multiple cities where the teams working on AI/ML projects shared their work and helped colleagues to understand how AI/ML can be used in business. We are committed to providing avenues and encouraging employees to gain skills in this area.



Ensuring customer safety and wellbeing

Our commitment to customer safety and wellbeing includes initiatives to educate customers on safety and fraud prevention.

Building external partnerships

We continue to build external relationships with partners to enrich our data set beyond the ones generated by our own payments business. As part of this broad and deep commitment, any M&A project we undertake will include a rigorous data due diligence and data synergies component.

As a leading payment service provider and increasingly broader financial services player, we undertake significant investments into customer and product safety. This includes investments into our capability to prevent fraud for our merchants and end-customers. We continually roll out state-of-the-art AI- and ML-enabled fraud solutions.

In our payments business as well as in the growing credit business, we act as a gatekeeper in a broader ecosystem. In order to fulfil this responsibility, we have strict and well-defined customer onboarding and underwriting processes in place. This focuses on

minimising financial risk, as well as managing conduct risk and fraud and protecting the interests of the broader ecosystem and customers. These are core processes for PayU and as such are frequently tested through both internal controls and external audits.

Analysing the whole system

We have significantly enhanced our fraud detection and prevention – going from analysing a selection of data points to now using ML to quickly and effectively analyse the whole system. Quicker, better fraud detection means improved security, peace of mind and trust for consumers and merchants, which is good news for us.

Financial prosperity barometer – key findings



Over 75% of respondents believe that financial services can help people plan for future prosperity



60% of respondents feel financial services have already helped them to become more prosperous



50% of people in the countries surveyed believe you cannot be prosperous without access to financial services



For over 30% of respondents 'being happy with your life' and 'good health for friends and family' are the key characteristics for defining 'prosperity'



Only 25% of respondents feel that 'being wealthy' in itself is necessary for prosperity



Nearly one in 10 (9%) respondents declare that they don't have access to any major financial service

Payments and Fintech continued



Protecting privacy and data

We take IT security and data privacy extremely seriously. Keeping payments-related data and any kind of personal or otherwise critical information safe is of utmost importance to our business – it is at the heart of the continued trust of our customers and the general public. Based on a formally defined risk appetite statement, PayU has set up specific minimum security standards that all PayU businesses and regions need to comply with, on top of expectations that are formulated by the payments industry (PCI) and other industry standards or regulations. Regarding privacy, PayU has a global privacy programme built around General Data Protection Regulation (GDPR) requirements from the EU. PayU is well prepared to comply with and is effectively ahead of industry standards in most non-GDPR markets.



Creating a diverse and inclusive workplace

We are focusing on creating a diverse and inclusive workplace across all our offices and regions. This year has seen considerable progress in promoting diversity as a key element of hiring and retention, with several initiatives being carried out by the local teams, such as the introduction of nursing rooms for new mothers.

India has led by example by creating a day-care centre in our main office of Gurgaon and introducing a programme to help young mothers return to the workplace.

In Israel, we have implemented a programme to encourage and help more females to embark on a career in software development.



Contributing to communities

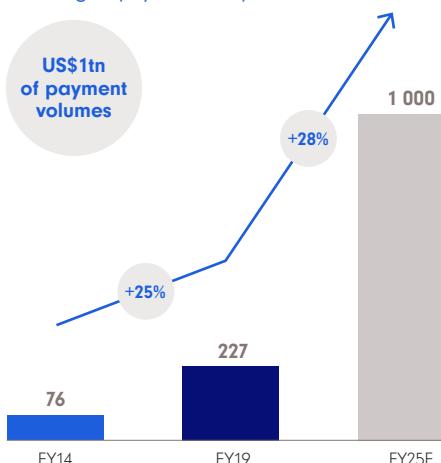
We undertake a range of initiatives designed to contribute to communities across the Payments and Fintech segment. To share a flavour of what we do, we highlight a few of our activities in Poland.

PayU is one of the co-organisers of the RogaLOVE campaign in Poland, which aims to help in improving the treatment conditions for children with cancer. Through a dedicated website, everyone can buy delicious traditionally made buns, pay for them through the PayU platform and share them with loved ones, friends, clients, business partners or colleagues. All the income from the sales is allocated to a charity goal – to help children with oncological illnesses through the support of Dzieciaki Chojraki, the Association for the Development of Marrow Transplantation and Paediatric Oncology.

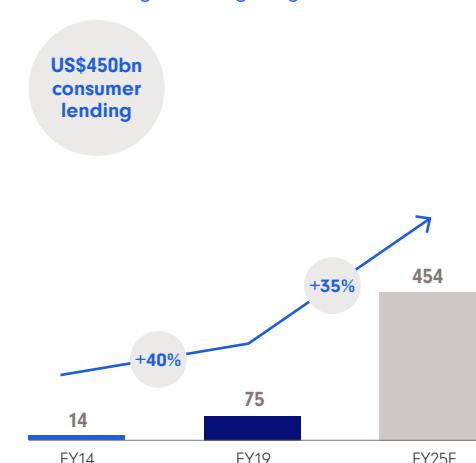


INDIA OFFERS A LARGE OPPORTUNITY IN PAYMENTS AND CREDIT

India digital payments⁽¹⁾ expected to reach



... and India digital lending⁽²⁾ to grow to



⁽¹⁾ Digital payments include cards, net-banking, UPI and wallets.

⁽²⁾ Digital lending includes loans disbursed digitally at both online and offline channels.

Source: Research BCG-Google Digital Lending Report

Our biggest charity campaign in Poland is with the Great Orchestra of Christmas Charity (GOCC). We have been working with the GOCC since 2002. The primary objective of the GOCC is to support healthcare in Poland by purchasing state-of-the-art medical equipment for Polish hospitals and clinics. Each year more and more funds are raised on the internet. PayU is the financial partner of this charity and provides commission-free secure online payments. In 2020, PayU helped collect over US\$7.5m. The total value of transactions secured by PayU since 2002 is more than US\$30m.

Our employees in Poland have also launched a charity project called PayU Volunteers, which affords the opportunity to all PayU Polish employees to volunteer in local hospitals and charities, contributing their time and skills.

Looking ahead

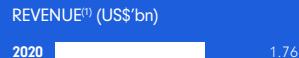
PayU will maintain its strategy to drive strong growth in the years ahead. PayU will put even more emphasis on two key areas: increasing our investment in India, and credit. A key focus here will be to invest further in AI and data science capabilities to build new services.





Etail

Giving customers across Central and Eastern Europe the very best etail experience



PERFORMANCE HIGHLIGHTS
eMAG, our leading etailer in Central and Eastern Europe continued to grow and strengthen its position. eMAG continued to grow well – delivering solid results, strengthening its market position.

⁽¹⁾ Presented on an economic-interest basis.

"We aim to build the largest hybrid (1P/3P) ecommerce platform in Central and Eastern Europe. With this platform and our entrepreneurial spirit and know-how, we focus on giving our customers the very best in terms of selection, value and convenience – a winning combination that enables us to grow and lead long term."

Iulian Stanciu
CEO, eMAG

eMAG

The opportunity

The etail opportunity across Central and Eastern Europe is substantial. eMAG's geographies promise robust growth. These broader growth trends combine with a relatively low level of etailing. Ecommerce penetration in Romania is just 7% compared to 15% in the US and 26% in China. Rates in Hungary (5%) and Bulgaria (3%) are similarly low. The ecommerce market is expected to grow by 15% annually in Romania, 8% in Bulgaria and 12% in Hungary.

An ecommerce leader in Central and Eastern Europe

eMAG is dedicated to becoming Central and Eastern Europe's leading online retailer. The company operates a first-party/third-party (1P/3P) business-to-consumer (B2C) ecommerce platform in Romania, Hungary and Bulgaria under the eMAG brand, and a leading fashion shopping destination in Romania under the Fashion Days brand. In addition, the company operates Sameday (courier delivery), PC Garage (specialised online retailer focused on gamers), Depanero

(repair service) and Conversion Marketing (performance marketing). In the 2019 financial year, eMAG also acquired a 54% stake in EuCeMananc, a food-delivery platform in Romania.



Giving customers the very best

eMAG offers customers significant selection, value and convenience. Consumers can choose from a wide selection of products across multiple categories, from electronics to fashion to home. To ensure convenience, eMAG offers buyers a range of delivery options, from home delivery to locker pick-ups.



Improving the customer experience

eMAG has a market-leading customer satisfaction Net Promoter Score (NPS) of 70.

eMAG aims to improve the customer experience through four strategic initiatives: building its own delivery courier business, Sameday; rolling out its network of automated parcel lockers; expanding its 'fulfilled by eMAG' model; and expanding its showrooms.

MARKET OPPORTUNITY

26%

ecommerce penetration in Romania is just 7% vs 15% in the US and 26% in China. Rates in Hungary (5%) and Bulgaria (3%) are similarly low

15%

Ecommerce expected to grow by 15% annually in Romania, 8% in Bulgaria and 12% in Hungary

eMAG opened a new central distribution and shipping hub in October 2018 and a new regional hub in October 2019 to provide improved fulfilment services to its customers and to a greater portion of its 3P sellers. The team is currently working on a next-generation warehouse, expected to be ready later in 2020.

To elevate the service levels of its ecommerce platform, eMAG is building its Sameday courier business. Sameday aims to achieve a 99% on-time delivery rate, compared to the 80–90% rates achieved by other players in Romania.

To ensure customers have a full suite of delivery options, eMAG is deploying automated lockers (EasyBOX) across Romania, giving customers 24/7 service, pick-up flexibility and 99%+ on-time delivery rates.

eMAG has also increased its focus on its 'fulfilled by eMAG' model, where it manages delivery logistics for its 3P partners.

To complement its online platform, eMAG is building showrooms across Romania and its international markets. This offline presence gives eMAG a strategic advantage over pure online competitors.



Instant money back

In 2019, eMAG introduced the 'instant money back' service for all products regardless of the sales channel.



Applying artificial intelligence and machine learning

Working closely with the group AI team, eMAG applies AI and ML across many areas of its business, for example personalisation, through recommendation engines, and risk engines to detect potential fraud.



Focusing on sustainability

eMAG is committed to ensuring sustainable growth and positive impact. To this end, eMAG focuses on four key areas: contributing to the communities it operates in; respecting natural resources and climate; a just society; and providing meaningful careers for employees.



Supporting local businesses

In 2019, eMAG introduced the Open Romania programme. The aim is to support local producers, companies and communities by enabling small businesses to trade their products and services on eMAG's platform without paying any commission. So far, over 2 000 partners have joined Open Romania. In 2019, the programme registered around 80 000 orders and generated sales of around US\$2.9m for the business.



Helping sellers sell

Through the Sellers' Academy, eMAG provides advice, information and training, including over 100 online videos, to help sellers develop their ecommerce businesses. Launched in May 2019 for eMAG Marketplace sellers, the Sellers' Academy programme includes over 236 video tutorials and 382 articles. New articles and videos are constantly being added. To date, the Sellers' Academy has been viewed over 350 000 times and has over 258 000 unique visitors.



Etail continued



and Potential Leaders) with a focus on leadership and business strategy. There are also Technical, Commercial, Marketing and Retail Academies for business units to increase both hard and soft competencies in these key functional areas. In addition, eMAG's online learning platform draws on the groupwide MyAcademy resources as well as custom-built inhouse and external courses.



Promoting employee wellbeing

eMAG places a big emphasis on employee wellness and wellbeing. Employees are encouraged to develop and exercise both mentally and physically. To this end, health and sports subscriptions are included in employee benefits packages, there is an onsite gym at eMAG's head office, and regular wellness sessions are held.

Through the 140 Beats per Minute Foundation programme, eMAG works with communities to promote sport as an essential part of education. The programme also has an internal component, with training sessions and grand prix-style competitions for eMAG employees.



Generating innovative ideas

eMAG continues to hold annual hackathons. At these inspiring events, coders get together for 24 hours to code something amazing, winning great prizes. Now in their sixth year, the hackathons get bigger and better every time. They have proven to be a novel way to generate new ideas for the business and for customers. eMAG's EasyBOX service, for example, began life as a hackathon idea.



Enhancing learning and development

eMAG undertakes a number of initiatives to enhance employees' learning and development. Future 25 is a unique talent acceleration programme created by eMAG to find the brightest, most promising 25 youngsters, ready to become tomorrow's leaders. Leadership learning programmes focus on three areas: Leading Self, Leading People and Leading the eMAG Business. The Leadership Academy is in its second year. It has three levels (Harvard, TMI

eMAG ACADEMY

>355 000

views, 260 000 unique visitors

eMAG's We Care About programme aims to keep children with poor school results in their school population and to support the accumulation of knowledge necessary to pass the national examination. The programme includes afterschool centres and dedicated teacher teams organising assisted-learning groups for children with poor school performance.



Reducing carbon emissions

eMAG strives to reduce its carbon emissions. The introduction of its EasyBOX network, for example, has reduced last-mile delivery and promoted stacked delivery. As the network grows, so will the environmental benefits.

In addition, eMAG has a fleet of 100% electric delivery vehicles for last-mile urban deliveries. This green delivery service is a first for Romania. The initial pilot consists of six electric vans, with plans to expand to 70 electric vehicles in the coming year.

Starting in 2020, the eMAG warehouse in Joia și Chitila will be powered by 100% green energy.

eMAG also participated as an authorised seller in the state-funded Cash for Clunkers programme for electrical appliances, both in the 2018 pilot and in 2019. This involves replacing used equipment with newer, more energy-efficient home appliances.



Managing waste

eMAG's waste-reduction initiatives include using recycled packaging material, choosing the smallest size box for shipping to avoid overpacking, avoiding single-use plastic, promoting the recycling of shipping materials after customers receive their shipment, and also offering customers free-of-charge pick-up for their old white goods to ensure they are disposed of responsibly.

Warehouse initiatives include designing processes and allocating resources to consolidate as many multi-unit orders as possible into single parcels; investing in reusable boxes to replace single-use cardboard boxes for transferring products from the warehouse to showrooms; and using robots to wrap goods containers in foil automatically and more efficiently.

As a result, eMAG has reduced cardboard used per delivered unit by 40% YoY, and plastic used per delivered unit by 17% YoY, while also reducing the incidence of product damages per deliveries.

Looking ahead

eMAG aims to continue growing faster than the market, to outpace competitors, gain market share and increase profitability. eMAG is also looking to put together a formal green plan to strengthen sustainability and optimise positive environmental impact. Above all, eMAG will invest in technology and talent to improve services and excel at giving customers the very best experience across its businesses.

PERFORMANCE IN 2020

70

market-leading Net Promotor Score (NPS)

In 2019, eMAG introduced the 'instant money back' service for all products regardless of the sales channel.





Etail – Takealot

Continuing to grow and innovate as South Africa's leading retailer

REVENUE ⁽¹⁾ (US\$'m)	
2020	392
2019	318

TRADING LOSS ⁽¹⁾ (US\$'m)	
2020	(43)
2019	(50)

PERFORMANCE HIGHLIGHTS

Throughout the year, Takealot continued to grow and strengthen its position as South Africa's leading retailer. Takealot group revenue increased by 23% YoY and negative trading margin improved from 16% in 2019 to 11% in 2020. All businesses contributed to growth. Gross merchandise value (GMV) grew 43% YoY.

⁽¹⁾ Presented on an economic-interest basis.

"The South African market still lags the rest of the world in terms of online retail as a percentage of total retail. As South Africa emerges from the threat of Covid-19, the online opportunity will only increase and Takealot is well poised to continue capitalising on this trend through a keen focus on customer service, technology and supply chain and logistics expansion."

Kim Reid
Founder and CEO, Takealot

Takealot

The opportunity

South Africa's ecommerce sector holds notable promise and shows positive momentum. The country has a low rate of internet penetration – 63% in 2019 according to Euromonitor – and online retail penetration of just 1.4%, compared to 16% worldwide. This leaves considerable scope for consumers to migrate from offline to online. From 2019 to 2023, this migration is expected to drive 21% annual growth in online retail. That means the etail growth opportunity remains substantial, particularly for businesses that can lead in delivering an excellent customer experience.



Continuing to grow and lead in South Africa

The Takealot group in South Africa includes three major businesses: Takealot (general online retail), Superbalist (apparel and footwear) and Mr D Food (Mr D) (food-delivery business).

A mobile winner

Growth continues to come predominantly from mobile channels. Throughout the year, 69% of user visits

to Takealot and 80% of user visits to Superbalist.com were from mobile devices. The Mr D business is predominantly mobile-based.

Home-grown success

Over the past nine years, Takealot has grown from 25 employees to more than 2 800 today. Moreover, 88% of these employees are black people, 44% are black women and 2% black people with disabilities. Takealot.com's marketplace provides third-party sellers the opportunity to sell their products online while making use of Takealot's platform, supply chain and logistics capabilities. This provides local businesses a cost effective way to enable themselves digitally.

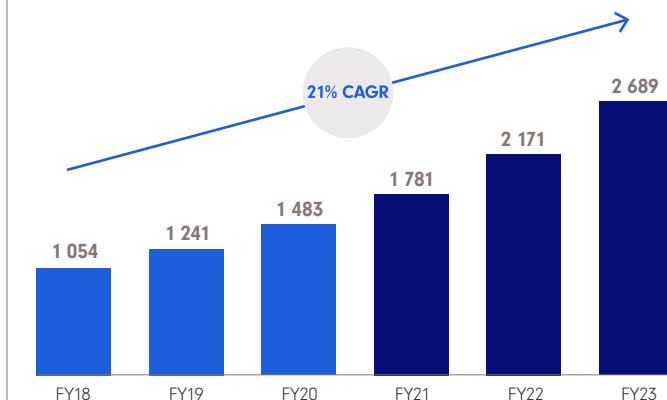
South Africa's etail leader

South Africa's leading retailer Takealot.com grew GMV 29% YoY. This was driven by the 3P marketplace business which grew 77% YoY and now accounts for more than 39% of GMV. Revenue grew 28%, slower than GMV, due to the shift to 3P. Trading losses continued to decrease YoY, with the negative trading margin improving from 16% in 2019 to 11% in 2020.

Moving into profit for the first time

In December 2019, Takealot achieved its first-ever profitable month in the history of the company.

ONLINE RETAIL FORECAST (US\$'m, EXCLUDING INFLATION)



Source: Euromonitor



Strengthening the fashion business

Superbalist grew revenue 44% organically YoY, as the fashion business continued to work through the integration of Spree. Negative trading margin improved from 32% in 2019 to 23% in 2020, demonstrating the cost savings of the merger. In August 2019, Superbalist strengthened its private-label and general-management capabilities with the purchase of Design Liaison, a private-label design and manufacturing company.

A great Black Friday

Both Takealot and Superbalist performed well over Black Friday – handling the biggest ever volume of orders, leading to record GMV on the day.

Forging ahead as the number 1 in food delivery

South Africa's leading food-delivery business, Mr D, continued to grow at a rapid rate – revenue increased 83% YoY. In August 2019, Mr D implemented an accelerated-growth plan for customer acquisition. It exceeded the new plan's elevated order target – delivering roughly double last year's volume.

Customer service is key

Customer service is core to all Takealot's businesses. It is about keeping promises without fail, and doing this at scale. Two key elements drive this customer service – great people and great deliveries.

MARKET OPPORTUNITY

63%

South Africa's low rates of internet penetration (63% in 2019 according to Euromonitor), and online retail penetration (1.4% in 2019 according to Euromonitor) leave considerable scope for consumers to migrate from offline to online.

21%

From 2019 to 2023, this migration is expected to drive 21% annual growth in online retail.

Etail continued



TAKEALOT PERFORMANCE IN 2020

39%

3P gross merchandise value (GMV) accounts for 39% of total GMV

R4.5m

customer donations facilitated by Takealot at checkout to Beautiful Gate, an organisation dedicated to helping family welfare, based in Cape Town



Investing in great people

Takealot focuses on hiring great people and developing them. The group continued its graduate recruitment programme for software engineers, and the expansion of development offices in Stellenbosch and Johannesburg has helped attract further engineering talent in a challenging environment.



Championing end-to-end delivery

The other core differentiator is end-to-end delivery. Takealot is now the largest direct-to-home delivery platform in South Africa.

The Takealot Delivery Team (TDT) manages and executes all deliveries for Takealot, Superbalist and Mr D. TDT comprises a combination of Takealot employees and a network of independently owned delivery franchises. There are now 60 privately owned franchises thriving on growing volumes of orders and employing around 4 900 drivers. Franchises are held to minimum standards when onboarding and managing drivers (including driver's licence, identity documents, work permits and criminal record checks). Takealot has a compliance team which undertakes periodic checks to ensure that these standards are upheld.

The group continues to invest in and grow this capability. Through the year for example, it launched 45 click-and-collect points around the country. These have proved extremely popular. Click and Collect now accounts for 15% of orders.

During South Africa's initial national lockdown period between 26 March and 30 April, all restaurants were mandated to be completely closed and Mr D could only operate at a small fraction of its capacity, delivering essential goods. To support the Mr D driver network, a driver fund was established to provide the majority of Mr D Food's drivers with a minimum earnings guarantee for the five-week period during which restaurant food delivery could not operate.

In addition, to ensure driver safety, Takealot has provided hand sanitiser and implemented the promotion of World Health Organization (WHO) and South African health authorities best-practice hygiene guidelines to all drivers and staff. All deliveries are made contactless, and pick-up/drop-off points were temporarily closed.



Focusing on artificial intelligence and machine learning

Takealot continues to invest in building its AI and ML capabilities. The focus of their work is on discovery, search, churn prevention and lifetime value calculations and models. In the year ahead, the plan is to centralise resources to further increase the application of AI and ML to help drive the business forward.



Investing in local businesses and people

Takealot undertakes various BBBEE initiatives. These include bursaries to six software engineering students; R1.8m in funding to two Takealot delivery team franchisees to expand their operations; and sponsored learnerships for 79 participants, including 59 people with disabilities.



Making it easy for people to donate

Takealot also has a long-standing link with Beautiful Gate, an organisation dedicated to supporting the welfare of under-privileged families 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. Eight years on, donations now total R4.5m.



Ongoing environmental initiatives

Environmental initiatives include Takealot using 100% recyclable packaging, with paper rather than plastic voids. An updated transport fleet of newer, larger, more energy-efficient vehicles also saves money as well as being better for the environment.

More energy-efficient LED lighting is also being introduced in the distribution centres. In addition, where possible, Takealot is using sea freight rather than airfreight, which is more cost efficient and environmentally friendly.

Looking forward

As more and more people move to online in South Africa, Takealot is at the forefront of this transformation. Looking ahead, the focus across all three businesses remains the same – to provide satisfying customer service, value and convenience and in so doing, to continue to lead and grow for long-term sustainable success.

Market opportunity

South Africa's low rates of internet penetration (63% in 2019 according to Euromonitor), and online retail penetration (1.4% in 2019 according to Euromonitor) leave considerable scope for consumers to migrate from offline to online.

From 2019 to 2023, this migration is expected to drive 21% annual growth in online retail.





Ventures

Identifying and investing in the next waves of growth

REVENUE⁽¹⁾ (US\$m)

2020		99
2019		38

TRADING LOSS⁽¹⁾ (US\$m)

2020		(57)
2019		(54)

PERFORMANCE HIGHLIGHTS

Throughout the year, we made key investments in our chosen areas of focus for Ventures, including education, blockchain and India. All in all, Ventures invested US\$215m in 12 deals throughout the year as well as continuing to nurture its portfolio of investments totalling US\$855m, excluding Moviele, as well as Food Delivery that was spun out of Ventures into this segment.

⁽¹⁾ Presented on an economic-interest basis.

"Ventures is about building the next wave of growth for the group. We invest with a long-term vision in mind but make sure to tether that vision to short- and medium-term operating realities around risks, competitive dynamics, future capital needs, and other considerations. Our capital commitments are commensurate with this balanced assessment. Over time, as we build our understanding and expertise, the amounts invested may grow substantially. A good example of this approach is Food Delivery, which was nurtured as part of Ventures before becoming a standalone core segment last year."

Martin Tschopp
COO, Ventures



Identifying and nurturing the next wave

Our Ventures arm partners with entrepreneurs around the world to build leading technology companies in exciting new high-growth markets. Our goal is to identify and nurture the next wave of growth for the group – the next big areas where we can build leading global businesses that help improve people's lives. To this end, we focus on trends, technologies, themes and geographies to select investments with the potential to experience significant growth in the coming decades.

To date, we have invested a total of US\$855m into 20 companies worldwide, excluding Moviele as well as Food Delivery that was spun out of Ventures into this segment, across education, elder care, blockchain, logistics, mobility and more.

Targeting winners

In any given year, we might formally meet over 300 companies, and could invest in fewer than 10. This highly selective approach helps us target the next generation of outstanding entrepreneurs and businesses.

BYJU'S

50m

registered users

71 minutes

Average daily engagement of 71 minutes per student

Cricket

National Indian cricket team sponsor



Key investment criteria

With Ventures, as with all our investments across the group, we look for three key things:

1. **A great idea addressing a big societal need**
2. **A strong tech angle**
3. **Outstanding founders with the ambition and ability to grow their businesses into global leaders**



Focusing on education

Education is a key focus area for us. There is a big demand around the world to enable people to learn more effectively and efficiently – whether that is helping schoolchildren learn or lifetime learning. Technology is playing a key part in meeting this fundamental social need. Therefore, it is a natural area for us to target.

To date, we have invested over US\$570m in five education businesses: BYJU'S, India's leading personalised learning platform for children in grades 1 to 12; Udemy, the leading global marketplace for learning and instruction; Brainly, the world's largest social learning community; Codecademy, an online coding education platform where millions of people so far have learned to code; and SoloLearn, the world's largest mobile community of code learners.

BYJU'S

We invested US\$383m in BYJU'S in December 2018. Our current stake is 11.31%. BYJU'S learning app is the leader in personalised learning programmes for school students in India. The company recently expanded its offerings to include grade 1 to 3 students, alongside its established focus on grades 4 to 12, and competitive exams such as JEE, NEET, CAT, IAS, GRE and GMAT.

Delivering world-class learning experiences, the app merges videos and interactive content to bring concepts to life. It also adapts to the unique learning pace and style of each student. BYJU'S has more than 50 million registered users and an average daily engagement of 71 minutes per student.

Building on its rapid growth and success, in 2019, BYJU'S became the sponsor of the well-loved national Indian cricket team – a great way to reach the company's target audience of Indian families across the country. Alongside the sponsorship, BYJU'S launched a campaign building on its mission to encourage every individual to Keep Learning. The campaign celebrates the feeling of togetherness that a sport such as cricket brings to Indians while encouraging and inspiring people to never stop learning.

EDUCATION – MAKING LEARNING ACCESSIBLE TO ALL

US\$6tn

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

200m

Each month, 200 million students in 35 countries, all turn to Brainly to ask more, know more, and learn faster

45m

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

295m

With 57 000 instructors teaching 150 000 courses, Udemy serves over 295 million course enrolments around the world to facilitate world-class learning

"Education is very attractive to us because it's important to people, they spend a lot of their time and money on it, and we believe technology can make it much more efficient – bringing better education to more people over time."

Bob van Dijk
Chief executive

Ventures continued



UDEMY

295m

Over 295 million course enrolments around the world

57 000

instructors teaching in over 65 languages

80%

5 000+ enterprise customers and 80% of Fortune 100 companies use Udemy for Business for employee upskilling

BRAINLY

200m

Serving more than 200 million students in over 35 countries

Udemy

We first backed Udemy in June and October 2016 and to date have invested US\$115.8m in the company. Our current stake is 14.81%. Udemy is a global education marketplace for lifelong learners. The company serves more than 295 million course enrolments in 150 countries around the world, with 57 000 instructors teaching in over 65 languages. Through Udemy for Business, companies can access a collection of business-relevant courses via subscription as well as a simple platform to host and distribute their own content in one central place. Currently, over 5 000 enterprise customers and 80% of Fortune 100 companies use Udemy for Business to build the skills of their employees.

Helping people in prison to gain skills

Udemy is working with non-profit programme The Last Mile (TLM) to provide individuals in prisons with training in technology and business skills. TLM graduates have left prison as software engineers and to date have a 0% rate of reoffending, compared with 55% of all formerly incarcerated people. However, TLM graduates' release dates and their completion of skills training don't always coincide. Udemy saw a clear opportunity to fill this gap and help returning citizens continue learning and become job ready.

Udemy provides free Udemy for Business licences to 150 TLM students, giving them access to 3 500 online courses on in-demand tech topics such as programming languages and web development as well as important business skills, such as writing an effective résumé, giving and receiving feedback, and managing workplace stress. Udemy has also donated laptops to TLM students, removing another significant barrier to the students continuing their learning and keeping their skills updated.

Brainly

We have been backing Brainly since May 2016 and to date have invested US\$47.3m. Our current stake is 43.8%. Brainly is the world's largest social learning platform, serving more than 200 million students in over 35 countries. Students use Brainly to strengthen their skills across core subjects such as maths, history, science and social studies. The platform allows them to connect with their peers, subject matter experts, and professional educators to discuss subjects and seek answers to tricky questions. Brainly is emerging as one of the most trusted online learning resources in India, with YoY growth of 100% to 20 million monthly users in November 2019.

Going global with peer-to-peer learning

"We built Brainly on the assumption that having 20 friends in your classroom helping you learn is great, but being able to ask your questions to millions of other students around the world is even better," says Michael Borkowski, Brainly co-founder and CEO. "Right now, we are really excited about India – it's our newest market, growing really fast."



Focusing on India

India is an exciting area for us, given the vast opportunity for growth in the market across a number of segments. We have made recent investments in education, logistics, ecommerce and ride sharing in India and overall have invested more than US\$500m in the country.

In education, BYJU'S is the leading edtech player in the country and Brainly is growing fast in India, the company's newest market.

In logistics, we invested US\$30m in ElasticRun in October 2019 and currently own a stake of 20.57%. ElasticRun is a tech-enabled offline logistics network that leverages abundantly available kirana stores for delivery and storage. ElasticRun enables small store owners to leverage quiet times of the day to gain increased revenue by handling local last-mile deliveries.

We have invested US\$81m in Meesho since August 2019 and currently hold a 12.16% stake. An app-based social-selling platform, Meesho acts as a marketplace for suppliers and resellers. To date, it has helped to create over 2 million entrepreneurs across India, by enabling individuals to build their own small businesses. Homemakers and women on career breaks make up the vast majority of these entrepreneurs. Meesho provides these entrepreneurs with products, logistics and payment tools to start and grow their businesses and also invests heavily in training and mentoring them. The company has also created online and offline communities that allow women to connect, share and learn with their peers.

In January 2019 we invested US\$8m for 20.81% of Quick Ride, the peer-to-peer car and bike-pooling mobile app for daily commuting in India. Quick Ride has over 3.4 million users who have completed over 35 million carpools. It is not only a smart way to make daily commutes easier for people across India, it is also having a positive environmental impact – preventing more than 90 000 tonnes of CO₂ from entering the atmosphere.

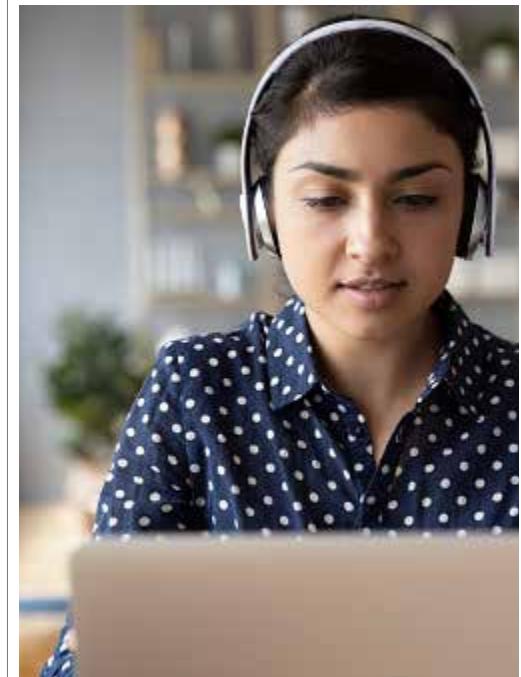
Helping a female student pay her way

Female student Rajalakshmi knows her parents struggled to pay for her university degree. She is now aspiring to join the Indian Administrative Services and she is able to pay for all the classes, books and coaching with her earnings through Meesho. By paying her own way in this manner, Rajalakshmi is proud not to have to burden her parents.

MEESHO

>2m

Helped to create more than 2 million entrepreneurs across India, the vast majority of whom are homemakers and women on career breaks



Key investments in the year

Health	Social Commerce	Blockchain	Mobility	Logistics
honor	meesho	DappRadar	dott	ElasticRur
		iMMUTABLE	Quick Ride	

Ventures continued



Going green with Dott

With our US\$21m investment in Dott, we are backing green mobility across Europe. Dott makes it easy for people to share dockless electrical scooters and bikes for short distance travel across cities in Belgium, France, Germany, Italy and beyond. More inner-city mobility; less inner-city pollution.



Focusing on care for the elderly

We see care for the elderly as a very promising area of opportunity. We wanted to back a company that was looking to bring tech at scale to improve the industry for both caregivers and those who need care. To this end, since 2018 we have invested US\$43.3m for a 16.47% stake in Honor.

Honor is a home-care company and the founder of the Honor Care Network, a pioneering US-wide alliance of home-care providers. The first company to bring scalable workforce management and technology expertise together with the high-touch, personalised care of local home-grown care agencies, Honor helps older adults live safely and comfortably in their own homes by enabling reliable, transparent, high-quality care. The company partners with care agencies, providing much more than just operations support and a tech platform. The company's app makes it easy for caregivers to manage and deliver care.

Honor continues to go from strength to strength and doubled revenue YoY to US\$51m for 2019.

INVESTMENT IN BLOCKCHAIN

US\$6m
Immutable

US\$1.8m
DappRadar

QUICK RIDE

35m+

3.4 million+ users have completed 35 million+ carpools, preventing more than 90 000 tonnes of CO₂ entering the atmosphere



Focusing on blockchain

Blockchain is beginning to disrupt and revolutionise a number of key industries. To tap into and explore this opportunity, we invested in two blockchain companies in 2019: Immutable and DappRadar. Immutable is a company that builds video games with player-owned assets. We invested US\$6m in Immutable in September 2019 for an 11.11% stake. DappRadar is a leading global platform for discovering and analysing blockchain-based decentralised applications (dapps). We invested US\$1.8m in September 2019 for a 23.12% share of DappRadar.



Focusing on Brazil

Through our investment in Movile, we are backing an exciting range of businesses across Brazil. Movile is a leader in mobile marketplaces, with the ambition to make the lives of a billion people better through its applications. The company's main focus areas include ticketing (Sympla), content and messaging (Wavy), fintech (Zoop) and food (iFood) – see our food-delivery performance review on page 31.

During the year, Sympla maintained exceptional growth of over 200%, Wavy's revenue also grew, and Zoop continued to scale.

Movile uses AI and ML across its portfolio for three key areas: fraud detection and risk modelling; providing better recommendations for customers; and reducing customer churn.

The common objective is earlier, more accurate and valuable detection and anticipation – from spotting potential fraud faster to cutting the time it takes for a consumer to find what they want to buy.

Looking ahead

We are continuing on the same tried-and-tested path to identify, invest in and build the next wave of growth for the group. Looking ahead, we will identify trends, technologies, segments and geographies expected to record significant growth in the coming decades and invest in the best opportunities we see. We are excited by the prospects and look forward to the investments.

"The culture of the Movile team is that we think big, act fast and are always striving for growth."

Fábio Bloisi
CEO, iFood and co-founder of Movile



Social and internet platforms

Connecting people in everyday life through innovative technology

REVENUE⁽¹⁾ (US\$m)

2020		17 189
2019		14 757

TRADING PROFIT⁽¹⁾ (US\$m)

2020		4 699
2019		3 952

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's fundamentals remain strong with excellent growth prospects in China, while Mail.ru remains the largest internet group in Russia.

⁽¹⁾ Presented on an economic-interest basis.

Tencent

The opportunity

Rising incomes, increased connectivity and a growing middle class in a population of 1.4 billion – the opportunity in China for innovative social and internet platform leaders remains vast. There are over 904 million internet users in China as of March 2020, over 99% of which were mobile users. The China internet industry exhibited healthy growth in 2019 – with online advertising, ecommerce, entertainment content subscription, smart retail and online payments all posting decent growth.



Tencent continues to build on its strengths in China

Tencent continues to perform well in a highly competitive and dynamic environment. Through its ecosystem of online services and the excellent management team, it remains the largest platform operator in China with nine of the top 20 mobile apps. Among the top 100 mobile apps in China, Tencent takes up 59% of all time spent online by users.

For the year ended 31 December 2019, Tencent's revenues of RMB377bn were up 21% YoY. Combined monthly active users (MAU) of Weixin and WeChat increased 6% YoY to 1.16 billion. The Weixin Mini Program ecosystem became increasingly vibrant, with an annual transaction volume of over RMB800bn. QQ's popularity among the younger generation continued to increase with enhanced chat and friend recommendation features, as well as expanded entertainment use cases via Mini Programs. QQ smart devices MAU, however, declined 7.5% YoY to 647 million as Tencent proactively cleaned up spamming and bot accounts.

⁽²⁾ According to QuestMobile, ranked by average daily active users on iOS and Android in December 2019.

⁽³⁾ Calculated with total time spent on iOS and Android in December 2019, according to QuestMobile.



China's online games market recovered in 2019 following the resumption of in-game monetisation licence approvals in December 2018. Tencent extended its leadership in this market with the increasing popularity of Honour of King and Peacekeeper Elite. It has also made significant breakthroughs in self-developed games for the international markets, with five of the top 10 international mobile games by daily active users (DAU) developed by Tencent and its subsidiaries in the fourth quarter of 2019. PUBG Mobile is currently the most popular international mobile game in terms of DAU and MAU in the first quarter of 2020. Call of Duty: Mobile was 2019's most downloaded new mobile game and won The Game Awards 2019's Best Mobile Game award. Supercell's Brawl Stars was one of the best performing original IP mobile titles in 2019. Tencent's international revenue rose to 23% of its total online games revenue in the fourth quarter of 2019.

TENCENT

9/20

Tencent and its ecosystem continue to lead in China with nine out of the top 20 mobile apps by DAU⁽²⁾.

59%

Among the top 100 mobile apps in China, Tencent and its ecosystem takes up around 59% of all time spent online by users in China⁽³⁾.

Despite the challenging economic and regulatory environment, Tencent achieved robust advertising revenue growth by progressively realising the long-term potential of Weixin Moments and expanding its mobile ad network. Tencent video subscriptions exceeded the 100 million milestone in 2019. Music subscription growth accelerated as it benefited from the pay-for-streaming model.

Tencent operates the largest mobile payment platform in China by active users and transaction volumes, with over 800 million MAU and over 50 million monthly active merchants. The average number of daily commercial payments transactions exceeded 1 billion in the fourth quarter of 2019 as Tencent deepened penetration among offline merchants. Tencent's wealth management platform, LiCaiTong, increased its aggregate customer assets over 50% YoY, while its number of customers more than doubled YoY as it expanded into the mass market. In cloud, Tencent currently has over 1 million paying customers and continues to outgrow peers with

increasing scale and higher operating efficiency.

Tencent has been working relentlessly to help mitigate against the impacts of Covid-19 in China. High traffic platforms such as Weixin and Tencent News are serving to update the public with official news related to the pandemic. Tencent has provided the public with a range of remote working and access to remote healthcare services to help with navigating throughout the pandemic. Tencent Meeting has exceeded 10 million DAU within two months of its launch in late December 2019, making it the most-used dedicated video conferencing app in China. Tencent has also deepened the integration between Weixin and WeChat Work to facilitate customer management and sales conversion. This has benefited the millions of enterprises who used WeChat Work to resume work in the wake of the coronavirus outbreak. Over 300 million Weixin users have utilised Tencent Health Mini Program for real-time pandemic data, online consultations and AI-powered

Social and internet platforms continued



self-diagnosis services. Through Tencent Medipedia, users can access reliable and professional medical information. Tencent has also provided medical AI imaging capabilities to assist the diagnosis of Covid-19.

Tencent made notable progress on its environmental, social and governance performance in 2019 in areas such as technology education, rural poverty alleviation, environmental conservation, cultural inheritance and board diversity.

Looking ahead

During the Covid-19 pandemic millions of users have cultivated new online habits in areas such as online working and online schooling. Tencent expects this to have a lasting impact and will accelerate China's digital transformation. Therefore, in addition to meeting the immediate needs for its products brought about by the pandemic, it is proactively developing its capabilities to anticipate and respond to long-term demands as the country digitises.

Tencent is listed on the stock exchange of Hong Kong. Extensive further information is available on its website www.tencent.com.

Mail.ru

The opportunity

Russia is Europe's largest internet market, with 95 million users, 61% of which are mobile users.



Mail.ru is the largest internet group in Russia

Despite increasing competition across all sectors, particularly from Facebook, Instagram and WhatsApp, Mail.ru remains the leading internet group in Russia by users with 31 million DAUs across its platforms.

For the year ended 31 December 2019, Mail.ru's revenues grew 22% to RUB87.1bn. This was driven primarily by the growth in online advertising revenue and massive multiplayer online games revenue, and new revenue streams in food delivery and classifieds.

Vkontakte (VK), the most popular mobile messaging and social networking app in Russia, continued to perform well. Total MAU reached 71.6 million, of which 65.2 million were mobile users. The VK Mini Apps platform expanded rapidly to a current offering of over 13 000 active Mini Apps, while platform MAU increased 14 times YoY. Mini Apps allow users to play games, shop, communicate, order food, look for jobs and much more, all within the VK ecosystem.

MAIL.RU

31m

There are currently 31 million daily active users across Mail.ru's platforms



Mail.ru's online games segment also continued to perform well, with solid performance in the established titles, including Warface, Hustle Castle and War Robots, and in new releases such as Lost Ark and American Dad! Apocalypse Soon. International revenues accounted for 68% of total online games revenue.

Mail.ru is leveraging its leadership in the social and communications segment to build social ecommerce and online-to-offline (O2O) verticals that complement its user experience. A transformational AliExpress Russia joint venture between Mail.ru, Alibaba, MegaFon and Russian Direct Investment Fund was launched in October 2019. This integrates Mail.ru's crossborder ecommerce platform Pandao with Alibaba's AliExpress and Tmall services in Russia. In December 2019, Sberbank and Mail.ru completed the formation of a Russian O2O services platform joint venture focusing on food-tech and mobility. Mail.ru contributed its food-delivery business Delivery Club and 29.67% stake in Citymobil, Russia's second-largest taxi app, to the new entity.

In February, Mail.ru's board of directors approved the listing of global depository receipts (GDRs) of the group on the Moscow exchange.

Looking ahead

Mail.ru will continue to transition its strong and well-diversified product portfolio and partnerships into a broader internet ecosystem via cross-selling and deeper integration.

Mail.ru's depository receipts are listed on the London Stock Exchange. Further information is available on its website www.corp.mail.ru.



Media24

Building a smaller, more profitable South African media business with a significant investment in ecommerce

REVENUE⁽¹⁾ (US\$'m)

2020	272
2019	326

TRADING PROFIT/(LOSS)⁽¹⁾ (US\$'m)

2020	8
2019	(14)

PERFORMANCE HIGHLIGHTS

Media24 had a strong year. All financial targets were met. The digital audience of 2 million average daily unique browsers grew 28% YoY with News24 becoming profitable for the first time. Netwerk24 grew subscriptions 32% YoY. Contract Logistics increased volumes 29%. VIA grew profit fivefold. And at 77%, staff engagement was at a record high.

⁽¹⁾ Presented on an economic-interest basis.

"Journalism remains at the heart of what we do and throughout the year we continued to transition Media24 for a future that is increasingly digital."

Ishmet Davidson
CEO, Media24



The opportunity

The media industry remains challenging, with downward pressures on revenues and growth in the print media sector. However, there are opportunities which may lead to delivering sustainable profitability through investment in digital media, careful cost management, targeted investment and diverse revenue projects which tap into our highly engaged brand audiences. Ecommerce opportunities in South Africa are significant, with both levels of internet penetration and ecommerce relatively low.



Increasing performance

Total revenue contracted by 17% YoY with print media revenues declining by 9% YoY, slightly less than expected. Revenue from the growth portfolio decreased by 31% YoY – led by ecommerce and digital media, and that of book publishing by 7% YoY on the back of exceptional school textbook orders in Botswana and South Africa. Thanks to stringent cost management throughout the company, trading profit improved from a loss of US\$14m in 2019 to a profit of US\$8m in 2020.

To drive performance, we have reduced costs and also focused on extracting maximum value from our print media portfolio, with a particular emphasis on monetising our print media audiences by developing diverse revenue streams, for example through events, special interest publications and brand extensions. At the same time, we continue to invest in our growth businesses of digital media and ecommerce.

PERFORMANCE IN 2020

28%

Digital audience up 28% YoY

21 years

News24 profitable after 21 years

News24

The most trusted digital news brand in South Africa (Reuters Institute)

32%

Netwerk24 subscriptions up 32% YoY

Focusing on two flagship digital news brands

Following the closure of our news aggregators and other smaller digital operations, we have focused on two flagship digital news brands: News24 and Netwerk24. This streamlined approach to our portfolio has delivered strong results. News24 is profitable for the first time in its 21 years – and Netwerk24's paying subscriptions grew by 32% YoY to close on 60 000.



Applying artificial intelligence and machine learning

We make good use of AI and ML to optimise our businesses. Netwerk24, for example, uses multiple technologies and models focused on issues such as customer subscription and churn prediction. In addition, 24.com brings together the power of ad technology and analytics for more impactful behavioural profiling and targeting. This includes profiling readers according to content consumption and assigning them to interest segments. These segments are integrated into the ad-serving solution to enhance targeting.

A strong year for awards

Our businesses had another strong year for awards, bringing home more than 60 local and international journalism, commercial and publishing awards.

The numerous awards that our digital properties received at the annual Bookmarks Awards included a Black Pixel for 24.com as joint best digital publisher, the fourth consecutive year it has received this honour.

"We are very proud that News24 is the most trusted digital news brand in South Africa, according to the Reuters Institute at Oxford University."

We also took home awards at the 2019 Standard Bank Sikuville Journalism Awards – including for journalist of the year and best investigative journalism; the Diageo SA Responsible Drinking Media Awards; 2019 The Folio: Eddie and Ozzie Awards; South African Film and Television Awards; Vodacom Journalist of the Year Awards; and Agricultural Writers South Africa Awards.

Media24 continued



#1000ACTSKINDNESS

1600

employees participate
in #1000ActsofKindness
community projects

At the WAN-IFRA African Digital Media Awards, 24.com won the award for the best native advertising/branded content campaign; Lifestyle was runner-up in this category; News24 won the best use of online video (including VR) category; and Netwerk24 was runner-up in the best website or mobile service category.

In addition, the #Guptileaks team of News24, Daily Maverick and amaBhungane, won the Global Shining Light award of the Global Investigative Journalism Network. And the overall winner of the 2019 FIPP Rising Stars Award was Mbali Soga, editor of TRUELOVE.

NB Publishers won the prestigious Association of American Publishers' International Freedom to Publish Award for demonstrating courage and fortitude in defending freedom of speech for The President's Keepers.

At the advertising industry's MOST Awards, our magazine and newspaper sales teams won the best media owner in their respective categories, with Ads24 (newspapers) also winning the marketing services category.

Media24 won 11 awards at the ATKV Mediaveertjes. Media24 also received the South African Graduate Employers Association award for the best place to work in the media for the fourth consecutive year.



Environmental commitment

In line with our commitment to the environment, we monitor scope 1 and scope 2 greenhouse gas emissions. This year our carbon footprint increased by 23% to 12 326 tonnes of CO₂e (2019: 10 008 tonnes of CO₂e). The increase was due to a change in the Eskom electricity emission factor from 0.96 to 1.04 and more accurate measurement of our carbon footprint. We seek to use technological innovation to create solutions that keep our impact on the environment to the minimum. We also perform regular risk assessments to identify the operations where our direct impact on the environment is most significant.

We have a number of energy-efficiency initiatives, including movement-activated and energy-efficient lighting, energy-efficient air conditioning, power-factor corrections and load balancing.

We also recycle to limit our impact on the environment. For example, we recycle unsold newspapers and magazines, and we use responsible service providers to dispose of electronic waste.



Investing for positive social impact

We undertake a range of social investments and initiatives. These include policies to encourage procurement from small black-owned businesses; providing training to the Association of Independent Publishers; supporting enterprise development through our contribution to Marvel Technologies for the development of online learning resources for teachers and

learners; and Via Afrika supporting the establishment of the WritePublishRead self-publishing platform.

The emphasis is on encouraging the business units to lead in social investments. At a corporate level, one key project involves providing the life-skills development component of the WeCode24 programme, which gives learners at underserved schools in the Western Cape training in coding. The service provider for this project is RLabs, a recipient of supplier development funding from Media24.

Other social investment projects include sponsorship of all the major Afrikaans arts festivals, including free marketing and advertising support; support for various educational charities and projects; and free media coverage and advertising for registered non-governmental organisations (NGOs), charities and public-interest campaigns.

All staff members are entitled to three days' paid leave per year for charity work and their contributions are acknowledged in performance reviews. One standout initiative was the launch of the #1000ActsofKindness project, linked to Volunteers24, at the beginning of April 2019. This encourages assistance in

kind, rather than monetary donations, to charities and other community-based projects – rewarding the top three projects every month with a cash donation to the winners' charity of choice. Staff submitted 120 projects throughout the year, with around 1 600 staff members participating.

Looking ahead

We continue to build on our smaller, more profitable media business and to capitalise on our ecommerce strengths and opportunities.





Financial review

Group revenue, measured on an economic-interest basis, was US\$22.1bn, reflecting growth of 17% (23%)⁽¹⁾ from continuing operations.

+16%
Tencent revenue growth

+32%
overall revenue growth in ecommerce

+99%
Food Delivery revenue growth

Measured similarly, and including the stepped-up investment in Food Delivery, group trading profit grew 13% (17%) year on year (YoY) to US\$3.7bn. Tencent grew revenues by a healthy 16% (21%) YoY. Driven by Classifieds, Etail, and Payments and Fintech, the ecommerce business posted strong performance.

Overall, revenue growth in ecommerce, adjusted for acquisitions and disposals, grew 32% in local currency, a 6% acceleration YoY. This was led by the Food Delivery segment which grew orders by 102% and revenues by 99% (105%), and strong growth in Classifieds, up 48% (37%). Tencent's profitability improved by 17% (22%). Trading losses in ecommerce rose to US\$964m, reflecting our investment in Food Delivery to grow

markets and sustain our leading positions. Excluding the increased investments in Food Delivery and Payments and Fintech, as well as acquisitions and disposals, ecommerce trading losses reduced by 24% or US\$76m in local currency.

Core headline earnings from continuing operations were US\$2.9bn – down 5% (1%). Improving profitability in Tencent and the more established ecommerce businesses were partially offset by increased taxation related to the Prosus investment. Through listing Prosus and the subsequent sale of additional shares, minority shareholders with a 27.51% interest in Prosus were introduced. This reduced the attributable share of Naspers shareholders in the Prosus core headline earnings contribution for the year ended 31 March 2020 by US\$466m (2019: US\$nil).

Across the group, we invested US\$1.3bn to expand our ecosystem and reach. Notably: through PayU, an investment of US\$66m in Wibmo to expand our Indian footprint in payment security, mobile payment solutions and processing services; an investment of US\$163m in PaySense broadens our ecosystem in India as we now start to offer consumer credit, an investment of US\$199m in Iyzico, a leading payment service provider in Turkey and US\$48m in Red Dot Payment (Red Dot), providing payment solutions in Singapore and expanding across Southeast Asia. In Classifieds, we acquired a controlling stake in

Financial summary

	2020 US\$'m	2019 US\$'m
Revenue ⁽¹⁾	22 136	18 990
Trading profit ⁽¹⁾	3 725	3 304
Dividend per N ordinary share (SA cents) (2021 reflects dividend proposed)	580	715

⁽¹⁾ Reported on an economic-interest basis, excluding discontinued operations.

Frontier Car Group for US\$320m and the contribution of certain subsidiaries, expanding our transactions business. Ventures invested US\$81m in Meesho Inc., a leading social commerce online marketplace in India, continuing with our successful track record of identifying Indian opportunities with the potential to become large businesses. We are also increasing our exposure to the edtech (educational technology) businesses by investing a further US\$25m and US\$44m in our education associates Brainly and Udemy respectively. In the Food Delivery business, we invested a further US\$100m in our associate Swiggy.

At year-end, we had a solid net cash position of US\$4.8bn, comprising US\$8.3bn of cash and cash equivalents (including short-term cash investments), net of US\$3.5bn of interest-bearing debt (excluding capitalised lease liabilities). We also have an undrawn US\$2.5bn revolving credit facility.

Overall, we recorded net interest income of US\$16m for the year. In December 2019, Prosus established a US\$6bn Global Medium Term Note Program (the programme). In terms of this programme, Prosus may periodically issue notes denominated in any currency, with a maximum outstanding aggregate nominal amount of US\$6bn. The notes trade on the Euronext Dublin stock exchange. Under the programme, in January 2020, we successfully issued

US\$1.250bn 3.68% notes due in 2030. The purpose of this offering was to raise proceeds to redeem the US\$1.0bn 6.00% notes due in July 2020. The principal and interest accrued to the maturity date of these notes were repaid in February 2020. The group has no debt maturities due until 2025.

Consolidated free cash outflow was US\$383m, compared to the prior-year outflow of US\$120m from continuing operations (excluding the video-entertainment segment). This change reflects increased investment in the Food Delivery business, as well as negative working-capital effects, offset by merchant cash timing differences of US\$28m, and transaction costs of unbundling MultiChoice Group and listing Prosus, of around US\$113m.

Dividend income received from Tencent increased US\$35m to US\$377m. Cash extractions from our profitable Classifieds businesses continued to grow, increasing US\$70m to US\$305m. Covid-19 may have a short-term impact on that trajectory but, the positive trend is expected to return.

We adopted the new accounting standard IFRS 16 *Leases* on a prospective basis. Accordingly, comparative information has not been restated. Refer to note 2 of the consolidated summarised information for further details.

US\$2.9bn

core headline earnings from continuing operations

US\$4.8bn

solid net cash position

⁽¹⁾ Percentages in brackets represent growth in local currency, excluding FX and M&A.

Managing risks and opportunities

At heart, we are entrepreneurs. We seek to create sustainable value by building leading technological companies that enrich communities.

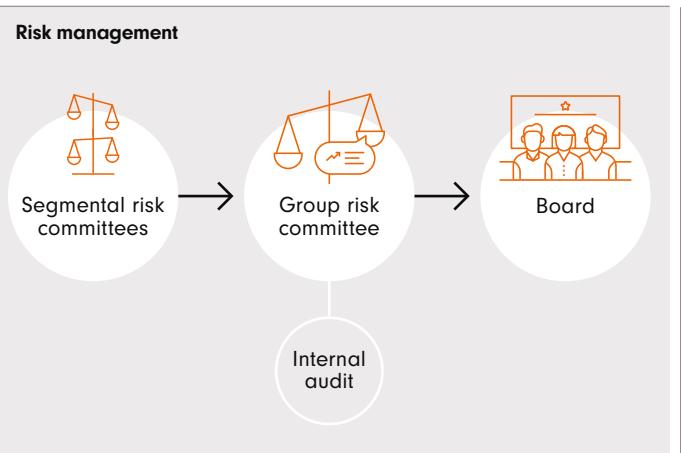
Our success is driven by our culture in which people are empowered to promptly respond to business opportunities while keeping risks within defined acceptable levels.

We are committed to applying principles of good governance, as well as complying with laws and regulations as applicable in the territories in which we operate, and as dictated by the listings requirements of relevant securities exchanges. Our governance structures, policies and processes are designed to accomplish this.

How we consider opportunities and govern risks

In order to create stakeholder value in the broadest sense and in a sustainable manner, the six capitals transformation model is considered useful to analyse business opportunities and risks. We aim to achieve an overall net positive capitals transformation through our strategy execution.

In setting our strategy, we evaluate strategic opportunities and select objectives that drive performance (for example improved working capital efficiency) directly or strengthen our business (for example investing in people development) – or both. We select those objectives that we consider to be the greatest drivers of value for our stakeholders. We achieve these objectives by transforming capitals as defined by the six capitals model.



This approach gives rise to various risks, which present themselves as either overconsumption of any of the six capitals (higher input than intended) or underproduction (lower output than intended). We may also identify opportunities for increased 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.

The parameters to create value for our stakeholders are set and monitored by our board of directors and supporting governance committees (refer to governance structure on page 79).

These parameters include policies that govern our risk management and compliance processes, and relevant tolerance levels for individually identified risks. In order to operate within this parameter our businesses are required to apply a methodical approach to governing risk and opportunity.

Key risks are evaluated by segmental risk committees and are reported to the board. The risk committee assists the board to ensure that risks and opportunities are governed as intended and achieve desired outcomes.

Roles and responsibilities

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 the group 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.

1
Controls to prevent and detect risk

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

2
Spread risk

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

3
Share or transfer risk

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

4
Mitigate risk

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

5
Exit strategy

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 ↑ ↓

Managing risks and opportunities continued

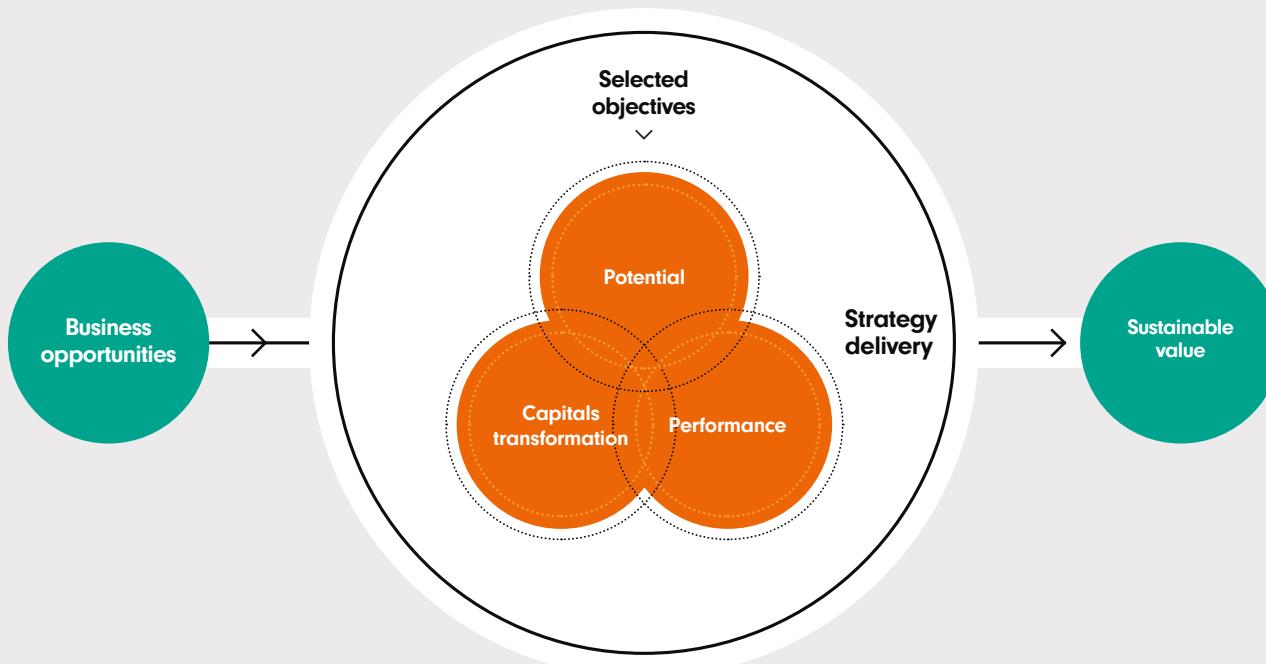
Monitoring of key risks

The board, assisted by its committees as applicable, periodically reviews and monitors the risk profile of the group and any developments thereto. This is to determine that the profile

remains in line with the overall risk appetite and, for individual key risks at the consolidated level, stated risk tolerance levels. The key risks that are considered to determine the overall profile are linked to the six capitals.

For this purpose, the businesses, assisted by the various support functions, submit regular reports on the key risks and any changes in the business.

Objective-driven dynamic approach



Our six capitals

Financial

Human

Manufactured

Intellectual

Social and relationship

Natural

... Risk impact
.... Improvement opportunity

Key areas of focus in the year from an opportunity and risk perspective



1. During the year we have pursued opportunities and invested in:

- Growing and strengthening our businesses in the various segments, through further financing of organic growth and acquisitions.
- Product and technology development, supported by development of ML and AI.
- Business resilience through investing in infrastructure and cloud solutions and enhancement of cybersecurity.
- Talent management.



2. Listing of Prosus

- We have successfully listed our international assets on Euronext Amsterdam thereby creating Europe's largest internet company.



3. Sustainability

- Enhanced integration of sustainability aspects into our strategy setting, execution and reporting.
- We continue to develop our integrated annual report to improve non-financial information disclosure.
- Enhanced data governance and ensuring compliance with data-privacy regulation around the world.
- We have strengthened our legal compliance teams and processes.
- Reduce our carbon footprint, by zero-rating the group travel emissions by way of partnering with climate-neutral organisations.



4. Responding to the global Covid-19 pandemic outbreak

- We deemed Covid-19 a global crisis in early February 2020 and have been implementing protocols globally and locally since then (refer to pages 7 and 8).
- Our work includes scenario planning for how Covid-19 could evolve, the impact this could have on the countries we live and work in and the businesses we operate and invest in. We are assessing key business risks across our core segments and putting in place mitigation plans.



Monitoring of key risks

Capital	We aim to	Key risks	Measures to respond to opportunities and manage risk	Changes to risk to be considered
 Financial capital <p>At heart, we are entrepreneurs. Within the parameters set by the board, we continuously pursue growth, and set ourselves ambitious goals that create sustainable value for our stakeholders. We actively seek opportunities to improve and strive to preserve the value created within our existing businesses.</p>	<ul style="list-style-type: none"> Focus on investments in business models and technologies that hold promise for future growth and have potential to scale globally. Benefit the countries we operate in by creating business for local suppliers, employing people and giving governments their dues via taxes and levies. Manage our assets and liabilities with regard to the interests of our investors and other stakeholders and in accordance with board-approved risk appetite. Comply with relevant company law and securities exchanges regulations. Report accurately on our financial position and performance in accordance with applicable accounting standards. Avoid obsolescence of products and services. Minimise our investments in working capital. 	<ul style="list-style-type: none"> Global and political market disruptions. Insufficient funding to realise our ambitions. Unexpected changes in the value of our assets. Currency exchange fluctuations as well as navigating applicable exchange controls. Failing to compete effectively. Credit and counterparty risk. Fraud-related crimes and theft. Financial misstatement and/or failure to accurately disclose in our public reports. Most of our businesses are subject to extensive laws and regulations: legal or regulatory developments, including changes in tax laws, may have an adverse impact on our businesses. A number of new laws and regulations around consumer protection and privacy have been passed globally. 	<ul style="list-style-type: none"> We do not tolerate risk levels that impose an immediate threat to the group as a going concern. We tolerate currency translation risk as it is uncontrollable and, while short- and mid-term movements may be volatile, on the long run they are expected to be less impactful. We promote the operation of an effective internal control environment (no major failings have occurred to the knowledge of the directors) in our businesses and the audit committee oversees that the overall assurance sourced from various providers is sufficient to base upon the board's assessment on key risks in the overall risk profile. We respond swiftly to any cases of fraud displaying a zero-tolerance policy and in accordance with local laws. We develop and use AI, inter alia, to counter fraud and platform abuse. We have strong inhouse teams to monitor global and social/political developments, including legal, tax and regulatory, and adjust quickly. We diversify markets in which we invest. We allocate significant resources to analyse market developments and invest in early-stage opportunities to stay ahead. Development cost can generally be terminated at relatively short notice. We act early to ensure we have the funds and resources to realise our ambitions over the longer term and we manage the balance sheet conservatively. We currently have a large cash position and spread the maturity of debt facilities. We also ensure the group has utilised debt capacity to tide it over in times of difficulty. We invest funds and manage our cash and currencies in accordance with our group treasury policy which, inter alia, sets minimum standards to mitigate risk of counterparty default. In exercising our business strategy, we perform regular country and business reviews. We periodically perform and report on impairment of our investments. We operate a legal compliance programme, focusing, inter alia, on bribery and corruption as well as anti-money-laundering and particular restrictions specifically. We implement specific controls, such as diligent know-your-customer (KYC) processes and fraud detection. Leading advisers are used for reviewing markets or businesses, including due diligence processes, and legal and/or compliance-related risks are managed in consultation with external lawyers and specialist advisers within specific legal jurisdictions. We perform regular reviews of tax compliance and specific risk areas and apply responsible corporate citizenship as taxpayers while operating within tax control frameworks. We execute on a communication strategy for our shareholders and other stakeholders. Our internal relations team and our communications department are closely involved in every step of the process. Published segmental results enable the investment community to form an opinion of the valuation of the individual businesses in the group. We comply with IFRS accounting standards. In our payments segment, we operate rigid controls and escalation processes in relation to: <ul style="list-style-type: none"> assessing and approving merchant applications monitoring high-risk merchants, and chargebacks. The audit committee and PwC rigorously apply regulations around audit independence. Regular reviews of the effectiveness of auditors and their independence are performed. Both at the group level and at the individual business level, we operate adequate insurance programmes for various classes of risk and place cover with reputable underwriters. 	<p>Global market disruptions, mainly as a result of the global Covid-19 pandemic outbreak on top of heightened political and international trade tensions may impact on our ability to grow our businesses and deliver returns for our capital providers.</p>



Monitoring of key risks continued

Capital	We aim to	Key risks	Measures to respond to opportunities and manage risk	Changes to risk to be considered
 Human capital <p>We acknowledge that our employees' competencies, capabilities and experience, as well as their drive and engagement, is key to our success.</p>	<ul style="list-style-type: none"> Attract and retain high-calibre individuals to execute on strategy and build sustainable businesses. Back entrepreneurs and local teams by providing them with resources to accelerate growth. Provide our employees with focused career development and training. Foster a safe and healthy working environment where people feel cared for, heard and supported in their ambitions. Reinforce the leadership pipeline and accelerate the growth of top talent. Support the ongoing development and growth of our businesses and equip our people with new skills for tomorrow. Develop core business skills in the segments we invest in. Be fair and responsible in our remuneration practices and have a pay-for-performance remuneration strategy. Encourage diversity in our teams and thinking and build inclusive workplaces. Our employment philosophy is founded on promoting equality and preventing unfair discrimination. Be compliant with relevant labour laws in the countries where we operate. 	<ul style="list-style-type: none"> Human rights violation, including unfair treatment and remuneration, or engaging in practices that may adversely affect humans in any of the six capitals. Inability of existing employees to adapt promptly to changes in market and innovation and adapt business strategies accordingly. Failing to attract and retain sufficient talent to execute strategy, especially scarce talent in technology development and data science. Non-compliance with applicable occupational health and safety (OHS), and labour and economic empowerment laws. Our ecommerce businesses are exposed to increased OHS risk with management of warehouse facilities. Outbreaks of transmittable diseases may pose real risks to the health of our staff, especially with our global businesses and employees travelling regularly between territories. The Covid-19 outbreak has affected most of our businesses globally. Working from home for extended periods due to government lockdown measures may affect the productivity and wellbeing of our employees. 	<ul style="list-style-type: none"> Our legal compliance programme ensures compliance with applicable OHS, labour, economic empowerment, transformation and diversity laws. Human resources policies and procedures to address talent attraction, management and retention, development, succession planning, fair and responsible remuneration, working conditions, grievance procedures and diversity, inter alia, protect employees from human rights violation. We monitor labour legislation in the various countries we operate in and ensure we comply. Our governance guidelines and sustainability programmes aim to ensure that we do not indirectly impact on UN human rights principles. Our food-delivery businesses apply specific procedures to the hiring and monitoring of independent contractors. Strategies to develop employees and attract talent to meet the business's objectives, including learning and development initiatives (through MyAcademy that is on demand online and classroom-based), training, and employee wellness initiatives across the group. A global talent function focuses on attracting, retaining, developing and engaging people with key skills and rewarding exceptional performance. We do not accept material breaches of the applicable OHS laws which may result in injury or death. Business units are required to sign off annually on OHS compliance and any material incident must be reported to the risk committee, and corrective action taken to prevent future occurrences. OHS audits conducted in some countries. Close monitoring of travel advice by authorities and statements issued by WHO. We have low tolerance for vacancies in key positions (for longer periods of time). We prepare and table succession plans annually to the human resources and remuneration committee. We benchmark our remuneration practices and structure them to attract and retain critical talent necessary to achieve our objectives. These practices are overseen by the human resources and remuneration committee. 	<p>Increasing as a result of shortages of necessary talent and the effect of the global Covid-19 pandemic outbreak. Food delivery is enabled by a high number of drivers, who for the largest part are independent contractors but nevertheless require attention from various points of view from human resources, OHS and fair treatment.</p>
 Manufactured capital <p>Manufactured capital is key to our services and operations. Across the group, manufactured capital may include:</p> <ul style="list-style-type: none"> Office, service centre and warehouse buildings and equipment. Information and technology infrastructure and equipment. Distribution networks (such as customer service centres, retail outlets and courier services). Public infrastructure such as roads for delivering goods. Vehicles. Inventory/stock. 	<ul style="list-style-type: none"> Ensure that office buildings, warehouses, retail outlets, vehicles and equipment are efficient, well maintained and adequately insured against relevant risks. Operate a secure and resilient technological infrastructure. Manage our outsource partners to deliver on agreed service levels. Avoid obsolescence of products and services held for sale by procurement and inventory management. Minimise our investments in working capital. 	<ul style="list-style-type: none"> Natural or human-induced disaster, and political risk. Most of our businesses own either buildings (eg, offices, outlets, warehouses) and/or leasehold improvements and various types of (IT) equipment, office furniture, vehicles and other. Failure to operate these assets efficiently and/or to maintain these adequately could result in service interruption or write-offs and affect profitability. Furthermore, such assets are subject to potential theft and damage, which could result in losses should they not be appropriately insured. Failure of software, systems or infrastructure (eg, due to technical failures or cyber-attacks) could disrupt continuous services to our customers, affecting satisfaction. Data fraud or theft (hacks). Our South African businesses in particular may suffer from power shortages. Some of our businesses, especially in the B2C segment, carry significant inventory. Our Classifieds segment engages in car trading and may hold meaningful investments in cars for sale at points in time. Such inventory is subject to a wide range of risks, such as obsolescence, shrinkage and theft (including robbery of warehouse premises) and damage. 	<ul style="list-style-type: none"> The group's subsidiaries are required to act in line with the group's good governance guidelines, which, inter alia, aim to ensure effective management of IT- (and cyber) related risks across the group. This includes risks of data/information security breach and business interruption, for instance by implementing and testing disaster recovery plans as part of their overall business continuity planning. In territories where continuous power supply is a risk (as in South Africa), our businesses have contingency backup in the form of generators in place. Robust business planning, including working capital. We maintain adequate short-term insurance cover for our assets and consequential loss of income due to business interruption. Asset maintenance programmes. Contracting with and regular performance evaluations of our service providers. We maintain adequate service-level agreements with outsourcing parties. We run SAP in most of our B2C businesses and invest in other support systems to optimise our inventory planning and management and to ensure efficient warehouse operations. Our warehouse operations and procedures include rigid access control, separate storage of high-value goods, camera observation, etc. 	<p>Moving our IT operations to the cloud makes us asset lighter and more resilient against cyber-attacks but increases our dependency on outsourced services suppliers.</p> <p>Cybercrime remains rampant and requires significant focus and investment to protect our data and manage cybersecurity risks. The global Covid-19 pandemic outbreak may impact on the net realisable value of components of the inventory held by our businesses.</p>



Monitoring of key risks continued

Capital	We aim to	Key risks	Measures to respond to opportunities and manage risk	Changes to risk to be considered
Intellectual capital	<p>Intellectual capital (knowledge-based intangibles) includes intellectual property (IP) such as patents, copyrights, trademarks, domain names, confidential information, as well as institutional knowledge, systems, procedures and culture.</p> <ul style="list-style-type: none"> Use intellectual capital to drive customer-focused development and innovation strategies. Adequately protect our intellectual capital and not infringe on rights of others. Produce and acquire valuable content for consumption by our customers through our various platforms. Cultivate positive, innovative, ethical cultures within the group. Build intellectual capital through continuous investment in our people and knowledge-sharing programmes throughout the group. 	<ul style="list-style-type: none"> Ineffective response, including insufficient innovation, to meet our customers' changing demands and consumption patterns. Improper use and/or inadequate protection of IP, customer and privacy-sensitive data and other confidential information may cause us to lose market share, revenue and opportunities, whereas loss of privacy-sensitive data could give rise to regulatory action, including levying of fines. Reputational damage or liability due to infringement, theft or misuse of IP and rights of third parties by any of our businesses. Our systems and the data that they store are subject to various IT security threats, which target sensitive information, integrity and continuity of our services and/or reputation of our businesses. 	<ul style="list-style-type: none"> Developing strategically important IP assets, as well as attracting, managing and developing talent, encouraging innovation, and managing performance to meet targets. Developing relationships to grow intellectual capital, for example, relationships with universities, think tanks and others. Research and development spend strategies linked to value creation. We hold regular strategy and operations reviews, also to assess product and service development. Protect IP rights against infringement through effective cybersecurity measures guided by our global security policy. We prioritise cybersecurity and the continued development and enhancement of our controls, processes and practices designed to protect our systems and networks from attack, damage or unauthorised access. Support provided by group head of IP. Group guidelines and monitoring in place. Compliance with privacy-protection laws and, where applicable, Payment Card Industry - Digital Security Standards, forms part of management's responsibilities. Internal audit and risk support have a cyber team that actively engages with the cybersecurity experts across the group. IARS focuses on security as part of the design and build process, as well as on the security of live platforms through IT control reviews, IT risk assessments, penetration testing and ethical hacking. Our companies adopt agile development methods. 	Increasing as we need to increase our investment in data-driven technologies and run heightened risk of technology obsolescence or falling short in building AI/ML solutions towards our service and product offering.
Social and relationship capital	<p>We acknowledge that we are required to act in line with our values and code of business ethics and conduct, and carefully manage both internal and a wide array of external stakeholder relationships.</p> <ul style="list-style-type: none"> Build trust and maintain the businesses' licences to operate, our brands and reputation. Cultivate an ethical culture. Engage with our stakeholders and respond to legitimate and reasonable issues raised. Meet the requirements of regulatory and financial authorities (including securities exchanges) and participate in the development of policies beneficial to societies and markets in which we operate. Comply with relevant company and other applicable laws. Sustain corporate social initiatives focused, targeted and linked to business strategy. 	<ul style="list-style-type: none"> Unethical behaviour in breach of our code of business ethics and conduct, including bribery and corruption and unfair treatment of stakeholders. Loss of consumer trust, for example failing to deliver on our service promise, data-security breaches, non-compliance and inferior product offerings. A breach in customer, employee or business-partner sensitive data resulting in identity theft, discrimination or possible financial losses. Non-compliance with laws and regulations in the countries where we operate, specifically, but not limited to company law, data privacy, anti-bribery and anti-corruption, taxes and duties, licence conditions, consumer protection, anti-money-laundering, and international sanctions. Non-compliance with the rules of the Euronext Amsterdam, JSE, LSE or Euronext Dublin could result in the suspension of Prosus and Naspers shares and bonds from trading. Negative impact as a result of our business operations or products in societies in which we operate. Infectious diseases affecting societies in which we operate. 	<ul style="list-style-type: none"> Management is committed to setting the right tone at the top and we communicate our values as per our code of business ethics and conduct. We appoint leaders to develop and oversee the rollout of communications on company culture. This includes a company's purpose, mission, values and beliefs. We run ethics awareness initiatives, ensuring ethical standards for services and products provided. Anti-bribery and anti-corruption training and programmes as part of the legal compliance programme. We make our OpenLine whistleblower facility available for employees to report suspected unethical behaviour. Measuring and monitoring strength of customer relationships (such as Net Promoter Score) and strategy to ensure customer satisfaction. The group actively manages stakeholder relationships and responds to legitimate and reasonable issues raised by major stakeholders. We strive to provide increasing transparency, primarily through our integrated annual report and various stakeholder meetings, presentations and leadership interviews throughout the year. We continue to strengthen our regulatory teams, increase engagement with regulators and invest in corporate affairs, government relations and communication while operating a robust legal compliance programme. Adopting measures to protect customers (including frameworks and policies in place, and training and awareness) and ensuring customer privacy and data security are managed and monitored. This includes measures to protect against cyberthreats. Data privacy is managed by our data-privacy team and measures are taken to protect all sensitive data, including compliance with laws per territory. We further ensure our platforms conform to data-privacy requirements. 	No change.



Monitoring of key risks continued

Capital	We aim to	Key risks	Measures to respond to opportunities and manage risk	Changes to risk to be considered	
 Social and relationship capital – continued			<ul style="list-style-type: none"> Corporate social investment programmes that benefit the community and the business, such as providing learning and internship opportunities to students, contributing to the community and improving employment in the country, but also contributing to the human, intellectual and financial capitals of the business in the long term. We have a number of social responsibility and social impact projects that aim to uplift communities in which we operate – these projects are based on the needs identified per territory. An example is the Naspers Labs in South Africa. The company secretary manages compliance with stock exchanges' rules where Naspers securities are traded, including required submissions of reports and updates. The Naspers social, ethics and sustainability committee monitors compliance with BBBEE and similar industry charters in place for the South African businesses as well as other matters stipulated in the South African Companies Act. The group's tax department proactively engages with tax authorities and has developed a tax control framework to enhance transparency and respond to increased scrutiny from tax authorities. We apply best practice in our recruitment and selection processes. We periodically survey employee engagement and take corrective action where needed. Selection, onboarding and evaluation of drivers and running safety (awareness) programmes. Our businesses increasingly put insurance programmes in place to cover relevant drivers' liabilities. The insurance markets, however, are still in development in this respect. Management of our businesses run crisis simulation exercises from time to time. Internal audit periodically assesses the risk culture of selected entities. Results are indicative of the company's control environment and are discussed with segment and local management. The company accepts that infectious diseases are outside of our immediate control, and as a group we help to ease the impact on societies by way of financial assistance in some countries (refer to pages 7 and 8 for further information). 		
 Natural capital	<p>We acknowledge that we are required to act in an environmentally responsible way. As a technology investor, the group has a relatively low impact on natural resources. Our businesses consider the extent to which natural capital may significantly affect current or future operations; trigger legal or regulatory processes or fees, such as emission fees, have a financial impact, eg on insurance conditions; and affect company image or relationships with stakeholders, eg changing customer and employee preferences. Each business's responses to mitigate key risks and pursue opportunities will differ depending on the unique risks and opportunities in its operating environments.</p>	<ul style="list-style-type: none"> Comply with laws and regulations that relate to the environment. To be useful to the communities we serve, acknowledging that environmentally responsible behaviour forms part of that. Take advantage of opportunities to reduce our environmental footprint. Invest in high-growth markets and credible sustainable products that may offer new revenue streams. 	<ul style="list-style-type: none"> Increased natural hazard costs, security costs or resource costs. Increased compliance costs, new regulations or licence fees. Changing customer, supplier and employee values or preferences may lead to reduced market share and decreased loyalty. Our businesses as well as local communities where we operate may face reduced access to, or availability of, natural capital (eg water) or related ecosystem services. Worldwide extreme weather changes. Rise in consumption of electricity due to increased use of technology, leading to increased carbon emission footprint, adversely impacting climate change. 	<ul style="list-style-type: none"> We comply with laws and regulations that relate to the environment. We are a service company and prefer to invest in platform businesses, and as a result, our business models have an inherently lower natural capital requirement. Some contribute to reusing of products instead of buying new (eg Classifieds). Our diverse businesses across the group adopt appropriate environmentally sustainable practices minimising the impact on the environment, for example energy-saving, water-saving and recycling initiatives. Our sustainability programme initiatives include partnering with relevant climate groups to counter our effects, an example being zero-rating our travel carbon emissions by financing climate initiatives in emerging economies such as forestation and renewable-energy sources. We continuously seek to address ESG issues in the countries where they are most needed, for example, through our Greenseat partnership we contribute to projects based in India, South Africa and Brazil. Reducing operational costs by minimising consumption and impact. Reducing environmental compliance/regulatory fees and charges. 	Zero-rating of FY20 travel emissions. We currently report scope 1 and scope 2 emissions. We are in the process of prioritising the sustainability matters, including environmental matters, that are material to the group and to the individual businesses. Refer to progress made against our sustainability plan in the focusing on sustainability section on page 58. This will inform our action plans and focus areas. We will report on the outcome of this process in next year's report.

We focus on ensuring sustainability
to empower people
and enrich communities



Sustainability review

Contents

- 58 Focusing on sustainability
- 59 Our alignment to the SDGs
- 60 Data privacy and protection
- 62 Cybersecurity
- 63 Artificial intelligence and machine learning
- 65 Our people
- 69 The environment
- 70 Society
 - 71 Investing in South Africa's success
 - 71 Naspers Labs
 - 72 Naspers Foundry
- 73 Tax

Focusing on sustainability

At our core we strive to have a lasting positive impact on people's lives around the world – empowering people and enriching their communities long term. This has always been a fundamental part of who we are and what we do and we continue to evolve and strengthen the way we live up to our commitment to sustainability.

Our commitment

We are a responsible business committed to creating sustainable value for all our stakeholders.

Our commitment to sustainability is set out in our sustainable development policy on www.naspers.com. Operating as a sustainable business presents both opportunities and risks. Critical global risks include those reported on in the annual World Economic Forum's Global Risks Report. We recognise that our stakeholders are taking a growing interest in the long-term sustainability of our operations.

We take our responsibility seriously and are fully committed to identifying and focusing on our goals under our board-approved group sustainability plan.

The board oversees sustainability and the progress made against the sustainability plan. Our risk, and social, ethics and sustainability committees assist the board in this.

We measure and report on the sustainable value we create across the six capitals set out in the International Integrated Reporting Framework: financial, human, intellectual, manufacturing, social and relationship, and natural capital.

We recognise the importance of the six capitals and the United Nations' Sustainable Development Goals (UN SDGs), which address global challenges and aim to achieve a sustainable future for all.

As we continue to refine and evolve our sustainability strategy, we are working to identify and focus on the SDGs where we can make the biggest positive difference. Throughout this report we highlight examples of our impact against these SDGs.

Stepping up our sustainability focus



In 2019, we began a programme of gap analysis:

- We researched and analysed the most prominent environment, social and governance (ESG) requests received by the group, as well as publicly available sustainability information of other peer and non-peer companies.
- We conducted interviews with key group stakeholders in the various group functions.
- We engaged with the in-scope businesses in a number of ways, including face-to-face and online workshops.

In 2020, we identified key sustainability themes for the group to focus on in the next three years and what we need to do to develop detailed action plans. Identified topics cover employee, customer, societal and environmental themes.

As we move forward we intend to articulate and prioritise our group approach and strategy on topics that cut across the group and others that are more business specific.

The next step is to more clearly define our sustainability objectives, including formulating business-specific strategy and actions. This will enable us to translate key themes into goals and key performance indicators in the business plan, and to track, monitor and report on progress made over time.

Our aim is to ensure our sustainability initiatives are incorporated into strategy, business plans and day-to-day decisionmaking, and to develop appropriate reporting. We will focus on the material issues and SDGs on which we can have the biggest positive impact.

In the About this report section on page 5, we list the legislation and frameworks that inform our reporting.

We recognise the importance of the UN SDGs and the six capitals. On pages 17 and 18, we articulate our long-term value creation across the capitals, as well as our contribution to the SDGs.

Our framework

Every year we review our sustainability as part of our strategic planning. In the past two years we have progressively stepped up our planning in terms of sustainability and we are looking to continue with this in the years ahead. This builds on our long-term commitment as a group and also the different initiatives already under way across our diverse range of companies.

Our ongoing journey

To ensure we live up to our sustainability commitment, we will continue to:

- Align with the most appropriate reporting frameworks to support how we report.
- Engage with investors on environmental, social and governance (ESG) matters.
- Analyse the overlap between ESG reporting requirements and other reporting frameworks.
- Refine and evolve our sustainability approach through research, education and engagement.
- Report on progress to our risk, and social, ethics and sustainability committees and board, and also in our integrated annual report.

Operating responsibly

We are committed to operating responsibly throughout the group. Our commitment starts at the top with our board. We reinforce it through our tried-and-tested strategy, our groupwide culture and the guiding principles and policies we share with our different businesses. We bring it to life across a number of key areas.

Our key areas

Data privacy and protection

We focus on ensuring data privacy and protection.

- See more on pages 60 and 61

Cybersecurity

We are deeply committed to ensuring strong cybersecurity.

- See more on page 62

Artificial intelligence and machine learning

We continue to build on our capacity to capitalise on AI and ML.

- See more on pages 63 and 64

Our people

We are dedicated to providing meaningful work and an opportunity to learn and grow to our people.

- See more on pages 65 to 68

The environment

We seek to minimise our impact on the environment and to play our part in addressing critical issues such as climate change.

- See more on page 69

Society

We want to increase the positive impact we have on society so that people's lives improve and communities prosper in meaningful, sustainable ways.

- See more on pages 70 to 72

Governance

We underpin our sustainability across these key areas through good governance.

- See more on pages 78 to 89



Our alignment to the SDGs

As a global consumer internet group and technology investor, the group contributes to the UN SDGs on multiple levels and with different intensities. Naspers contributes to the SDGs on a group level through its strategy, its groupwide policies and its inherent investment activities. This results in a core focus on three main SDGs. Moreover, Naspers also contributes to the UN SDGs through the strategies and the initiatives sustained by many of its businesses worldwide.



Goal	Reference integrated annual report
Contribution at group level	
5: Gender equality Naspers strives to contribute to global gender equality and inclusiveness through its employment practices by creating a diverse and inclusive work culture. 	Sustainability review: <ul style="list-style-type: none">Our people: Focusing on gender diversity
8: Decent work and economic growth By investing in innovative businesses all around the world and actively promoting entrepreneurship, skills, development, access to financial services, Naspers is contributing to provide decent work and economic growth worldwide. 	Group overview: <ul style="list-style-type: none">Our business model Performance review: <ul style="list-style-type: none">Introduction
9: Industry, innovation and infrastructure Naspers supports businesses that develop financial and trade infrastructure worldwide. By investing in payment businesses and online marketplaces, Naspers contributes to the development of infrastructures and innovation in development of countries. 	Group overview: <ul style="list-style-type: none">Our business model Performance review: <ul style="list-style-type: none">ClassifiedsPayments and FintechFood Delivery
Contribution at business level	
3: Good health and wellbeing Through our employee value proposition and employment practices worldwide, we actively promote and encourage the wellbeing of our employees by implementing health insurance coverage programs in our businesses locally. Through our various businesses, we also contribute to improving health and wellbeing of our delivery partners and communities. 	Performance review: <ul style="list-style-type: none">Food Delivery (iFood) – Improving driver safety; Promoting wellbeing; and Helping drivers learn and prosperEtail (eMAG) – Promoting employee wellbeing Sustainability review: <ul style="list-style-type: none">Our people – Focusing on health, safety and wellbeing; and Taking the lead (Swiggy on welfare and training of delivery partners)
4: Quality education By developing and investing in online educational platforms, we enhance access to education by allowing the right skills to reach anyone in the world with an internet connection, no matter the age, gender, country, etc. We also allow technical and technological skills that are growing in importance in today's employment market to reach larger audience. 	Performance review: <ul style="list-style-type: none">Food Delivery (iFood) – Helping drivers learn and prosperEtail (eMAG) – Enhancing learning and development; and Encouraging educational excellenceVentures – Focusing on educationMedia24: Investing for positive social impact Sustainability review: <ul style="list-style-type: none">Society – Naspers Labs: Pioneering transformative learning
12: Responsible consumption and production We actively contribute to more sustainable consumption practices by promoting products' circular journey and sustainable options but also by initiating waste management and waste reduction strategies in our businesses. 	Performance review: <ul style="list-style-type: none">Classifieds – Championing conscious consumptionFood Delivery (iFood) – Environmental initiativesEtail (eMAG) – Managing wasteEtail (Takealot) – Ongoing environmental initiativesMedia24 – Environmental commitment Sustainability review: <ul style="list-style-type: none">The environment
13: Climate action We recognise the increasing climate risks and strive to minimise our impact on the environment and play our part in addressing climate change. In order to understand our carbon footprint and how to better reduce it, we currently measure our scope 1 and 2 emissions. Across the group we have various initiatives underway to minimise our environmental impact. 	Performance review: <ul style="list-style-type: none">Classifieds – Championing conscious consumptionFood Delivery (Swiggy) – Green cloud kitchensEtail (eMAG) – Reducing carbon emissionsVentures (Dott, Quick Ride) – Going green with Dott; and Focusing on IndiaEtail (Takealot) – Ongoing environmental initiativesMedia24: Environmental commitment Sustainability review: <ul style="list-style-type: none">The environment
17: Partnerships for goals In addition to our own initiatives, we support many organisations and partner at a local level to support the community around our businesses. Our partnerships focus on education, employment, safety and awareness, financial inclusion, hunger, etc. 	Performance review: <ul style="list-style-type: none">Classifieds – Investing in communities; and Making the most of sustainabilityPayments and Fintech – Acquiring Wibmo; and Contributing to communitiesFood Delivery – Training drivers in first aid; and Tackling hungerEtail (Takealot) – Making it easy for people to donate Sustainability review: <ul style="list-style-type: none">Artificial intelligence and machine learning – Looking aheadOur people – Focusing on gender diversitySociety – Naspers Labs: Working with group partners



Data privacy and protection

We are committed to ensuring data privacy and protection. This is core to our business.

Our commitment

We recognise that privacy is an important value and an essential element of public trust.

We strive to be a trusted company and we expect the same of all our businesses. 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 critical for the group, not only in terms of good governance and risk management, but also 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.

Our approach

A groupwide policy

Our policy on data-privacy governance sets out the responsibilities, principles and programmes for ensuring data privacy across the 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 our 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 start-ups in jurisdictions that may not yet have a data-privacy law.

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.

We are investigating the performance indicators that are most relevant for our operations to report on to our stakeholders.

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.

Our 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 responsibly.

"Consumer digital businesses are all about providing customers with something that improves their lives, and doing that in a trusted way. Our user growth and retention are predicated on this underlying trust in good, responsible data practices and that includes data privacy."

Justin B Weiss
Global head of data privacy

Building trust

We also focused on making sure users' experiences are positive by honouring their expectations and avoiding unwelcome surprises. Looking after and using data responsibly to deliver on our promises to users builds trust – the key currency of our consumer internet business.

Increasing regulation

The proliferation of regulation around the world beyond the EU's General Data Protection Regulation (GDPR) was another key area for us. Important strategic markets where we operate, such as China, Russia, Central and Eastern Europe, North America, Latin America, India, Southeast Asia, Africa, and the Middle East have advanced the cause of privacy and in many cases have introduced new legislation, which brings additional focus on regulatory compliance.

In the US, letgo focused on making product and procedure changes to comply with the California Consumer Privacy Act (CCPA), which came into force in January 2020.

In Brazil, iFood and other companies inside the Movile group stepped up and formalised their programmes to ensure they are ready to comply with the LGPD, Brazil's General Data

Data privacy and protection continued

Protection Law, which comes into force in the summer of 2020.

In India, we expect comprehensive data-protection legislation to come into force soon. We have been working hard to make sure our Indian investments have a strong awareness of the requirements and how they can leverage the group privacy model and expertise.

South Africa's data-protection law, the Protection of Personal Information (PoPI) Act, is getting closer to coming into force and our South African businesses, including Media24, Takealot, Naspers Labs and Naspers Foundry are building their compliance in preparation.

Raising awareness and understanding

Throughout the year, we significantly increased levels of awareness and understanding around data security and privacy. This included board-level engagement as well as developing and empowering data-privacy leaders across the segment.

Our secondment programme has been a highly effective way to grow our groupwide network of data-privacy leaders, and fortnightly calls are an invaluable opportunity for the network to share knowledge and discuss issues. In addition, we have been raising awareness among all group employees.

Data privacy and security by design

We have also been investing more time and effort in reinforcing our capabilities to address data-privacy and security issues at the design stage of new products and services and changes to operations. Building data privacy and protection in as early as possible is a key part of our commitment as a responsible consumer internet company and we will be increasing our focus on this in the coming year. We are working closely with the AI team on data privacy and security by design and we aim to do more, at scale, in the coming year.

We have been broadening the scale of our capacity as a group and as a collective of individual internet experts to do privacy assessments that anticipate customers' expectations at an early stage of product development.

To do this effectively, we aim to amplify our central data-privacy expertise and best practice with a growing army of data-privacy champions in the businesses themselves. We are empowering people around the world to understand the privacy issues and focus on local consumer-centric expectations and solutions in the most effective ways.

To this end we are keen to pursue a privacy engineering certification programme which will allow people across the different businesses to become qualified in privacy-by-design analysis. We are looking to cultivate this capability in the businesses across the group. It is an initiative in line with our broader groupwide decentralised approach which will help scale and accelerate our privacy by design. We aim to empower the businesses with the skills and resources to forge ahead in building privacy into their products and services at the earliest opportunity.



Camila's story

iFood Data Protection Officer (DPO) Camila Nagano shares her story of championing data privacy and protection in iFood and Brazil.

"Since college, I really liked the subject – I did my thesis on the right to be forgotten. My first contact with real privacy in practice was when Justin came to iFood and he gave a class on privacy 101 and I was amazed, I loved it. Justin proposed a secondment and the legal general counsel, Lucas, appointed me.

So, I went to Hong Kong on secondment in 2017 – it was a total life-changing experience. Besides getting to know the culture of a completely different country in Asia and meeting people from around the group, I learnt everything about privacy – not only how to understand privacy and prepare myself for the International Association of Privacy Professionals (IAPP) exam but also how to present at executive meetings. This was for me a turning point in what I really wanted to do.

I took and passed the IAPP exam in Europe. When I came back to Brazil, the Brazilian General Data Protection Law (LGPD) was due to be implemented the following year and it was interesting to be part of the preparations. Then the law was approved and everything started for real. That's when I stopped doing technology contracts and other roles and I started to be dedicated fulltime for privacy in iFood. I became one of the first Data Protection Officers (DPOs) in Brazil.



Here in Brazil, people don't have the same privacy culture as in Europe. It's very new, so it is much more than a legal role – it's an engagement role, a policy role and a tech role. I spend much more of my time talking with technology people than with lawyers, and that's very interesting for me. The best thing is that I can use all the experience I have learnt from GDPR and the Brazilian law and combine all the best practice.

One thing that also really helps is having biweekly calls with the group DPO network where we can all share experiences and insights.

We got a lot of attention from outside, because we are one of the few 100% Brazilian technology companies developing from scratch the means to be compliant with the privacy laws. We are pioneering a made-in-Brazil data-privacy solution. I'm really proud of it because we are building our privacy protection from zero. We want the best privacy standards for our users, for our drivers and our employees.

The thing I like the most is that it is never-ending work. Because it's not only about making sure we are compliant with LGPD – it's about the culture, policy-making and being the best we can, to keep building users' trust and bring much more value. There are always going to be new products, new technology and new regulation to discuss and to learn and new cases to think about. So, we can always keep improving privacy inside the company and across the country.

I've been invited to a lot of events to speak in the name of iFood. I am also part of a network of privacy professionals in Brazil, trying to plant the privacy seed around the country.

For me the main opportunity in Brazil is to be part of this educational moment, where we can teach people what privacy means, why it's important, how it's a differential in iFood's products and how we are building that to ensure we deliver data privacy and protection. The future is just starting. It's exciting!"



Cybersecurity

From senior leadership to our central team to the wider community across our businesses – we are deeply committed to ensuring strong cybersecurity.

Leading from the top

The board sets our groupwide cybersecurity policy. It has four key parts: good governance, good protection, good detection, and good response. This forms the backbone of our robust approach. We cascade the policy through the segments to the businesses, giving the businesses ultimate responsibility for making sure they implement strong cybersecurity in line with their own operations and challenges. For example, we expect each business to have the right level of incident management and crisis management to ensure a good response to any security incidents.

Central expertise

Our central cybersecurity team provides expert help and support to the segments and businesses. As part of our internal audit and risk function, the team's approach is to help the development of a competent, agile community of cyber and risk professionals. To this end, the team has three guiding principles:

- 1. Cyber is an enabler, not a blocker**
- 2. Help manage risk, not spread fear, uncertainty and doubt (FUD)**
- 3. Every employee is a cyber warrior**



The team undertakes about 70 advisory and assurance projects a year to help ensure cybersecurity is implemented well around the world by the different businesses, in line with our groupwide policy.

Major focus areas include business resilience, the security of the platforms at the heart of the businesses and, in turn, the security embedded in the software development life cycle.

Regular reporting

The team reports to the risk and audit committees four times a year. On two occasions, it presents an extended report on how well the businesses are doing against the policy – where they are now, where they were six months ago and where they are expected to be in six months' time.

The reports for the risk committee give a comprehensive overview, including the key risks, the biggest challenges and any major incidents. Formal audit reports are provided for the audit committee. This regular reporting enables senior leadership and key governance committees to stay in touch and on top of cybersecurity.

In addition, every three months the team leader meets with the head of internal audit and the group CFO to discuss the most important cybersecurity issues and where to focus in the months ahead.

Focused help and support

The team's audit work ranges from regular informal discussions with security leaders across the group through to formal audits of businesses as and when required.

As part of its advisory brief, the team coordinates a high level of active testing, including hiring teams of ethical hackers as well as using the responsible disclosure platform to stress test defences.

The aim is to keep testing and strengthening the security and resilience of the individual businesses and group as a whole.

The team provides a range of other advisory help and support, from assessing the cybersecurity risks and strengths of a business as part of a mergers and acquisition (M&A) project through to specific issues around a particular platform upgrade or change. The emphasis is not just on providing security advice around the technology but also in terms of helping the businesses meet their challenges, make the most of their opportunities and achieve their ambitions. The ultimate aim is to help our businesses grow and succeed in a safe and secure way.

Building a strong cyber-community

We also cultivate a strong cyber-community across the group. By connecting everyone they can quickly and easily exchange updates and know-how. It's also a great way to build a shared sense of belonging to something bigger and playing an important part in the success of the group as a whole.

Every six weeks the security leads from the different businesses get together on a call hosted by the central team lead. It is a great way for everyone to discuss hot topics and share updates on key events and risks.

This coming September the first of an annual series of cyber-retreats is planned where the security leads can align on strategy and focus on the year ahead.

For the wider cyber-community across the group, an online workspace has proven to be a very popular and effective way for all the security professionals to stay in touch, discuss the latest security trends and risks, and also come together to coordinate responses to incidents.

Cultivating our cybersecurity culture

In November 2019 we held our first Cyber Forward Conference, in Amsterdam. Building on the success of this two-day event, the plan for 2020 is to hold three Cyber Labs, in Latin America, Europe and India. This will enable us to take the event around the world and introduce more experimentation and interactions around building the security and resilience of the businesses.

Looking ahead

As the group grows, we will continue to ensure that cybersecurity remains a key focus across all our businesses. We are looking to broaden and deepen our culture of cybersecurity and also to extend our capabilities. On this front, we will be exploring the creation of cyber-internships, working with a local university in the Netherlands to develop a joint six-month master's programme. It is one of the ways we are investing in the next wave of cybersecurity talent to ensure we keep growing and succeeding safely and securely.

Bringing everyone together

"We travel a lot and we see all the security people from around the group. Our job is to cross-pollinate knowledge and bring best practices to the businesses. No matter how much we share, we cannot share too much."

Traje Dimkov
Group cyber coach

Our services at a glance

 **Risk-driven process reviews**

- IT risk assessment
- Business resilience assessment
- SDLC assessment
- Application security assessment
- IT general controls assessment

 **Data-driven deep dives**

- Cloud X-ray
- Data X-ray
- Process X-ray

 **Security testing**

- Ethical hack
- Cloud ethical hack
- APT simulation

 **Resilience exercises**

- Crisis simulation
- War gaming



 **Managed services**

- Security posture evaluation
- Crowd-sourced vulnerability programmes





Artificial intelligence and machine learning

We continue to build on our capacity to capitalise on artificial intelligence (AI) and machine learning (ML) across the group.

Critical importance

We have reached the point at which AI and ML are powerful and mature enough to make a critical difference to value creation. Increasingly, AI and ML are 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.

From image-recognition to the ability to interpret text, AI and 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, creating 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 valuable 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.

Our central AI and ML team focuses on three key tasks:

1. To accelerate – help all organisations in the portfolio activate the tools and opportunities necessary to get the value of ML realised as fast as possible.

2. To scale – ensure we use ML efficiently throughout the entire organisation, to serve customers better and improve our operational performance and efficiency.

3. To embed AI and 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 AI and ML by design.

Extending our capabilities

Building on the foundation we established in the last financial year, we have significantly extended our capabilities in AI and ML across the group. The teams have grown as has the capacity to execute across our three core segments: Classifieds, Payments and Fintech, and Food Delivery.

Implementing more models

Fuelled by the increase in capabilities, the number and depth of ML models going into production have almost doubled in a year. We now have many different targeted models touching every aspect of the platforms.

Leveraging learning

We are looking to take full advantage of our platform businesses across Classifieds, Payments and Fintech, and Food Delivery. For example, by applying best practice from the centre and leveraging learning in one segment across all segments. This is one of the key ways we ensure we make the most of the opportunities to build better recommendations engines, enhance search and manage data more effectively – so we can ultimately provide ever-better services and experiences for our users.

Creating a network of collaboration
We are boosting collaboration across the group through shared technologies. We leverage the ecosystem of ML experts across the group to share knowledge, practices and ML models. This enables local teams to jump-start developments, accelerate learning and bring models into production faster so that different businesses can develop new ML models, for example, for recommendation or dynamic pricing, quicker and more efficiently.



Training leaders

This year we continued and accelerated our AI and ML training for senior leaders from across the different businesses. We offer all leaders in the group the opportunity to attend AI For Growth, a three-day residential programme focused-designed by Prosus. It focuses on building shared understanding, a common language and insights into how to apply and make the most of AI and ML in their businesses. By demystifying the subject, putting the emphasis on practical use cases, and by identifying the key elements of successful AI strategies, the programme gives leaders the tools to make decisions on AI and ML for positive business impact. The programme runs approximately every eight weeks. To date, more than 100 leaders from across the group have been trained on the programme. It has helped activate a number of AI and ML initiatives in businesses around the world.

We are looking to go further with our leadership training through the development of an additional programme, AI In Depth. Planned for the coming financial year, this programme will dig deeper into key areas such as AI by design.

Training engineers

Across the industry, demand for data scientists remains higher than supply. One of the ways we are tackling this is by upskilling our own people, particularly our engineers and others who have a good base knowledge. The training programme lasts about six months and participants can gain a recognised qualification in ML. So far, more than 80 people from across the group have gained this qualification.

Artificial intelligence and machine learning continued



Training product managers

As our AI and ML teams develop more and more models, our product managers need to be able to take these models, put them into production, manage, maintain and upgrade them. We have introduced Machine Learning for Product Managers, a training programme designed to ensure product managers have the tools and knowledge to make the most of the many models we develop.

Training everyone

Last but not least, we have also introduced AI For Everyone. As the name suggests, this introductory training programme aims to give everyone across the group a solid grounding in AI and ML.

So far, more than 4 000 people around the world have undertaken this training. It is a critical part of our ongoing aim to embed AI and ML throughout the group so that it becomes key to our thinking, our everyday work, our innovative, entrepreneurial, always-learning and advancing culture.

Building across the segments

In Classifieds, we continue to apply AI and ML to make every step of the value chain better, faster, and cheaper – from onboarding customers to listing, verifying, selling, searching for and buying items. It plays a key part in improving the experience for both buyers and sellers – making it quicker, easier, safer, more effective and in turn increasing trading activity and customer retention.

In Payments and Fintech, AI and ML are supporting advances in fraud detection. We are also offering ground-breaking new credit services to underbanked people in India, based on ML algorithms for credit risk management.

In Food Delivery, we are using AI and ML to manage the mass of data and many different elements that go into delivering the right food to the right place as quickly as possible and critically, on time. iFood for example is using ML to predict how long it takes to prepare a specific dish at a particular time, so that the driver arrives just in time to collect the food for delivery. iFood also leverages ML to optimise delivery, for instance by batching orders. These applications of ML orders drive down the total cost of operation as well as increasing customer satisfaction and retention.

Looking ahead

We have started to support a programme of education called Data Science For Social Good. It began last year and we plan to continue and increase our involvement, for example by some of our people mentoring on the programme. This is part of our wider commitment to support the responsible use of AI for good.

We continue to focus on increasing the scale and speed of our AI and ML implementation through the adoption of specific platforms that streamline ML at scale. The aim is to embed ML throughout our operations and businesses and to compress the time it takes for a good idea to get into the hands of the customer where it actually makes a difference and adds value.

Aligned to this, we will still further our focus on AI by design, or the practice of designing new products and services so that they can automatically learn from data and user interactions. Our goal is that AI by design becomes a mindset and a capability shared across the organisation.

We are bringing all this together into an exciting initiative that we are taking forward into next year. A team drawn from the AI and ML experts at Prosus, together with product and domain experts from the segment, is focusing on developing in a short period of time innovative product concepts that can be tested, with the best ones being taken further. We are focusing here on making big advances, rather than incremental innovation. It reflects how we are intensifying commitment to scale and speed up how we turn AI and ML to the advantage of our companies, our customers, and all our stakeholders.

For more information on how AI and ML are being applied across the group in various businesses, see the performance review on pages 28 to 49.

"As well as sharing technologies, we are also making sure people have access to all the AI and ML skills, knowledge and competence from across the group. This network of collaboration enables people in the different businesses to advance with a jump, rather than a small step – to go further, faster. We want to remove any bottlenecks from the idea to the moment when we can create value. So we can really increase the speed and positive impact of AI and ML on our business."

Euro Beirat
Global head for data science and artificial intelligence



Our people

Our people are at the heart of our business – they make all the difference to our success. We are dedicated to helping our people be the best they can be by creating a diverse, inclusive learning organisation.

Attracting, developing and rewarding our great people

We face the challenge of the global shortage of digital talent every day – digital talent is scarce in all our markets. The best people have real choices about how and where they work, and who they work for – and our employee value proposition therefore remains critical in enabling the continued growth and success of our business.

To this end, we focus on creating an experience which:

- delivers career-enhancing professional development, and ongoing opportunities to network, learn and collaborate internally and externally

- recognises excellent work with fair and competitive rewards and enables us to compete for talent with global and regional/local consumer internet players
- offers meaningful jobs with a sense of purpose, in a company committed to deploying technology to address big societal needs and to enriching the communities in which we operate, and
- puts positive, engaging and inclusive culture and leadership at the heart of everything we do, in an environment where many different types of people feel happy and are able to do their best work.

Investing in learning and development

With the pace of change happening in our industry, we need to continuously invest in learning resources so our people can acquire the new skills needed to build strong and scalable technology products and services. Our approach is to prepare our people for upcoming job challenges by giving them access to the best learning resources.

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.



We employ smart people – we find them all around the world. We offer them interesting, relevant and meaningful work to do. We reward and recognise them for that work in a fair and market-competitive way. And we want them to be part of an engaging and positive culture in which the leadership standards, our ethics, and our commitment to doing the right thing is evidenced all around, and in which people know they are valued as the enablers of our business success.

PERMANENT EMPLOYEES

25 527

people employed by the group, compared to 20 196 in 2019

Making a wide range of learning accessible for everyone

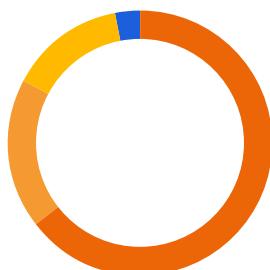
MyAcademy, our group online learning hub, connects our people, wherever they are located, to learning materials. We have curated the very best learning experiences from providers around the world, including our own education partners (Udemy, Codecademy and Brainly) as well as other leading global providers such as Big Think, Harvard Business School, Ready, Vado and Rosetta Stone, and our own, home-grown content.

Growing rapidly

MyAcademy has 30 000 users who have spent more than 240 000 hours learning online over the past year. We have seen that number grow rapidly over the past three years, to an average of 12 000 monthly active users.

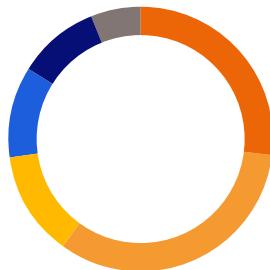
MyAcademy allows us to reach out quickly to our people all over the world in order to expose them to key topics and trends. This year MyAcademy has been a critical element in our ML and AI transformation plan. We used MyAcademy to train thousands of our non-engineering people in ML and AI, through our AI For Everyone course.

HEADCOUNT BY REGION (%)



Europe, Middle East and Africa	65
LatAm	18
Asia Pacific	14
America	3

HEADCOUNT BY SEGMENT FOR EMPLOYEES (%)



Etail	27
Classifieds	33
Media	13
Ventures	0*
Payments and Fintech	11
Food Delivery	10
Group functions	6

* Denotes figures of less than 1%.

FEMALE VERSUS MALE EMPLOYEE HEADCOUNT (%)

Female	43
Male	57

Our people continued

MYACADEMY

240 000

hours of learning over the past year,
compared to 180 000 hours in 2019

30 000

unique active users per month

12 000

monthly active users

We also provided ML and AI training for senior leaders, gave our engineers the opportunity to upskill through access to nanodegrees in ML, AI, and data science, and introduced ML programmes for product managers. See pages 63 and 64 for more information on AI and ML.

Training on machine learning, artificial intelligence and much more

Technology is in high demand and is a significant proportion of the total hours consumed online, but we also use MyAcademy to accelerate and strengthen our workforce capabilities on other topics critical to our future growth, from leadership and management skills to personal development and cross-cultural training.

Our live education programmes focus on leadership, management, business development, ML and AI. These sessions bring people together from across the group, giving them the opportunity to learn from each other, share best practices and interact with the best trainers and facilitators in their field.

We will continue to introduce our leaders to the latest innovations so they can translate them into practical business initiatives. For example, our AI For Growth programme equips business leaders with the skills and knowledge they need to build AI-centric businesses.

Cultivating a strong groupwide 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 an outstanding 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.

"Our talent is a competitive advantage – it defines the experience we give to our customers, the value we deliver to our shareholders, the success of our business. We aim to attract, motivate and retain the best people to enhance this advantage and create sustainable shareholder value."

Aileen O'Toole
Chief people officer

- 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, we offer share options/share appreciation rights and/or restricted share units to our eligible employees through 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 all employees and are available on www.naspers.com.

We deliver positive impact

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.

We learn

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.

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).

We encourage positive engagement

We believe happy and engaged employees create satisfying customer experiences and in a competitive global talent market, it is important that we provide our people with a compelling place to work. Our businesses actively encourage participation, address issues raised and share best practices.



Reflecting the diversity of our consumers

People who understand the local markets we operate in are a key strength and asset for us in building products that consumers love. Like many other consumer internet companies, we pay specific attention to gender diversity to address the under-representation of women in the technology sector.

We think about diversity and inclusion broadly and respect the dignity and human rights of individuals and communities wherever we operate in the world. Building an inclusive workplace where everyone feels welcome and can thrive regardless of their gender, gender identity, gender expression, transgender status, sexual orientation, class, race, religion, creed, colour, marital or family status, age, nationality, political association, or disability is critical for us. All our people are on this journey with us and we have provided access to education and content, so that they understand the important role they play and the positive impact they can have.

Our people continued

Focusing on gender diversity

While our commitment to create an inclusive workplace attractive to many kinds of people is broad, we face the same specific challenge as our consumer internet competitors in attracting and retaining female talent, especially into product and technology roles. Our efforts to address diversity in general and gender diversity specifically, span the whole employee life cycle. Our drive for diversity is led and championed by our chief executive, Bob van Dijk, who is a member of the Male Champions of Change global technology group <https://malechampionsofchange.com/globaltech/>.

Involving our employees

We are assessing our progress in building an inclusive workplace by asking all our employees for their feedback as part of our annual engagement survey (at my company

we care about gender diversity and we act on it). Monitoring the results enables us to understand if we are making the positive impact we want, and the results this year show great progress. We are further reinforcing the building of an inclusive workplace by including the topic in our leadership development programmes. We are committed to creating working environments that are free from harassment of any kind and have provided training and education to all our employees on our zero-tolerance approach to harassment, as well as guidance about how to raise any concerns.

Championing diversity beyond our business

This year, we have also hosted external events focused on diversity and inclusion in selected countries where we operate. In India, we hosted 100 senior female leaders from consumer internet companies in a series of events offering opportunities to network, join focus groups and share good practice.

Focusing on South Africa

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.

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 36 learners with disabilities graduating in formal learnership programmes – of the 36 learners, 32 learners have successfully completed the learnership and obtained their National Diploma in Customer Management.

The majority of these learners are now studying for the next qualification: a National Diploma in Generic Management Learnership. All in all we have 36 learners studying for this qualification, over a period of 12 months. They are due to graduate in April 2021. The total cost for this intake, including programme costs and stipends, is R7m.



Naspers: Broad-based black economic empowerment (BBBEE) generic scorecard⁽¹⁾

Element	Target score	Bonus points available	Bonus points achieved	Actual score achieved 2020
Equity ownership	25			20
Management control	9			2.61
Employment equity	10			4.26
Skills development	20	5	0.32	13.78 (includes the 0.32 bonus points)
Preferential procurement	27	2	2	17.75 (includes the 2 bonus points)
Enterprise and supplier development	15	2	2	17 (includes the 2 bonus points)
Socio-economic development	5			5
Total score	111	9	4.32	80.40 (includes the total 4.32 bonus points)
Performance (%)				72.43%
BBBEE-rating				Level 4
Priority elements achieved				Yes

⁽¹⁾ BBBEE is a form of economic empowerment legislated in South Africa.

Focusing on health, safety and wellbeing

The health, safety and wellness of our people is critical, given that our growth depends on their skills. Employee wellness is key to organisational sustainability. Accordingly, we care for our employees through various initiatives, recognising that a healthy and resilient workforce is essential to support the changes our business is navigating.

Managing risks

Health and safety risks are assessed as part of our risk management framework. Our group goal is to ensure the health and safety of our employees. 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 2020, no reports of serious injuries sustained by employees while on duty were reported.

We actively monitor travel risks and issues on an ongoing basis and take precautionary measures where needed. Due to the Covid-19 pandemic, we suspended business travel throughout the group at an early stage.

Ensuring a safe working environment

We regularly perform health and safety risk assessments to ensure that all our offices are safe working environments for all employees. In larger locations we have trained safety officers who know what actions to take to ensure employee safety and wellbeing in an emergency.

Focusing on safety for business travellers

We are committed to ensuring the safety of employees who travel for business purposes. All employees who travel are registered with International SOS, which provides real-time news and updates on global and local travel risks and issues, and guidance on health and safety matters when travelling. All our employees are covered by business travel insurance.

We actively support our employees to work remotely. This includes providing online collaboration tools and video-conferencing facilities to encourage and increase employee community and collaboration, and promote improved wellness through better work-life balance.

Promoting wellbeing

We promote and encourage wellbeing, and our local businesses offer varying benefits and programmes, including health insurance and employee assistance programmes. Some of our larger offices also offer onsite employee services, for example fitness facilities. This year, we launched an employee assistance programme (EAP) in 36 countries, allowing our people to access confidential counselling and advice in their own language.

Enabling flexible working

As well as ensuring our offices are modern, pleasant and safe working environments, we also enable flexible working arrangements to help our people find good work-life balance wherever possible.

We actively support our employees to work remotely. This includes providing online collaboration tools and video-conferencing facilities to encourage and increase employee community and collaboration, and promote improved wellness through better work-life balance.

Our people continued

Encouraging positive employee relations

We strive to maintain a healthy employee relations environment in which ongoing dialogue is embedded in our work practices. We use various formal and informal channels to engage people and encourage open communication, including leadership and CEO updates, webcasts, town hall meetings, team meetings, face-to-face gatherings and online collaboration and content sharing.

We promote safe reporting of feedback or issues with our people processes and practices. There are various mechanisms through which our employees can report issues or concerns, including a whistleblower helpline managed by an independent third party. Our Dignity at Work programme emphasises our zero-tolerance approach to harassment of any kind.

Taking the lead

We are committed to being a responsible leader in deploying technology that addresses big societal needs, improves people's lives and enriches the communities we live and work in. We care about the key issues facing our sector, including people's health, safety and welfare. We strive to be thoughtful and responsible, always considering how we can have a positive impact.



To this end, we are actively supporting our companies and partners in adopting market-leading and forward-thinking positions to address these issues.

For example, our Brazilian online food-delivery company, iFood, was one of the first online delivery platforms to launch insurance benefits in Brazil for the delivery partners, using the iFood platform.

iFood also promotes educational opportunities for delivery partners, offering online courses regarding safety standards, personal finances and entrepreneurship, customer service and proper equipment usage. Broader educational programmes are due to take place in the future. In addition, iFood is developing restaurant owner online training in general management, finance and sustainability.

iFood continues to work side by side with government stakeholders in Brazil to shape and modernise the future regulatory framework for the gig economy sector.

In India, Swiggy has more than 240 000 delivery partners, many of whom are women. Swiggy has paid particular attention to creating a safe and positive experience for female delivery partners, identifying 'safe zones' for women drivers to operate in and advising them on safe working practices.

Swiggy invests in training delivery partners in technology, driver safety and customer service. The company also has programmes and benefits for delivery partners' general welfare, including life insurance, educational and personal loans, rewards and recognition for exemplary performance.

Find out more in our review of our Food Delivery segment on page 31.

iFood's commitment

Multiply Prosperous relations

Increase iFood restaurants' reputation and increase deliveries by drivers that make more than minimum wage

Share meals to minimise hunger

Offer more than 20 million meals for vulnerable Brazilian people

Reduce Plastic delivery

Avoid sending 400 million plastic items in our consumer food deliveries

Add Diversity and inclusion

Increase the diversity and sense of inclusion and belonging among our people

Drivers and restaurants

Vulnerable people

Society and environment

People

Key issues during the year



Covid-19

We prioritise the health and wellbeing of our people, whether in the country where they work or in the course of business travel, and we took early and decisive action to support this, such as requiring people to work from home, and suspending business travel.

We actively monitor travel risks and issues on an ongoing basis and take precautionary measures where needed.

Pollution in India

Our offices in Gurgaon were affected by pollution last year. We took several measures in response to the risks to employees during this period, including the provision of face masks and onsite safety advice, and encouraging employees to work from home.

Water restrictions in South Africa

During periods of drought and water shortage in South Africa, we facilitated flexible working arrangements for all our employees to enable them to spend more time at home and work at different times.



The environment

We seek to minimise our impact on the environment. We also play our part in addressing critical issues, including climate change and the responsible use of natural resources.

Risks

As a group we acknowledge there are critical global risks, including those reported on in the World Economic Forum's Global Risks Report, notably the risk of climate change and global environmental and social risks. We are still investigating the extent to which these environmental and social risks impact our operations and how to mitigate these risks. Refer to progress made against our sustainability plan in the focusing on sustainability section on pages 58 and 59.

Impact

We currently report scope 1 and scope 2 emissions. We are in the process of prioritising the sustainability matters, including environmental matters, that are material to the group and to the individual businesses. Refer to progress made against our sustainability plan in the focusing on sustainability section on pages 58 and 59. This will inform our action plans and focus areas. We will report on the outcome of this process in next year's report.

In order to understand our carbon footprint and how to reduce it better, we currently measure our scope 1 and scope 2 emissions. In 2020 they totalled 32 190 tonnes of CO₂e (2019: 94 343 tonnes CO₂e). As was the case last year, electricity usage is our largest contributor, at 75% of our footprint. In 2020 we expanded our boundaries to include OLX. The Financial Control Principle has been elected by the group for the purpose of reporting the carbon footprint, and therefore recognition of control will match that of the financial statements and will recognise 100% of greenhouse gas emissions for all subsidiaries and the equity share of greenhouse gas emissions of joint ventures. Media24 is the business with the greatest share of our footprint,

	2020 tonnes of CO ₂ e	2019 tonnes of CO ₂ e (restated)*
Scope 1	8 054	24 035
Scope 2	24 135	70 307*
Total emissions	32 190	94 343

* Electricity is the highest contributor of total measured emissions at 75%.

at 38%. The 2020 carbon footprint excluded the MultiChoice Group, which was included in the 2019 calculation. The reason for the decrease in both scope 1 and 2 was a result of the unbundling of the MultiChoice Group. A discrepancy was identified in prior-year figures, which has now been restated to 94 343.

We obtained limited assurance on Naspers's scope 1 and scope 2 emissions for the first time in 2020. Please read the full assurance report which can be accessed on our website at <https://www.naspersreport2020.com/downloads.html>. The definitions of scope 1 and scope 2 emissions can be accessed on our website at <https://www.naspersreport2020.com/downloads.html>.

Looking ahead

As part of our sustainability plan, we plan to measure our scope 3 impact in 2021 to enable us to formulate our strategy to address our impact and report against set goals. We are also planning to align to the framework of the Task Force on Climate-Related Financial Disclosures (TCFD), and to cover this in next year's integrated annual report.

Initiatives this year

Businesses across the group have various initiatives under way to minimise their environmental impact. More information on these initiatives can be found in the performance review on pages 28 to 49, but we highlight some of the key ones here.



Offsetting carbon credits

At a group level we have partnered with Greenseat, part of the Carbon Neutral group, to offset our carbon credits for our corporate functions' air travel in the past year. This initiative will contribute to projects based in India, South Africa and Brazil.

Championing conscious consumption in Classifieds

We believe that classifieds is a force for good in the world - helping people consciously reuse and extend the life of all kinds of items, which in turn benefits the planet and communities. During the year, we launched our first Global Impact Report (<https://www.olxgroup.com/impact>). This pioneering report looked in depth and detail at the positive impact of using our classifieds platform in four key product lines: mobile phones, tablets, laptops and fashion. Resource savings for these products include material weight (including conflict minerals), energy-savings equivalent, water, and carbon emission-savings equivalent.

[See more on page 29](#)



Reducing carbon emissions and waste at eMAG

eMAG strives to reduce its carbon emissions. The introduction of its EasyBOX network, for example, has reduced last-mile delivery and promoted stacked delivery. In addition, eMAG has a fleet of 100% electric delivery vehicles for last-mile urban deliveries and starting in 2020, the eMAG warehouse in Joia și Chitila will be powered by 100% green energy. eMAG's waste reduction initiatives include using recycled packaging material, choosing the smallest size box for shipping to avoid overpackaging, avoiding single-use plastic, promoting the recycling of shipping materials after customers receive their shipment, and also offering customers free-of-charge pick-up for their old white goods to ensure these are disposed of responsibly. As a result, eMAG has reduced cardboard used per delivered unit by 40% YoY, and plastic used per delivered unit by 17% YoY, while also reducing the incidence of product damages per delivery.

[See more on page 40](#)



Reducing fuel consumption in Swiggy cloud kitchens

In Swiggy Access cloud kitchens, sensors monitor and regulate fuel and electricity consumption. In addition, infra-red burners have reduced fuel consumption by 20%.

[See more on page 35](#)

Going green with Dott

With our US\$21m investment in Dott through Ventures, we are backing green mobility across Europe. Dott makes it easy for people to share dockless electrical scooters and bikes for short-distance travel across cities in Belgium, France, Germany, Italy and beyond. More inner-city mobility, less inner-city pollution.

[See more on page 45](#)



Using 100% recycled packaging at Takealot

Takealot is using 100% recyclable packaging, with paper rather than plastic voids. An updated transport fleet of newer, larger, more energy-efficient vehicles also saves money as well as being 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.

[See more on page 42](#)

Reducing single-use packaging and items at iFood

iFood is undertaking a number of environmental initiatives. In the year ahead, iFood is committed to reducing the amount of disposable plastic items delivered to consumers. The work includes providing awareness through marketing campaigns and stimulating restaurants to rethink their procurement practices. Through the app, iFood will implement several initiatives to encourage sustainability practices. The first pilot is an opt in/out to give customers the choice not to receive unwanted disposable items - like cutlery, straws and cups. The second initiative is to give customers the option to replace plastic packaging and items by choosing biodegradable and other sustainable materials.

[See more on page 34](#)

[See more on page 49](#)

Minimising environmental impact at Media24

The business seeks to use technological innovation to create solutions that minimise environmental impact and performs regular risk assessments to identify the operations with the most significant impact. Media24 has a number of energy-efficient and recycling initiatives.



Society

As we grow our business around the world, we want to increase the positive impact we have on society. So that people's lives improve and communities prosper in meaningful, sustainable ways.

We invest in improving the communities we operate, live and work in, in a number of ways.

Social matters

Our approach to our employee value proposition, health and safety, data privacy, and diversity and inclusion can be found on pages 13, 29, 66 and 67.

The group encourages and supports different businesses to implement corporate social responsibility initiatives that have the biggest positive impact locally. Businesses on the ground around the world are best placed to identify and back the corporate social responsibility initiatives that will deliver the most impact.

Responding to the Covid-19 pandemic

The Covid-19 pandemic has created unprecedented challenges and uncertainties for everyone around the world. In responding to the evolving situation, we are ensuring that we safeguard our people, maintain our ability to serve our customers, and protect our businesses for the long term. As ever, the health and wellbeing of our people and our impact on the communities we serve remain our priority during this difficult period.

[● See more on pages 7 and 8](#)

Looking ahead

As part of our sustainability plan, we plan to better articulate the scale of our socio-economic impact.

EMERGENCY AID

R1.5bn

Naspers committed R1.5bn in emergency aid in response to Covid-19

[● See more on page 7](#)

Initiatives this year

There are various corporate social responsibility initiatives across the group. More information on these initiatives can be found in the performance reviews on pages 28 to 49, but we highlight some of the key ones here.

Classifieds is delivering social good

We are proud of the social good we deliver in Classifieds. We are the lifeline for individuals, from all walks of life, and for small businesses. We are good for individuals – enabling them to manage their own budgets and lifestyles, either buying items they could not afford new, or making money from items they no longer need, and especially in times of crisis. We are good for small businesses, too – providing a simple, easy-to-use and low-cost leads channel. We enable valuable social transactions whereby people meet in person, improving social cohesion in a more individualistic world.

[● See more on page 30](#)



PayU is building a world without financial borders where everybody can prosper

To build a world without financial borders where everyone can prosper, PayU is connecting consumers and merchants across high-growth markets in innovative, seamless, helpful ways that are revolutionising payments, credit and other financial services for people. In India for example, PayU has been pioneering credit for underbanked people.

[● See more on page 36](#)



Contributing to communities

PayU also undertakes a range of initiatives designed to contribute to communities across the Payments and Fintech segment. In Poland for example, PayU is one of the co-organisers of the RogoLOVE campaign, which aims to help improve the treatment conditions for children with cancer.

[● See more on page 38](#)

iFood is targeting affordable lunches with Loop

iFood has launched Loop – an innovative way to provide affordable lunches. Customers receive reasonably priced meals and save time; restaurants can fully use their kitchens' spare capacity; and couriers generate incremental income across a full day. At the same time, order batching significantly improves unit economics for iFood. With Loop, everybody wins. Loop is proving to be very successful. Currently in 54 cities across Brazil, the plan is to expand and scale Loop as quickly as possible.

[● See more on page 33](#)

Making lives better

Through its Make Lives Better programme, iFood is committed to delivering ever-greater sustainability benefits to restaurants, drivers, consumers – everyone involved in its rapidly expanding food-delivery ecosystem. Initiatives include improving driver safety; promoting the wellbeing of drivers; helping drivers learn

and prosper through the iFood Academy; training drivers on first aid; providing learning and support to restaurants; and tackling hunger in Brazil.

[● See more on page 33](#)



eMAG is encouraging educational excellence and promoting employee wellbeing

Across Romania, eMAG's Let's Go to School Olympics! and We Care About programmes focus on supporting and raising the level of education of children. eMAG also places a big emphasis on wellness and wellbeing – for employees and communities. Employees are encouraged to develop and exercise both mentally and physically. And through the 140 Beats per Minute Foundation programme, eMAG works with communities to promote sports as an essential part of education.

[● See more on page 40](#)

Supporting local businesses

eMAG also supports local businesses with the Open Romania programme. Introduced in 2019, it enables small businesses to trade their products and services on eMAG's platform without paying any commission.

[● See more on page 39](#)

Ventures is investing in better education for more people

Education is at the heart of strong societies and it is a key focus area for Ventures. There is a big demand around the world to enable people to learn more effectively and efficiently – whether that is helping schoolchildren learn or lifetime learning. Technology is playing a key part in meeting this fundamental social need. To date, we have invested over US\$570m in five education businesses.

[● See more on page 43](#)

Naspers is investing in the next generation of South African talent

Through Naspers Foundry we aim to invest R1.4bn in the next generation of outstanding South African tech start-ups in the coming years. And Naspers Labs is pioneering an innovative hyper-local programme to tackle youth unemployment across the country.

[● See more on pages 71 and 72](#)

Takealot is making it easy for people to donate to good causes

Takealot also has a longstanding link with Beautiful Gate, an organisation dedicated to supporting the welfare of underprivileged families in Cape Town. Whenever someone checks out of a Takealot site, they have the option to donate to Beautiful Gate. To date, donations totalled R4.5m.

[● See more on page 42](#)

Media24 is investing for positive social impact

Media 24 undertakes a number of initiatives to support its commitment to South Africa. These include policies to encourage procurement from small black-owned businesses; providing training to the Association of Independent Publishers; supporting enterprise development; and Via Afrika supporting the establishment of the WritePublishRead self-publishing platform.

[● See more on page 49](#)

Society continued

Investing in South Africa's success

We are proud of our South African roots and are dedicated to the long-term growth and success of the country.

Our commitment includes our ongoing investments in operating two key South African businesses: Takealot, the country's leader in ecommerce, and Media24, the leader in media.

It also takes in a range of social investments, for example to boost small businesses.

In addition, we are investing for sustainable socio-economic impact through two key initiatives: Naspers Labs and Naspers Foundry.

Two key initiatives for a bright South African future

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.

- An innovative project with a mission to be a driving force behind increasing access to economic opportunity.
- Ambition to help millions of young South Africans living in low-income peri-urban areas of South Africa into meaningful opportunities.

Naspers Foundry

Developing the next generation of South African businesses

Our start-up initiative focuses on helping talented and ambitious South African tech entrepreneurs develop and grow businesses that improve people's lives.

Naspers Labs

Pioneering transformative learning

Youth unemployment is one of South Africa's most pressing socio-economic issues. Naspers Labs is tackling this problem head on with its innovative combination of hyper-local community hubs and online learning and support.

Naspers Labs is pioneering a combination of online learning with an offline coaching and facilitation model to unlock full potential of these young 'creators'. In our fast-changing world where today's most in-demand jobs didn't exist a few years ago, this blended learning intervention has proven to be successful. Moreover, it's a way of learning that's not only in demand in South Africa, but around the world. In this way, Naspers Labs aims to offer unemployed young South Africans the opportunity to develop 21st century skills for entry-level employment positions.

Naspers Labs continues to grow and gather momentum. During 2019, we piloted the programme in partnership with RLabs. In 2020, we extended the piloting, established Naspers Labs NPC, a new company in the group, and enhanced the non-profit company's programme, culture, systems and processes.

More students; more Labs

To date, 2 070 young South Africans are either in or have been through the Naspers Labs programme, including 1 200 this year. 1 520 have graduated, including 650 this year. Moreover, 62% have become economically active within three months of graduating.

In 2019, we opened two Labs, including a large SuperLab, in Cape Town. In March 2020, we opened two new Labs, the first Johannesburg Lab, in Wynberg, serving the Alexandra community, and a Lab in Cape Town, in Khayelitsha.



Building a diverse team

We currently have 67 team members, of which 60% are graduates of the programme, 64% are female, and 97% are from historically disadvantaged backgrounds. In the fourth quarter of the financial year, we recruited 35 new team members, primarily to staff the two new Labs.

Being hyper local

Just as we focus on the Labs being a part of the local communities and drawing local young people in, we also strive to hire locally and support local businesses.

Investing in training our team

Throughout the year, we undertook extensive employee training of 350 to 500 hours per person, depending on their role. This includes training for all Labs team members on ethics and professional conduct, as well as our HR policies, security training, first-aid training, and resilience and psychological safety training; a full onboarding and orientation programme, including a two-week culture infusion; and revised programme training. We have also delivered technical training for specific posts such as Lab Community Activators, Lab Programme Managers and Lab Parental Figures.

Society continued

Applying artificial intelligence

We have developed an AI recommendation algorithm – which takes into account everything we know about an individual's learning potential, socio-economic context, character traits, and soft skills to help us place them into 19 entry-level job-learning pipelines. The jobs range from software developers to administrative assistants to micro-entrepreneurs. Learners ('creators') follow a curated curriculum of courses provided by Udemy, a Naspers Ventures-backed edtech investment, for each of the pipelines.

Working with group partners

Apart from Udemy, we also work closely with other group partners, particularly Takealot. South Africa's leading ecommerce business has hired Labs graduates into its call centre. It has also donated R600 000 worth of phones, computers, headphones and other popular items, which students can earn through a digital currency system in return for participating in the programme and volunteering in the community.

Looking ahead

Naspers Labs will continue to pursue its ambitious vision and mission – pioneering ways to solve youth unemployment in South Africa. To this end, next year we will be looking to develop a model which will enable the Naspers Labs approach to be taken on and implemented more widely. There is a great deal still to be done to tackle youth unemployment, and we are determined to do as much as we can to help and lead in giving young people the best possible education and opportunities to improve their lives and the sustainability of their communities.

Naspers Foundry

Why Naspers Foundry

Naspers Foundry brings several distinctive benefits for South Africa's tech start-ups:

- The reassurance of the Naspers name – we are known and trusted in the tech start-up community.
- The founder-friendly Naspers approach to investing – we trust founders to run and grow their own businesses.
- Our long-term view and commitment – we back entrepreneurs to grow and succeed for years to come.
- Our global network – start-ups can make the most of the capabilities and contacts we have around the world.

Backing talented and ambitious South African tech entrepreneurs

Naspers Foundry will invest R1.4bn to help talented and ambitious South African tech entrepreneurs develop and grow their start-up businesses.

Naspers Foundry will strengthen and encourage the South African tech ecosystem by investing in notable South African tech start-ups. Naspers Foundry fully aligns with our groupwide approach to backing and growing great entrepreneurs and businesses around the world.

We are therefore looking to back South African entrepreneurs with unique insights into their local communities.

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 start-ups 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 local economy. 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.

To date, Naspers Foundry has invested into two businesses: SweepSouth and Aerobotics.

Helping SweepSouth go far

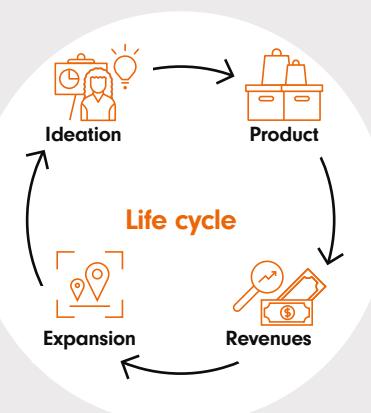
In June 2019, Naspers Foundry made its first investment, putting R30m into SweepSouth, Africa's first online home cleaning services marketplace, which connects clients to vetted domestic cleaners. SweepSouth was founded by Aisha Pandor, who holds a PhD in Human Genetics and her husband, computer scientist Alen Ribec.

With over 7 000 cleaners, and thousands of satisfied customers being served monthly, SweepSouth's mission is to create happy homes by providing dignified, flexible work at decent pay to its network of cleaners – its SweepStars. All the SweepStars, predominantly single mothers with dependants, are interviewed by SweepSouth before they start using the platform.

During the year, we provided practical help, including introductions and local know-how, to help SweepSouth expand into Kenya. Looking ahead, SweepSouth aims to go further – launching similar services in Botswana, Nigeria and Ghana.

Naspers Foundry aims to:

- encourage the South African start-up ecosystem
- support tech start-ups that help improve people's lives
- build the tech businesses of the future
- stimulate local economies, and
- create jobs and opportunities for South Africa



Throughout the year, we also provided a team of digital marketing specialists to help SweepSouth increase its conversion rates, plus advice on managing cash flow and other areas.

Due to lockdown restrictions, SweepSouth was unable to operate its core cleaning service business from 27 March 2020 and resumed operations on 1 June 2020. This had a negative impact on financial performance.

This is in line with our groupwide founder-friendly culture of working in close partnership with the companies we invest in – being practically helpful to entrepreneurs without being overbearing. It's the same in Naspers Foundry, too. We are careful to choose start-ups with ambitious founders who can really build their businesses, and we help them get on and do that – backing them all the way.

Towards the end of this financial year, Naspers Foundry announced that it had agreed to invest R100m into Aerobotics, subject to regulatory approvals.

Smart tree crop management

Aerobotics provides artificial intelligence-driven, drone-enabled intelligence for tree crop management. Having made significant progress in the South African market, Aerobotics is rapidly expanding both in South Africa as well as in the United States and Europe. Aerobotics was founded by two South African engineers James Paterson and Benji Meltzer, who met at the University of Cape Town, and after their postgraduate studies at Massachusetts Institute of Technology in aeronautical engineering and Imperial College London in artificial intelligence respectively, returned to South Africa and established Aerobotics.

Naspers Labs



R130m

To date, Naspers Foundry has invested more than R130m into two businesses: SweepSouth and Aerobotics.

Tax

Naspers aims to contribute positively to the communities and countries in which it operates. We are a global group and our businesses are located and operate in many countries around the world. Although we are a global group, we operate and pay taxes locally. We employ people in the countries where the businesses are, we contribute to supply chains in those countries, we develop businesses and create opportunities in those countries and we pay taxes locally in those countries. We recognise that the tax we pay is an important element of our broader economic and social contribution to the communities and the countries in which we operate.

Naspers businesses pay taxes locally, in the countries in which the businesses 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 set out in the Naspers group tax policy which is available on our website, www.naspers.com/about/tax.

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

The global Covid-19 pandemic has challenged the corporate world to work closely with governments, communities and citizens to ensure an effective response to Covid-19. "Could this mark the dawn of a new era of social awareness and contribution?", Bob van Dijk recently asked. We at Naspers are well positioned to further our contributions in the countries where we operate as we are already closely aligned with and integrated into those communities - a global group with local businesses.

Naspers continues to show a meaningful normalised effective tax rate of 28.13% for FY20. The group accounts for its share of the results of its equity-accounted investments net of the taxation recognised by those investments.

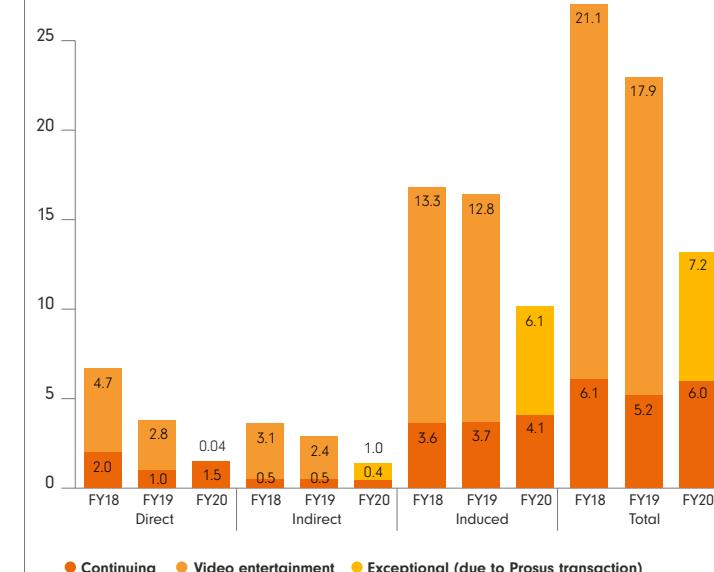
In order to provide a more comparable effective tax rate, the tax recognised as part of the group's share of the results from equity-accounted investments is included, for purposes of the calculation of the normalised effective tax rate, in the total tax recognised by the group.

GLOBAL TAXES

R13.2bn

total tax contribution by Naspers to public finances in South Africa in FY20

NASPERS'S TOTAL TAX CONTRIBUTION (R'bn)



Source: Naspers, EY analysis

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 28.13%.

As part of its mission to create value by improving people's lives, the Naspers group measures and reports on the social and economic contribution it generates.

Naspers conducted an Economic Impact Assessment (EIA) of its activities in South Africa for FY18 and FY19 which demonstrated how the group supported the economy and society of South Africa through its tax contribution.

The study summarised direct and indirect tax payments by Naspers as well as its induced tax contribution.

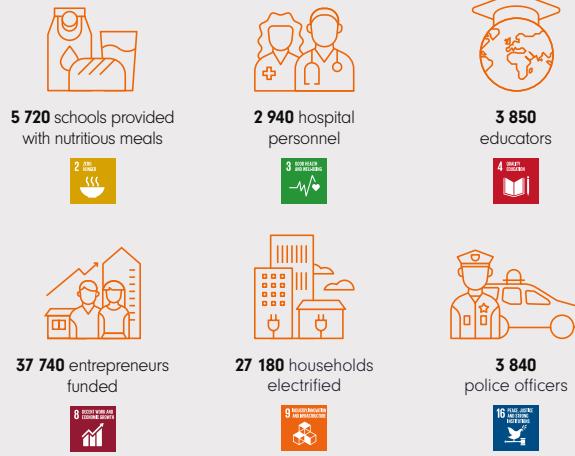
During FY20, Naspers contributed an estimated R13.2bn to the South African public finances

The total tax contribution by Naspers to public finances in South Africa in FY20 stood at R13.2bn. This was supported by R6bn from continuing operations, while exceptional items resulting from the listing of Prosus N.V. by Naspers resulted in estimated tax payments of R7.2bn. Overall, this tax contribution was 43% lower than the total contribution in FY19. This reduction in the tax contribution in FY20 is largely attributable to the unbundling of the video-entertainment group, MultiChoice in March 2019. However, the contribution made by continuing operations increased by 16%.



Tax continued

Illustrative examples of social impacts enabled by Naspers's tax contribution in South Africa in FY20



Source: EY analysis

Through its tax contribution, Naspers helped South Africa make progress towards some of its most pressing social objectives

In its National Development Plan, the South African Government has set itself an ambitious objective to eliminate poverty and reduce inequality in South Africa by 2030⁽¹⁾. Naspers aims to promote social benefits in countries where it operates by making a real difference to people's lives and communities. Helping the Government to fund some of the most pressing social priorities through its tax contribution is one of the ways Naspers plays its part in promoting the social progress in South Africa.

Above are some illustrative examples of social benefits generated by Naspers if the National Treasury apportions Naspers's total tax contribution of R13.2bn based on the allocation set out in the Budget Review 2020⁽²⁾. In each case, relevant Sustainable Development Goals to these examples are noted.

⁽¹⁾ South African National Planning Commission, National Development Plan 2030: Our Future – make it work.
⁽²⁾ National Treasury of the Republic of South Africa, Budget Review 2020.

HIGHLIGHTS

62.7%

of the people employed in FY20 were based in the Media segment

28.7%

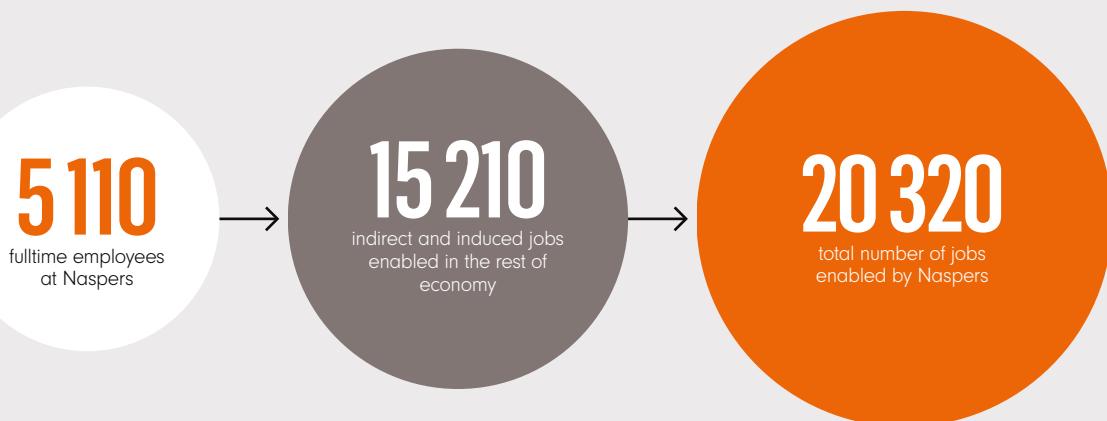
of the people employed in FY20 were based in the Etail segment

Naspers has in addition to the social benefits enabled by its tax contributions also supported a total of 20 320 jobs in South Africa, both directly and through its connections to other sectors of the wider South African economy

In FY20, Naspers directly employed 5 110 people in South Africa on a permanent basis. The majority of this employment was based in the Media segment (62.7% of the total), followed by Etail (28.7%), Classifieds (4.8%), Corporate (3.2%) and Payments and Fintech (0.6%).

Naspers also enabled a further 15 210 fulltime equivalent (FTE) jobs in the wider economy through its supply chain ('indirect employment') and via the impact of supported consumer spending ('induced employment'). This takes the total contribution of Naspers in FY20 to over 20 000 jobs.

Naspers's total employment contribution in FY20



Source: Naspers, EY analysis

We build businesses with broad potential
to empower people and enrich communities

Governance

Contents

- 76** Our board
- 78** Governance at a glance
- 90** Remuneration at a glance

Our board



Koos Bekker

67, South African and Dutch
Non-executive chair

Koos Bekker is the non-executive chair of the board. He led the founding team of the M-Net/MultiChoice pay-television business in 1985. He was also a founder of MTN Group Limited, a South Africa-based multinational mobile telecommunications company. He headed the group in its international and internet expansion until 1997, when he became chief executive officer of Naspers. He retired as the chief executive officer of Naspers on 31 March 2014. On 17 April 2015, he succeeded Ton Vosloo as chair of the Naspers board. He holds a BA(Hons) and honorary doctorate in commerce from Stellenbosch University, an LLB from the University of the Witwatersrand and an MBA from Columbia University.



Bob van Dijk

47, Dutch
Chief executive officer and executive director

Bob van Dijk is our chief executive officer and an executive director. He was appointed as chief executive officer of Naspers in April 2014. He joined the group as Allegro Group chief financial officer in August 2013 and was promoted to chief executive officer Global Transactions Ecommerce in October 2013. He has over 15 years of general management experience in online growth businesses globally, spanning the online marketplaces, online classifieds and fashion segments. Prior to his general management career, he was a founder of an online financial derivatives marketplace. In June 2020, Bob was appointed to the board of Booking Holdings Inc. at the company's annual general meeting. He started his career at McKinsey & Company, focusing on mergers and acquisitions, and media. He holds an MBA(Hons) from INSEAD and an MSc (cum laude) in econometrics from Erasmus University Rotterdam.



Basil Sgourdos

50, South African and Greek
Financial director and executive director

Basil Sgourdos is our financial director and an executive director. He was appointed as the financial director of Naspers in July 2014. He worked for PricewaterhouseCoopers Inc from 1989 to 1994. Thereafter he joined Naspers, initially as the finance manager of the South African operations division in MultiChoice and then as chief financial officer of Naspers's investment in United Broadcasting Corporation plc, listed on the Stock Exchange of Thailand, where he remained for 10 years. He then spent two years in Amsterdam as the general manager of the video-entertainment business development globally before being appointed as financial director of MH Holdings Proprietary Limited (MH Holdings) in January 2009. He held this position until he became the financial director of Naspers. He is a qualified South African chartered accountant and holds a BCom from the University of the Witwatersrand and BAccHons from the University of South Africa.

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S



Hendrik du Toit

58, South African and British
Lead Independent non-executive director

Hendrik du Toit is an independent non-executive director. He was appointed lead independent director of Naspers on 1 April 2020. Hendrik is chief executive officer of Ninety One (previously Investec Asset Management). Hendrik entered the asset management industry in 1988. He joined Investec in 1991 as founding member of Investec Asset Management and remained chief executive officer until he assumed the role of joint chief executive officer of the Investec Group on 1 October 2018 up to the demerger and listing of Ninety One on 16 March 2020. In 2019, Hendrik joined the Advisory Boards of the UN Business and Human Security Initiative and the Impact Investing Institute. Previously, Hendrik served as a non-executive director of the Industrial Development Corporation of South Africa. He has also served on the Advisory Board of the Sustainable Development Solutions Network, the Expert Board of HM Treasury's Belt and Road Initiative, and as Commissioner of the Business and Sustainable Development Commission, which authored the report Better Business Better World in 2017. Hendrik holds an MPhil in economics and politics of development from Cambridge University, as well as an MCom in economics from Stellenbosch University.

N

A Audit committee

R Risk committee

S Naspers social, ethics and sustainability committee

P Project committee (previously referred to as the executive committee)

N Nomination committee

H Human resources and remuneration committee

Executive
Non-executive
Independent non-executive
Chair



Emilie Choi

41, American
Independent non-executive director

Emilie Choi is an independent non-executive director. She serves as chief operating officer at Coinbase, Inc. (Coinbase), the world's largest regulated cryptocurrency exchange. She oversees operations in seven countries, across three continents. Since joining Coinbase in early 2018, she has overseen more than 10 acquisitions and 50 venture investments. Prior to Coinbase, she spent more than eight years at LinkedIn Corporation as the vice president of corporate development, and led all M&A deals in the company's history, including its biggest deal to date, Lynda, as well as leading a number of joint ventures in China. She has also worked in corporate development and strategy roles at Warner Bros. Entertainment Inc. and Yahoo, Inc. She is also on the board of directors of ZipRecruiter, Inc., a marketplace for jobseekers and employers. She holds an MBA from the Wharton School of the University of Pennsylvania as well as a BA in economics from the Johns Hopkins University.

R
H



Manisha Girotra

50, Indian
Independent non-executive director

Manisha Girotra is an independent non-executive director. She is the chief executive officer of Moelis India. She has more than 25 years of investment banking experience, with crossborder mergers and acquisitions expertise across a broad range of industries. Prior to joining Moelis & Company, she was the chief executive officer and country head of UBS AG in India, managing its investment bank, commercial bank, markets, equity research and wealth management divisions. Previously, she was head of North India of Barclays Bank PLC. She began her investment banking career at ANZ Grindlays in London. She serves on the boards of directors of Ashok Leyland Limited and Jio Payments Bank Limited. She holds a BA(Hons) in economics from St. Stephen's College, India and a masters in economics from the Delhi School of Economics, India.

A



Don Eriksson

75, South African
Independent non-executive director

Don Eriksson is an independent non-executive director. He is the chair of Oakleaf Insurance Company Limited and Renasa Insurance Company Limited. On 11 June 2020, he retired from the board of MultiChoice Group and other MultiChoice companies. He served on the council of the Institute of Directors of South Africa (IoDSA) for a number of years, of which he is an honorary life member, and as a trustee to the Discovery Health Medical Scheme. He was a partner at Coopers & Lybrand (now PricewaterhouseCoopers Inc) and an executive director of the Commercial Union group of companies (CGU Insurance Company (SA) Limited, Commercial Union Life Insurance Company Limited and Sentrasure Limited). He is a qualified South African chartered accountant and holds a certificate in the Theory of Accountancy from the University of the Witwatersrand.

A*
R*
S*



Craig Enenstein

51, American
Independent non-executive director

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

H*
N



Rachel Jaffa

59, South African
Independent non-executive director

Rachel Jaffa is an independent non-executive director. She is a professor in 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, chair of the Cape Town Carnival Trust, a member of the Management Committee of the Bureau for Economic Research at Stellenbosch University and a member of the International Advisory Board of Fondação Dom Cabral Business School, Brazil. She was appointed as chair of the Media24 board of directors in April 2013. She is the chair of the Media24 nomination committee. She is also a director of Naspers Beleggings (RF) Limited. She holds an MEdcon and a PhD from the University of Stellenbosch.

A
R
N*
S
P

Our board continued



Nolo Letele

70, South African
Non-executive director

Nolo Letele is a non-executive director. He 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 MultiChoice's West African regional general manager. In 1999, he was appointed chief executive officer of MultiChoice South Africa Holdings Proprietary Limited (MultiChoice SA), and later served as the MultiChoice group chief executive officer until 2010, when he was appointed executive chair of MultiChoice SA; currently non-executive chair. He has won several awards including Media Man of the Year in 2001 (Saturday Star—Business Report); Media Owner of the Year in 2003 (Financial Mail AdFocus); and the Lifetime Africa Achievement Prize for media development in Africa (Millennium Excellence Foundation). He holds a BScHons in electronic engineering from the University of Southampton.



Ying Xu
56, Chinese
Independent non-executive director

Ying Xu is an independent non-executive director. She is the president of Wumei Technology Group (Wumei, or Wumart), a technology-driven retailer in China. Deeply engaged in the retail business for 15 years, Ms Xu has strong insight and knowledge of consumers in China, especially in retail, online and offline. Prior to joining Wumei Technology Group, Ms Xu was vice president of LG (a joint venture) at Tianjin International Trust & Investment. Ms Xu holds a BA degree in English from Tianjin University, China, and an MBA from Meinders School of Business, Oklahoma City University, United States.



Roberto Oliveira de Lima
69, Brazilian
Independent non-executive director

Roberto Oliveira de Lima is an independent non-executive director. He developed his career at companies like Accor S.A., Rhone Poulen S.A. (now part of Sanofi S.A.) and Compagnie de Saint-Gobain S.A. in the information technology and finance areas. 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. (Natura). He was previously a board member of Edened S.A. in France, Pão de Açúcar S.A. (Casino) and Natura Brazil. He is a member of the board of directors of RNI Negócios Imobiliários S.A. In April 2019, he left the board of directors of Telefónica Brasil S.A. after 14 years with that company, having served six of those years as president and chief executive officer and eight years as a board member as well as quality and services committee member. 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.



Debra Meyer
53, South African
Independent non-executive director

Debra Meyer is an independent non-executive director. She is a 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 University and the Gordon Institute of Business Science, University of Pretoria and makes regular contributions to several newspapers and magazines. She serves as a trustee or board member for several organisations. She is also a director of Naspers Beleggings (RF) Limited. She holds a BSc in biological sciences, a BSc-Hons and an MSc in biochemistry from the University of Johannesburg (then, the Rand Afrikaans University) and a PhD in biochemistry and molecular biology from the University of California, Davis (which she attended as a Fulbright Scholar).



Steve Pacak
65, South African
Non-executive director

Steve Pacak is a non-executive director. He 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 Limited as well as companies in the Naspers group. He was appointed as an executive director of Naspers in 1998 and a non-executive director on the Naspers board on 15 January 2015. He retired as Naspers's financial director on 30 June 2014 and remained on the Naspers board as a non-executive director. He is a qualified South African chartered accountant and holds a BAcc from the University of the Witwatersrand.

A Audit committee
R Risk committee
S Naspers social, ethics and sustainability committee

P Project committee (previously referred to as the executive committee)
N Nomination committee
H Human resources and remuneration committee

● Executive
● Non-executive
● Independent non-executive
* Chair



Mark Sorour
58, South African
Non-executive director

Mark Sorour is a non-executive director. He joined the Naspers group in 1994, leading business development and corporate finance, globally. Following assignments in Hong Kong and Amsterdam, he returned to Cape Town in 2002 as the Naspers group's chief investment officer, being responsible for all global investment activities. On 31 March 2018, he retired after more than 20 years with the Naspers group. He remained on the Naspers 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.



Cobus Stofberg
69, South African and Dutch
Non-executive director

Cobus Stofberg is a non-executive director. He was a member of the founding team of the M-Net/MultiChoice pay-television business in 1985. He served as chief executive officer of the group from 1997 to 2011, and has been instrumental in the expansion of the Naspers group. Prior to joining M-Net, he was a partner of Coopers & Lybrand (now PricewaterhouseCoopers Inc.). He is a qualified South African chartered accountant and holds a BComLaw and LLB from Stellenbosch University and a BComptHons from the University of South Africa.



Ben van der Ross
73, South African
Independent non-executive director

Ben van der Ross is an independent non-executive director. He was chair of Strategic Real Estate Management Proprietary Limited, the managers of the Emira Property Fund. He served on the boards of directors of, among others, Distell Limited, FirstRand Limited, Lewis Group Limited, Pick n Pay Holdings Limited and MMI Holdings Limited. He is also a director of Naspers Beleggings. He is an attorney of the High Court of South Africa and holds a DipLaw from the University of Cape Town.

Governance at a glance

Focus areas this year

Strategy

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

[Read more on page 25](#)

Continue to address the discount and unlock value through the listing of Prosus N.V. on Euronext Amsterdam, with a secondary inward listing on the JSE and the share repurchase programme.

Focus on future investment and value creation in the portfolio.

[Read more on page 18](#)

Financial

Review the group's performance and results.

[Read more on page 50](#)

Governance and sustainability

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.

[Read more on pages 60 to 62](#)

People and learning

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

[Read more on page 65](#)

Covid-19

Review the work undertaken to protect employees and other stakeholders and manage the potential impacts for the business.

[Read more on pages 7 and 8](#)

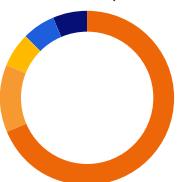
BOARD COMPOSITION (NUMBER OF DIRECTORS)^{(i), (ii)}



Chair	1
Executive	2
Independent non-executive	9
Non-executive	4

⁽ⁱ⁾ The director is an independent non-executive director for the purposes of King IV. We will apply the test for a non-executive director's independence set out in King IV.

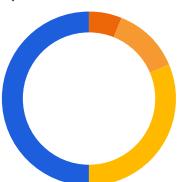
NATIONALITIES (NUMBER OF DIRECTORS)^{(i), (ii)}



South Africa	11
USA	2
Brazil	1
The Netherlands	1
India	1

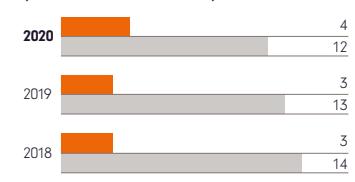
⁽ⁱ⁾ Excludes Fred Phaswana who retired on 31 March 2020.

LENGTH AND TENURE AS A NAPERS DIRECTOR (NUMBER OF DIRECTORS)⁽ⁱ⁾



0-2 years	1
2-4 years	2
4-6 years	5
6-9+ years	8

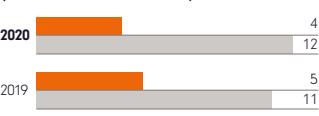
GENDER DIVERSITY (NUMBER OF DIRECTORS)⁽ⁱ⁾



● Female ● Male

2020	4
2019	3
2018	3
2020	12
2019	13
2018	14

RACIAL DIVERSITY (NUMBER OF DIRECTORS)⁽ⁱ⁾



● Black people⁽ⁱⁱⁱ⁾ ● Other

⁽ⁱⁱ⁾ As defined in the BBBEE Act.

Directors	Date first appointed to the board	Date last appointed to the board	Number of board meetings attended	Category
J P Bekker	17 April 2015	23 August 2019	13	Non-executive chair
B van Dijk	1 April 2014	29 August 2014	13	Chief executive officer and executive director
V Sgourdos	1 July 2014	29 August 2014	13	Financial director and executive director
E M Choi	21 April 2017	25 August 2017	12	Independent non-executive director
H J du Toit ⁽¹⁾	1 April 2016	24 August 2018	11	Independent non-executive director and lead independent director
C L Enenstein	16 October 2013	24 August 2018	12	Independent non-executive director
D G Eriksson	16 October 2013	24 August 2018	12	Independent non-executive director
M Girotra ⁽²⁾	1 October 2019	1 October 2019	6	Independent non-executive director
R C C Jafra	23 October 2003	25 August 2017	13	Independent non-executive director
F L N Letele	22 November 2013	26 August 2016	10	Non-executive director
D Meyer	25 November 2009	23 August 2019	13	Independent non-executive director
R Oliveira de Lima	16 October 2013	24 August 2018	13	Independent non-executive director
S J Z Pacak	15 January 2015	23 August 2019	10	Non-executive director
T M F Phaswana ⁽³⁾	23 October 2003	25 August 2017	13	Independent non-executive director
M R Sorour	15 January 2015	24 August 2018	13	Non-executive director
J D T Stolberg	16 October 2013	23 August 2019	12	Non-executive director
B J van der Ross	12 February 1999	23 August 2019	12	Independent non-executive director

⁽¹⁾ Appointed as lead independent director on 1 April 2020.

⁽²⁾ Appointed on 1 October 2019.

⁽³⁾ Retired as a director on 31 March 2020.

Governance at a glance continued

Ultimately we report to stakeholders in the integrated annual report and other releases



Naspers group governance framework

Board
Supported by company secretary/governance framework



Board committees
Supported by company secretary/governance framework



Management and group support functions

Management of operating business

Group and segment management

Governance committee

► 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

Good governance guidelines



Governance at a glance continued

"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^{(TM)(1)} 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, Prosus N.V. (Prosus), has bonds previously guaranteed by Naspers which are listed on the Irish Stock Exchange.

The governance structures of Naspers and Prosus substantially mirror each other.

Naspers and Prosus have an identical one-tier board structure comprising executive and non-executive directors. The executive directors are responsible for the group's day-to-day management, which includes, among

other things, formulating its strategies and policies and setting and achieving its objectives. The non-executive directors supervise and advise the executive directors. Each director has a duty to the company to properly perform the duties assigned to each director and to act in its corporate interest.

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 projects, audit, risk, human resources and remuneration, nomination, and Naspers's social, ethics and sustainability committees fulfil key roles in ensuring good corporate governance. Prosus reports to the Naspers social, ethics and sustainability committee on social, ethics and sustainability matters as these apply to Dutch law and the Dutch Corporate Governance Code.

The group uses independent external advisers to monitor regulatory developments, locally and internationally, to enable management to make recommendations to the board on matters of corporate governance.

How we integrate governance into our business

We recognise the value of an integrated approach to assurance and compliance. The adopted governance, risk and compliance framework is the basis for how we manage 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.

Group governance framework

The 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 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 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.

The group has a governance committee comprising the segment CEOs, chief financial officers (CFOs) of Naspers, Prosus and Media24, as well as the group company secretary, global sustainability partner, group general counsel, global compliance lead and head of internal audit and risk support. The committee was tasked to ensure the 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 (including principal risks) appear on pages 51 to 56. Furthermore, the board's responsibility statement which relates to risk management appears on page 5.

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 2020.

All board and board committee charters and policies are aligned with the South African Companies Act, 2008 (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

In the 2020 financial year, we continued to implement recommended or alternative practices to demonstrate application of King IV's principles for the group. In addition, subsequent to the listing of Prosus, Prosus's policies were updated to be aligned with the Dutch Corporate Governance Code and are, therefore, also closely aligned to King IV.

Focus areas for the year included additional reporting to our board committees and board on how we implement good corporate governance in the group in light of King IV and the Dutch Corporate Governance Code 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

We take our responsibility seriously and are fully committed to identifying and focusing on our goals under our board-approved group sustainability plan. The group's commitment to sustainability, our framework and progress made are dealt with in Focusing on sustainability on page 58.

• Read more on pages 58 to 74

To support the board in fulfilling its governance role, the risk committee and the Naspers social, ethics and sustainability committee (which also considers sustainability aspects pertaining to the Prosus group) report on sustainability matters at each scheduled board meeting – refer to the Naspers social, ethics and sustainability committee report in the full governance report.

⁽¹⁾ Institute of Directors in Southern Africa NPC (IoDSA) owns all copyright and trademarks for King IV.

Governance at a glance continued

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 corporate values are approved by the board and our subsidiaries adopt values aligned to our expectations, tailored for their business environment.

Our values as an organisation are reflected in our culture. These values, at the core of our strategy, and the code of business ethics and conduct are the guiding principles for all of our actions as an organisation.

Our culture reflects

At our heart, we are entrepreneurs.

- We push for performance in everything we do – it's good for the group, 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. 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.

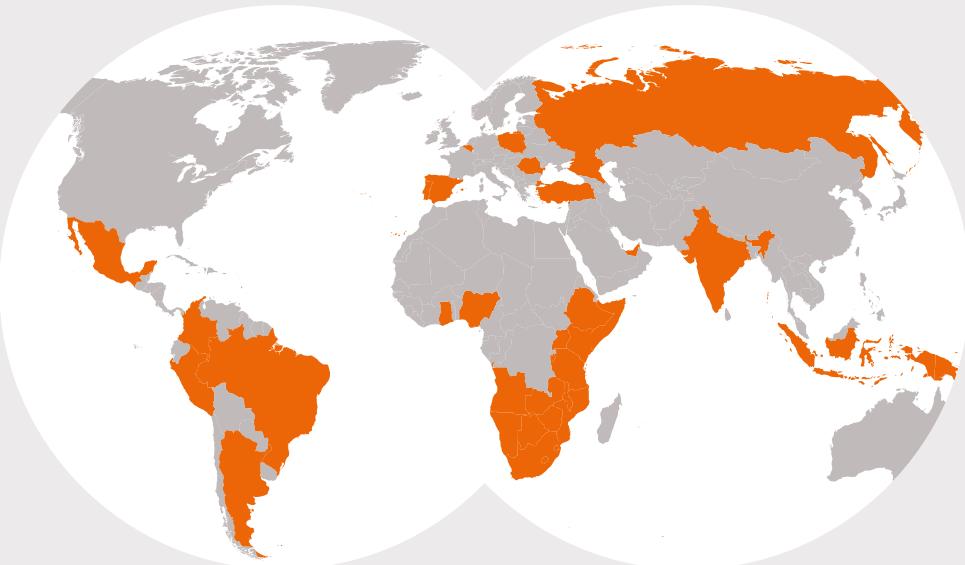
We focus on policies and procedures that address key ethical risks, such as conflicts of interest, accepting inappropriate gifts and unacceptable business conduct.

The Naspers social, ethics and sustainability committee is responsible for overseeing and reporting on business ethics in the 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 Naspers social, ethics and sustainability 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.

We are committed to conducting our business on the basis of complying with the law, with integrity and with proper regard for ethical business practices. We expect 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 ethics officer (who is the central contact for the group). Reports are provided regularly to the Naspers social, ethics and sustainability 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, 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 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.

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.

COUNT OF REPORTS BY FINANCIAL YEAR

2020		35
2019		33
2018		55

The OpenLine facility is independently managed by Navex Global (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 Naspers social, ethics and sustainability committee also receives regular reports on whistleblower activity and ethics performance around the group.

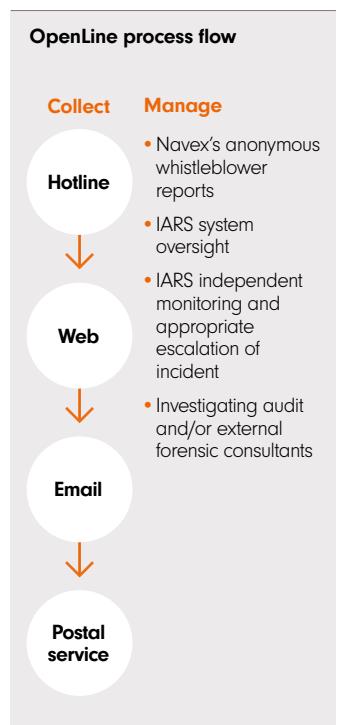
This year there were 35 reports, compared to 33 the year before.

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, ethics and sustainability committee receives reports on business ethics management and monitoring – refer to the Naspers social, ethics and sustainability committee report in the full governance report.

Governance at a glance continued



Navex's anonymous whistleblower reports incident management system and the internal audit and risk support (IARS) system monitor and escalate incidents as appropriate and oversee investigations by internal audit and/or external forensic consultants.

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 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 of business ethics and conduct.

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, ethics and sustainability committee receives reports on stakeholder management across the group – refer to the Naspers social, ethics and sustainability committee report in the full governance report.

An overview of our stakeholders and stakeholder engagement appears on pages 22 to 24.

[Read more on page 22](#)

Legal compliance, anti-bribery and anti-corruption, and human rights

Non-compliance with laws and regulations, including anti-bribery and anti-corruption and other similar laws, could expose the group to legal liability and negatively impact the group's reputation, business, financial condition, as well as the communities in which we operate. The group is committed to conducting business in compliance with the law, with integrity and with proper regard for ethical business practices, as described in the code of business ethics and conduct and the group legal compliance policies, including the anti-bribery and anti-corruption policy. From a governance perspective, it is expected that we execute demonstrable and effective compliance management.

In order to execute demonstrable and effective compliance management, Naspers developed and communicated a legal compliance framework that sets out minimum standards that are required for Naspers's subsidiaries (a company in which Naspers has control (whether direct or indirect)).

This framework requires that all subsidiaries:

- have a legal compliance programme which is 'fit for purpose' and risk-based, including a clearly defined legal compliance structure
- appoint a legal compliance officer
- identify and monitor applicable laws, regulations, and key compliance risks on an ongoing basis
- have clear policies and procedures based on group minimum standards (code of business ethics and conduct, and legal compliance, anti-bribery and anti-corruption, competition compliance, sanctions and export controls policies) and supplemented with business specific or local requirements (focused on the risks pertaining to the relevant business)
- implement training and awareness programme focused on key compliance risk areas
- have a process setting out how to identify and respond to compliance risks, incidents and issues (including escalation and notification process)
- monitor, review, and improve the legal compliance programme on an ongoing basis, and
- submit compliance reporting as required (including details of legal compliance incidents and investigations).

The company uses its influence to encourage its associates and investees (non-controlled entities) to adopt, at least, minimum governance standards (for example, code of business ethics and conduct, anti-bribery and anti-corruption, competition compliance, sanctions and export controls) as well as to comply with applicable laws and regulations. A risk-based legal compliance programme (including anti-bribery and anti-corruption) has been implemented as per this framework in all subsidiaries.

If the group conducts business in or expands operations to countries that may present increased corruption risks (ie countries with potentially weak legal institutions or a lack of transparency) and where the group's businesses may interact with government entities/officials, we expect that subsidiaries should, at a minimum, have processes in place to cover the following risk areas, as part of their anti-bribery and anti-corruption compliance programmes:

- gifts, hospitality, travel, and entertainment
- conflicts of interest
- charities/charitable donations, political contributions, and sponsoring activities
- contact with government officials
- third party vetting and due diligence, and
- accurate books and record keeping.

This year

The Naspers board and risk committee exercise oversight of compliance risk management across the group. Group compliance is responsible for monitoring the design, implementation and effectiveness of local compliance programmes, by way of legal compliance operational reviews, quarterly reporting (including compliance incidents/investigations and escalations), and onsite compliance reviews.

The results of these monitoring activities (including, but not limited to, observations, potential red flags, and opportunities for enhancement) support the board and risk committee with their oversight role. In the current financial year, group compliance monitoring activities extended to all segments within the group.

Through these monitoring activities, we have noted that all subsidiaries have made good progress in implementing and adapting the legal compliance framework, as applicable to their local/core business. This includes the development and rollout of various training and awareness initiatives.

In the future

In the future, group compliance will continue to raise 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. It is expected that the businesses develop key performance indicators (KPIs) for their localised legal compliance programmes (specifically relating to anti-bribery and anti-corruption).

An emerging risk or trend that group compliance has identified, and will continue to focus on, is the topic of human rights. To date, group compliance has developed a risk-based framework, with input from various international guidelines, industry best practices, and external advice. This framework addresses various human rights considerations, including but not limited to, supply chain, employee rights, and end-user rights. Using this framework, we developed a human rights risk assessment which we are using to analyse the potential risk in the various subsidiaries. These outputs will inform a future risk-based human rights compliance approach to the extent necessary.

In 2021 we will further develop our plans, policies, risk management processes and KPIs, as appropriate, for human rights and anti-bribery and anti-corruption.

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 full governance report.

Governance at a glance continued

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 the company's 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.

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. The Naspers social, ethics and sustainability 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 risk committee receives reports on I&T management – refer to the risk committee report in the full 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.



Cybersecurity and data privacy

The focusing on cybersecurity section on page 62 articulates our commitment to ensuring strong cybersecurity. Refer to the ensuring data privacy and protection section on pages 60 and 61 for our commitment, approach and progress made.

[Read more on pages 60 to 62](#)

Internal control systems

Our system of internal controls in all material subsidiaries and joint ventures under Naspers's control aims to prevent or detect risks materialising and to mitigate any adverse consequences. The system provides reasonable assurance on achieving company objectives. This includes the integrity and reliability of the financial statements; safeguarding and maintaining accountability of its assets; and to detect fraud, potential liability, loss and material misstatements while complying with regulations. The directors representing Naspers on boards of entities where the company does not have a controlling interest, seek assurance that significant risks are managed, and systems of internal control are effective.

Management, with assistance from internal audit, regularly reviews risks and the design and operating effectiveness of internal controls seeking opportunities for improvement. The external auditor considers elements of the internal controls system and communicates deficiencies when identified.

The board reviewed the effectiveness of controls on key risks for the year ended 31 March 2020. This assurance was obtained principally through a process of management self-assessment, including formal confirmation via representation letters by executive management. Consideration was also given to other input, including reports from internal audit, compliance and the risk management process. Where necessary, programmes for corrective actions have been initiated and progress is being monitored.

While we work towards continuous improvement of our processes and procedures regarding internal controls, systems and financial reporting, no major failings have occurred to the knowledge of the directors during the review period.

Internal audit

An internal audit and risk support (IARS) function is in place for the group that aims to provide world-class support, including assurance, insights, solutions and ideas to help management protect and enhance value. The head of internal audit and risk support reports to the chair of the audit committee, with administrative reporting to the financial director.

Our core competency lies in our risk-based IT and business process assurance work, the foundation of our department. We provide management with assurance on their risk management efforts, while realising where they are in terms of growth and maturity. In addition to the traditional assurance work, we provide risk support through an evolving portfolio of innovative consulting services and we are steadily moving beyond projects into ad hoc and continuous support for businesses. This includes the development of risk communities, in which risk specialists from all our businesses and associates can share ideas and lessons learned. In FY20, we continued to rapidly grow our inhouse teams based in Dubai, Amsterdam, Cape Town and Hong Kong. With the energetic and highly motivated talent on board, we can serve our global companies with quicker and more relevant results.

Intermittently (at least once every five years), the group's internal audit function (IARS) submits itself to an external quality review by a qualified independent assessor to assess its conformance with the International Professional Practice Framework (IPPF) of the Institute of Internal Auditors. Such a review was concluded most recently in March 2020, resulting in the assessment rating "Generally Conforms" to the commonly accepted standards for professional practice as defined in the IPPF. This is the highest rating achievable for such an assessment.

Amongst other aspects, IARS is responsible for providing a statement annually on the effectiveness of the group's governance, risk management and control processes to the board of directors and, to the audit committee specifically, of the results of its review of financial controls. In its periodic reports to the audit committee IARS represents that the function continues to meet the commonly accepted standards for professional practice as defined in the IPPF standards and that it 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 the 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.



Governance at a glance continued

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.

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. 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. 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 full year 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.

Annual general meeting

Naspers held its 105th annual general meeting in August 2019, prior to the listing of Prosus. At the Naspers annual general meeting, the chair gave his thoughts on governance aspects of the preceding year and the chief executive gave a detailed review of the performance of the Naspers group over the past year. Shareholders are encouraged to attend the relevant meeting and to ask questions at or in advance of the meeting. Indeed, the question-and-answer session forms an important part of each meeting.

In FY21, Naspers shall hold an annual general meeting. The external auditors are welcomed to the annual general meeting and are entitled to address the meeting. As questions asked at the Naspers annual general meeting tend to focus on business-related matters, governance and the remit of our board committees, the chair, chief executive and the chief financial officer and the chairs of our board committees shall attend the Naspers annual general meeting.

The annual general meeting for Naspers will be held virtually in accordance with the notice of the annual general meeting contained in the integrated annual report.

Required majorities

Resolutions are usually adopted at Naspers general meetings by an absolute majority of votes cast, unless there are other requirements under the applicable laws or Naspers's memorandum of incorporation.

Right to hold and transfer shares

Naspers's constitutional documents place no limitations on the right to hold or transfer Naspers and/or Prosus ordinary listed shares. There are no limitations on the right to hold or exercise voting rights on the ordinary listed shares of Naspers's imposed South African law.

More information on the Naspers control structure can be found on page 134.

Governance at a glance continued

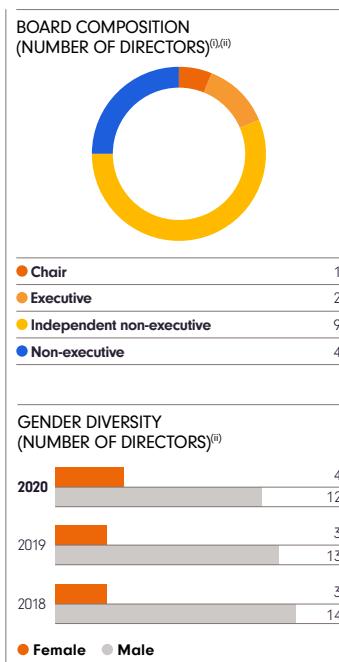
The board

Long-term value creation and strategy

The board ensures that a culture of business ethics and conduct aimed at long-term value creation is promoted to underpin the group's activities as a responsible corporate citizen. This includes adopting values and a code of business ethics and conduct, leading by example, and monitoring implementation to make the required disclosures on incorporation, compliance and effectiveness. In this regard the board is responsible for group performance by steering and providing strategic direction to the company, taking responsibility for the adoption of a view on long-term value creation and aligned strategy and plans (such strategies and plans to originate in the first instance from management). The board must approve the annual business plan and budget compiled by management, for implementation by management, taking cognisance of sustainability aspects in long-term planning.

For more information on the group's strategic approach please refer to page 25.

[Read more on page 25](#)



⁽ⁱ⁾ The director is an independent non-executive director for the purposes of King IV. We will apply the test for a non-executive director's independence set out in King IV.

⁽ⁱⁱ⁾ Excludes Fred Phaswana who retired on 31 March 2020.

Composition

Details of directors at 31 March 2020 are set out on pages 76 and 77.

Naspers has a unitary board, which provides oversight and control. The board charter sets out the division of responsibilities. The majority of board members are non-executive directors and independent of management. To ensure that no one individual has unfettered powers of decisionmaking and authority, the roles of chair and chief executive are separate.

At 31 March 2020 the board comprised nine independent non-executive directors, five non-executive directors and two executive directors, as defined under the JSE Listings Requirements and King IV. Four directors (25%) are from previously disadvantaged groups and four directors (25%) are female. These figures are above the average for JSE-listed companies.

The board diversity policy addresses the JSE Listings Requirements for all listed companies to have a policy on how they address gender and race diversity at board level.

The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence.

As set out in the board diversity policy, the board recognises the importance of gender diversity and aims to achieve 30% female (and male) representation. Over the past three years all new appointments of directors have been women. Subsequent to the year-end, at the time of writing this report, one third of the non-executive directors are women. This demonstrates the board's ongoing commitment to transformation in line with its board diversity policy.

The group recognises and embraces the benefits of having a diverse board, and sees diversity at board level as an essential element in maintaining a competitive advantage. A diverse board will include and make good use of differences in the skills, geographical and industry experience, background, race, gender and other distinctions between members of the board. These differences will be considered in determining the optimum composition of the board and when possible will be balanced appropriately. All board appointments are made on merit, in the context of the skills, experience, diversity, independence and knowledge, that the board as a whole requires to be effective.

The nomination committee reviews and assesses board composition on behalf of the board and recommends the appointment of new directors. This committee also oversees the conduct of the annual review of board effectiveness.



Governance at a glance continued

Role and function of the board

The board serves as the focal point and custodian of corporate governance and has adopted a charter setting out its responsibilities as follows:

- Determining what business we are building, what we offer users and key objectives.
- Ensuring and monitoring that a culture of business ethics and conduct aimed at long-term value creation is promoted to underpin the group's activities as a responsible corporate citizen.

The board acknowledges that the group's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process. In this regard the board is responsible for the following:

- Group performance by steering and providing strategic direction to the company, taking responsibility for the adoption of a view on long-term value creation and aligned strategy and plans (such strategies and plans to originate in the first instance from management). The board must approve the annual business plan and budget compiled by management, taking cognisance of sustainability aspects in long-term planning.
- Ongoing oversight of the implementation of the strategy and business plan by management against agreed performance measures and targets. As part of its oversight of performance, the board should:
 - Retain full and effective control over the company and monitor management with regard to the implementation of the approved annual budget and business plan, as amended from time to time.

- Oversee that assessments of the negative impacts of the group's activities in the total environment in which the group operates are conducted and addressed responsibly. The board must be alert to the general viability of the organisation with regard to its reliance on the resources it uses or affects, its solvency and liquidity, and its status as a going concern.
- Consider and, if appropriate, declare the payment of dividends to shareholders.
- Evaluate the viability of the company and the group as a going concern, such evaluation to be properly recorded.
- Determine the selection and orientation of directors.
- Appoint the chief executive officer, who reports to the board, as well as the financial director, and ensure that succession is planned.
- Establish board committees, including appointing its members, as and when appropriate, with clear terms of reference and responsibilities to promote independent judgement and assist with balance of power and effective discharge of its duties.
- Appoint the chairs of the board and its committees.
- Ensure the evaluation of performance and effectiveness of directors, the chair, the board as a whole and its committees to support continued improvement in their performance and effectiveness, including succession planning, and make the required annual disclosures in terms of King IV, as applicable.

- Govern risk in a way that supports the group in setting and achieving its strategic objectives through a structured, appropriate and effective enterprise-wide risk management and internal control systems, which allow the board to set tolerance levels from time to time and annually assess the risk management and internal control system.
- Ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decisionmaking and of the company's external reports.
- Ensure that there is effective risk-based internal audit, which allows it to report on the effectiveness of the company's system of internal controls in its integrated report.
- Engage the external auditor based on the recommendation of the audit committee.
- Define levels of delegation in respect of specific matters, with appropriate authority delegated to board committees and management.
- Monitoring the whistleblower process, including appropriate and independent investigations, and adequate follow-up of recommended remedial actions. The board is assisted by the risk, audit and the social, ethics and sustainability committees, with regular feedback provided by the committees to the board. In addition, executive board members should inform the chair of the board without delay of any signs of actual or suspected material misconduct or irregularities in the company or the group.
- Governing compliance with applicable laws and adopted, rules, codes and standards in a way that supports the group being ethical and a good corporate citizen.
- Governing technology and information in a way that supports the group setting and achieving its strategic objectives.

- Ensuring that the group remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes.

- Adopting a stakeholder-inclusive approach in the execution of its governance role, that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time. This includes:

- Identifying material stakeholders and monitoring management's process of engagement with those stakeholders.
- Determining the company's communication policy.
- Proactively engaging with shareholders and ensuring shareholders are treated equitably.
- Ensuring dispute resolution mechanisms and processes are adopted and implemented as part of the overall management of stakeholder relationships.

- Overseeing the preparation of and approving the company's financial statements (for adoption by shareholders), interim, provisional and integrated reports (as reviewed by the audit committee), and ensuring the integrity and fair presentation thereof. The board should ensure integrity and quality of external reports and set the direction for how assurance of these should be approached and addressed where appropriate. External reports should enable stakeholders to make informed assessments of the group's performance and its prospects.

- Reviewing and assessing annually the charters of the group's significant subsidiary companies' boards, and reviewing their annual assessment of compliance with their charters to establish if the board can rely on the work of the subsidiary companies' boards.

- Reviewing annually the charters of the committees of the board.
- Annually evaluating performance and effectiveness of the company secretary (delegated to the human resources and remuneration, and nomination committees).
- Delegation of certain responsibilities to board committees assists the board with effective discharge of the board's duties. The board remains ultimately responsible for such delegated responsibilities, other than specific statutory responsibilities, such as those of the audit and social, ethics and sustainability committees as set out in the South African Companies Act. These committees report to shareholders at the annual general meeting regarding how they have discharged their duties in terms of the South African Companies Act.



Governance at a glance continued

The chair

The chair, Koos Bekker, is a non-executive director. Hendrik du Toit was appointed to act as lead director in all matters where there may be an actual or perceived conflict subsequent to Fred Phaswana's resignation on 31 March 2020.

The responsibilities of the chair include:

- Providing overall leadership to the board without limiting the principle of collective responsibility for board decisions, while at the same time being aware of individual duties of board members.
- Ensuring a balanced composition and proper functioning of the board and its committees.
- Ensuring a culture of openness and accountability within the board.
- In conjunction with the chief executive officer, representing the board in respect of communication with shareholders, other stakeholders and, indirectly, the general public.
- Assisted by the board, its committees and the boards and committees of the company's subsidiary companies, ensuring the integrity and effectiveness of the governance process.
- Maintaining regular dialogue with the group's chief executive officer on operational matters and consulting on an ongoing basis with other board members on any matter of concern to him/her, including managing conflicts of interests.
- In consultation with the group's chief executive officer and company secretary, ensuring appropriate content and order of the agendas of board meetings and ensuring that members of the board receive documentation promptly.
- Ensuring that board members are properly informed about issues arising from board meetings and that relevant information is submitted to the board.
- Acting as facilitator at board meetings to ensure a sound flow of opinions. The chair ensures that adequate time is scheduled for discussions, and that they lead to logical and acceptable conclusions.
- Monitoring how the board works together and how individual directors perform and interact at meetings. The chair meets with directors annually to evaluate their performance.
- Chairing the general meetings and ensuring general meetings proceed in an orderly and efficient manner and ensuring the proper conduct of business at meetings to promote a meaningful discussion at the meetings.
- Ensuring that the directors discuss the reports provided by the committees to the board.
- With the assistance of the company secretary, ensuring all directors follow their induction and training programmes.
- Pre-clearing all dealings in Naspers shares and/or shares by directors of the companies and their major subsidiaries.

The chief executive

The chief executive reports to the board and is responsible for the day-to-day business of the group and implementing policies and strategies approved by the board. Chief executives of the various businesses assist him in this task. Board authority conferred on management is delegated through the chief executive, against approved authority levels. The board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities. Bob van Dijk is the appointed chief executive. He has no other professional commitments outside the group, except for his appointment to the board of Booking.com. Succession planning for the chief executive is considered annually.

The functions and responsibilities of the chief executive include:

- Developing the company's strategy for consideration, determination and approval by the board.
- Developing and recommending to the board yearly business plans and budgets that support the company's long-term strategy.
- Monitoring and reporting to the board about the performance of the company.
- Establishing an organisational structure for the company, which is necessary to enable execution of its strategic planning.
- Recommending/appointing the executive team and ensuring proper succession planning and performance appraisals take place.
- Ensuring that the company complies with relevant laws, corporate governance principles, business ethics and appropriate best practice and, if not, that the failure to do so is justifiably explained.

Directors

Directors fulfil their governance duties individually and collectively taking into account:

- the role of the board as set out in the charter
- applicable laws, regulations and good governance guidelines, and
- their duties as directors, including fiduciary duties and duty of care and skill.

Directors have unlimited access to the advice and services of the company secretary.

Independent advice

Individual directors may, after consulting with the chair or chief executive, seek independent professional advice, at the expense of the company, on any matter connected with discharging their responsibilities as directors.

Board meetings and attendance

The board meets at least five times per year, or more as required. The projects committee attends to matters that cannot wait for the next scheduled meeting. The board held 13 meetings in the past financial year. Non-executive directors meet at least once annually without the chief executive, financial director and chair present, to discuss the performance of these individuals.

The company secretary acts as secretary to the board and its committees and attends all meetings.

Board committees

While the whole board remains accountable for the performance and affairs of the company, it delegates certain functions to committees and management to assist in discharging its duties. Appropriate structures for those delegations are in place, accompanied by monitoring and reporting systems.

Each committee acts within agreed, written terms of reference. The chair of each committee reports at each scheduled board meeting.

The chairs of the audit, risk, social, ethics and sustainability, human resources and remuneration, and nomination committees are independent non-executive directors and are required to attend annual general meetings to answer questions.



Governance at a glance continued

The established board committees in operation during the financial year are as follows and the names of the members who were in office during the financial year and the details of the committee meetings attended by each of the members are shown in the table on page 88.

● Read more on page 88

Projects committee

The projects committee acts on behalf of the board in managing urgent issues when the board is not in session, subject to statutory limits and the board's limitations on delegation. It comprises two non-executive directors, one independent non-executive director plus two executive directors. It is chaired by Koos Bekker.

Nomination committee

The nomination committee assists the board to determine, and regularly review, the size, structure, composition and effectiveness of the board and its committees, in the context of the company's strategy.

The committee comprises a minimum of three non-executive directors, the majority of whom are independent. It is chaired by Rachel Jafta.

● The report of the nomination committee is in the full governance report.

Audit committee

The audit committee seeks to support the board in assessing the integrity of the group's financial reporting, and by providing constructive challenge and oversight of the group's activities and of its audit functions. It comprises only independent non-executive directors and is chaired by Don Eriksson.

● The report of the audit committee is in the full governance report.

Human resources and remuneration committee

The main objective of the human resources and remuneration committee is to fulfil the board's

responsibility for the strategic human resources issues of the group, particularly focusing on the appointment, remuneration and succession of the most senior executives. The committee comprises a minimum of three non-executive directors. It is chaired by Craig Enenstein.

● The report of the human resources and remuneration committee is in the full governance report.

Risk committee

The purpose of the risk committee is to assist the board to discharge its responsibilities regarding the governance of risk through formal processes, including an enterprise-wide risk management process and system. The committee comprises a minimum of three independent non-executive directors, as well as the chief executive and financial director. It is chaired by Don Eriksson.

● The report of the risk committee is in the full governance report.

Naspers social, ethics and sustainability committee

The primary objective of the social, ethics and sustainability committee is to assist the board in ensuring the company meets its statutory obligations in terms of section 72 and regulation 43 of the Companies Act. The committee is responsible for overseeing and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships in relation to the group, taking into account specific disclosures and best practice as recommended by King IV.

The committee comprises two independent non-executive directors, two non-executive directors, the chief executive and the chief executive of Media24. It is chaired by Don Eriksson.

● The report of the social, ethics and sustainability committee is in the full governance report.

Committees' composition and number of meetings attended

Directors	Board	Projects committee	Audit committee	Human resources and remuneration committee	Nomination committee	Risk committee	Naspers social, ethics and sustainability committee	Category
J P Bekker	13*	7*		6	3			Non-executive
B van Dijk	13	7				4	3	Executive
V Sgourdos	13	7				5	3	Executive
E M Choi	12			5		5		Independent non-executive
H J du Toit ⁽¹⁾	11				3			Independent non-executive
C L Enenstein	12			6*	3			Independent non-executive
D G Eriksson	12		5*			5*	3*	Independent non-executive
M Girotra ⁽²⁾	6		2 ⁽⁴⁾					Independent non-executive
R C C Jafta ⁽⁵⁾	13		5		3*	5	3	Independent non-executive
F L N Letele	10						2	Non-executive
D Meyer	13						3	Independent non-executive
R Oliveira de Lima	13			6	3			Independent non-executive
S J Z Pacak	10	7				5		Non-executive
T M F Phaswana ⁽⁶⁾	13	7		6	3			Independent non-executive
M R Sorour ⁽⁵⁾	13							Non-executive
J D T Stolberg	12						3	Non-executive
B J van der Ross ⁽⁷⁾	12		5			5		Independent non-executive
M I Davidson							3	Executive
Total meetings held	13	7	5	6	3	5	3	

⁽¹⁾ Appointed as lead independent director on 1 April 2020.

⁽²⁾ Appointed as non-executive director on 1 October 2019.

⁽³⁾ Appointed as projects committee member on 1 April 2020.

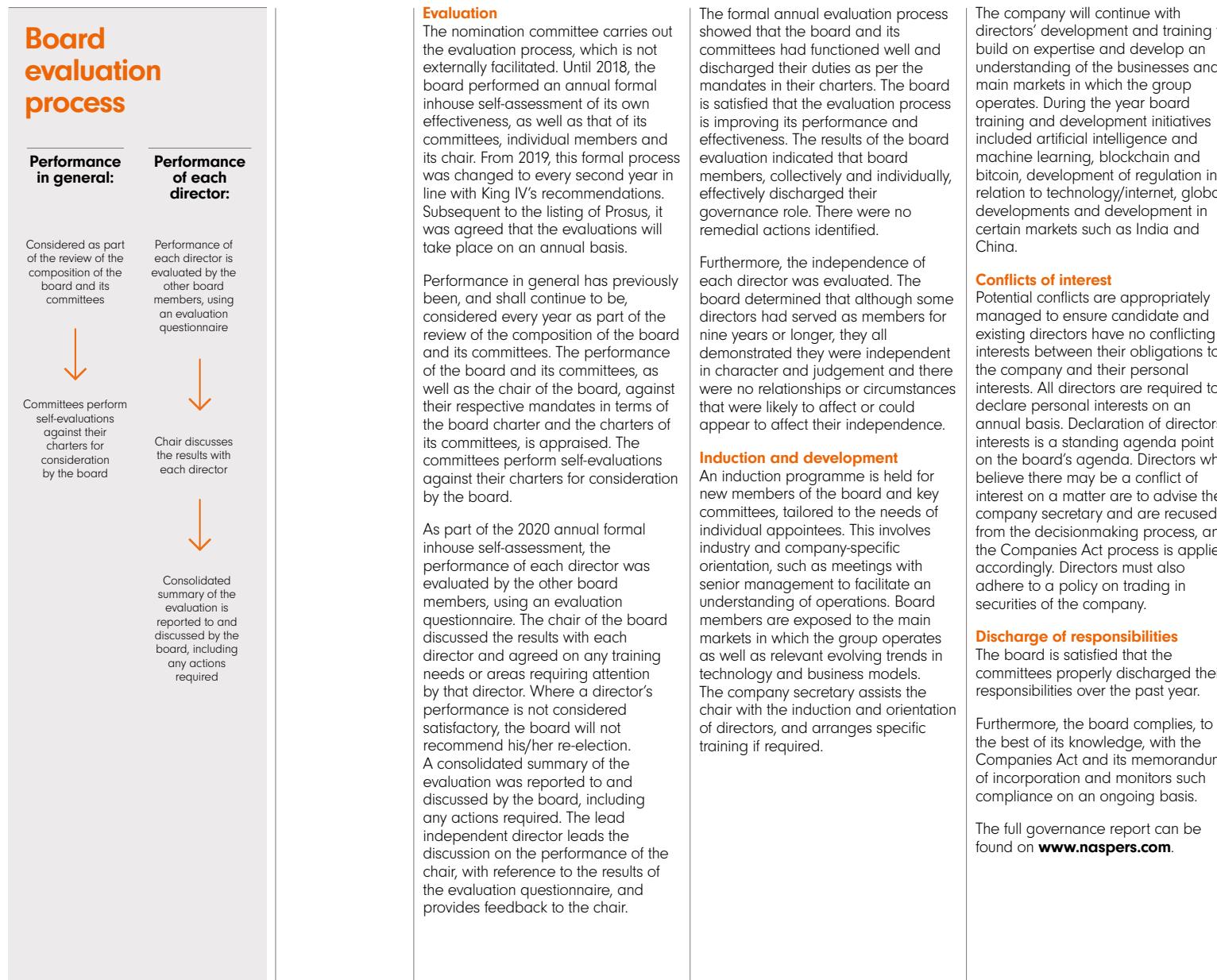
⁽⁴⁾ Appointed as a committee member on 1 October 2019.

⁽⁵⁾ Appointed as a member of the projects committee on 24 April 2020.

⁽⁶⁾ Retired with effect from 1 April 2020.

⁽⁷⁾ Resigned from the audit and risk committees and appointed as a member of the social, ethics and sustainability committee on 24 April 2020.

Governance at a glance continued



Remuneration at a glance

Our context

How we add value

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

- Read more on page 18 of the integrated annual report



Underpinned by our active capital allocation and strategy

We ensure that we optimise our portfolio for growth and competitiveness

Financial summary



In US\$'m	FY20	FY19	% change
Revenue	22 136	18 990	17
Trading profit ⁽ⁱ⁾	3 725	3 304	13
Dividend per N ordinary share 20 (SA cents) (FY20 reflects dividend proposed)	580	715	19

⁽ⁱ⁾ Reported on an economic-interest basis. All financial figures are from continuing operations.

The onset of a global pandemic from the spread of Covid-19 has had a marked impact on the daily lives of global citizens and the economy at large. While the impact is likely to persist for some time, we are confident of our ability to weather the storm and, as such, the group's focus during this time is on leveraging its financial strength and flexibility to continue building a business that grows strongly, generates high rates of return and provides employment for thousands of employees over the long term.

- Read more on pages 7 and 8 of the integrated annual report.

Our approach to fair and responsible pay

The Naspers approach to remuneration



We believe in **pay for performance**: we are comfortable with bigger rewards for those that 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.

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 FY20 outcomes

Executive director remuneration for the year ended 31 March 2020

Guaranteed fixed pay

Base salary/total cost to company (TCTC), including benefits
(pension, medical, life cover)



Short-term incentives (STIs)

Annual performance-related incentives



Longer-term incentives (LTIs)

Performance share units (PSUs) and/or share appreciation rights (SARs) and/or share options (SOs)



Total remuneration

Total remuneration for executive directors for the year ended 31 March 2020

\$	Executive director remuneration for the year ended 31 March 2020 (FY20)						
In US\$'000	Fixed remuneration	Variable remuneration		Pension	Other benefits ⁽⁴⁾	Total remuneration ⁽⁵⁾	Proportion of fixed and variable remuneration
Executive director	Base salary ⁽¹⁾	STI ⁽²⁾⁽³⁾	LTI				
Bob van Dijk, CEO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	1 362	1 180	13 284	89	62	15 977	9%/91%
Basil Sgourdos, CFO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	950	1 207	6 888	90	30	9 165	10%/90%

€	Executive director remuneration for the year ended 31 March 2020 (FY20)						
In EUR'000	Fixed remuneration	Variable remuneration		Pension	Other benefits ⁽⁴⁾	Total remuneration ⁽⁵⁾	Proportion of fixed and variable remuneration
Executive director	Base salary ⁽¹⁾	STI ⁽²⁾⁽³⁾	LTI				
Bob van Dijk, CEO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	1 235	1 070	11 919	81	57	14 362	9%/91%
Basil Sgourdos, CFO							
LTI: Fair value on grant date of awards made during FY20 ⁽⁶⁾	861	1 094	6 180	81	27	8 243	10%/90%

⁽¹⁾ The CFO's compensation was historically structured on the basis of total cost to company (TCTC), which included base salary plus benefits. Effective FY21 this structure is aligned to that of the CEO, without impacting the total target cash position.

⁽²⁾ Actual payout over FY20 performance; achievement of STI goals are shown on pages 5, 15 and 25 of the remuneration report and on pages 6, 9 and 13 in the integrated annual report.

⁽³⁾ Includes for CFO an additional variable bonus over FY20 capped at 25% of TCTC relating to obtaining new general funding.

⁽⁴⁾ Medical insurance, life and disability insurance.

⁽⁵⁾ Executive directors are executive directors of both Naspers and Prosus. The costs of their remuneration as executive directors of these entities are split 10/90 between Naspers and Prosus.

⁽⁶⁾ Represents the fair value on grant date in accordance with IFRS 2 of awards made during FY20. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure disclosed in the 2019 remuneration report was estimated and therefore differs slightly from the figure reported in this table.

The potential gain of awards vested during FY20 is shown on page 17 of the remuneration report.



Remuneration at a glance

continued

Short-term incentive (STI) over FY20

FY20 goals and achievements

STI is based on financial, strategic, operational and sustainability performance targets that are tailored for each role.

The minimum STI payout was 0% of salary/TCTC. The target and maximum STI opportunity are the same. All STI awards are paid out in cash.

BOB VAN DIJK

Maximum STI opportunity: 100% base salary

Group financial goals	Weighting %	Description	Actuals	✓ Achieved Outcome	✗ Not achieved Actual payout
● Revenue	10.0	Achieve revenue target (on an economic-interest basis and excluding M&A)	US\$22 292	✓	€123 467
● Core headline earnings (including Tencent)	15.0	Achieve core headline earnings at target, including Tencent	US\$2 863	✓	€185 201
● Core headline earnings (excluding Tencent)	15.0	Achieve core headline earnings at target, excluding Tencent	(US\$1 311)	✓	€185 201
● Free cash flow	10.0	Achieve free cash outflow at target	(US\$383)	✓	€123 467
	50.0				€617 336
Strategic, operational and ESG goals	Weighting %	Description		Outcome	Actual payout
● Classifieds	10.0	Deliver organic topline growth and organic trading profit growth at target		✓ *	€61 734
● Food Delivery	10.0	Deliver on targets related to revenue, order volume, organic revenue growth and manage incremental YoY spent on total food delivery		✓ **	€82 353
● Payments and Fintech	5.0	Deliver organic revenue growth target and organic trading loss improvement		✗	€0
● B2C	2.5	Deliver organic revenue growth target and organic trading loss improvement		✓	€30 867
● Corporate structure	10.0	Implement board-approved plan for Prosus listing		✓	€123 467
● Business sustainability: Diversity and inclusion	5.0	Increase focus on diversity and inclusion throughout the group, measured through employee engagement survey		✓	€61 734
● Business sustainability: Machine learning and artificial intelligence	7.5	Scale up the amount of AI talent through hiring and upskilling		✓	€92 600
	50.0				€452 755

* The following target for Classifieds was achieved: organic trading profit growth.

** The following targets for Food Delivery were achieved: organic revenue growth and manage incremental YoY spent on total food delivery.

BASIL SGOURDOS

Maximum STI opportunity: 100% of TCTC*

Group financial goals	Weighting %	Description	Actuals	Outcome	Actual payout
● Core headline earnings (including Tencent)	12.5	Achieve core headline earnings at target, including Tencent	US\$2 863	✓	US\$ 133 662
● Core headline earnings (excluding Tencent)	12.5	Achieve core headline earnings at target, excluding Tencent	(US\$1 311)	✓	US\$ 133 662
● Free cash flow	25.0	Achieve free cash outflow at target	(US\$383)	✓	US\$ 267 323
	50.0				US\$ 534 647
Strategic, operational and ESG goals	Weighting %	Description		Outcome	Actual payout
● Structure	25.0	Implement board-approved plan for Prosus listing		✓	US\$ 267 323
● Taxation	10.0	Prudent and optimal tax management structure		✓	US\$ 106 929
● Investor relations	5.0	Design and implementation of IR strategy		✓	US\$ 53 465
● Group finance	2.5	Driving efficiency through the group finance organisation and operating rhythms		✓	US\$ 26 732
● Governance, internal audit and risk management	2.5	Ensure that effective systems of internal control are operated throughout the group's controlled entities		✓	US\$ 26 732
● Business sustainability: Team and talent	5.0	Develop finance team and ensure high employee engagement through diversity and inclusion		✓	US\$ 53 465
	50.0				
● Funding	25.0	A variable bonus capped at 25% of total cost to the company, related to obtaining new general funding		✓ **	US\$ 137 500
					US\$ 672 147

* Plus maximum 25% bonus linked to general funding.

** Achieved 12.86% of the variable bonus capped at 25% of total cost to the company by obtaining new general funding.

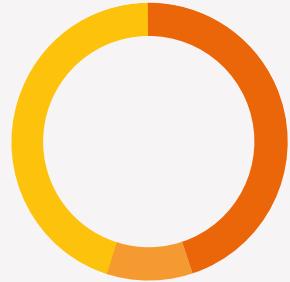
Remuneration at a glance continued

The balance of CEO/CFO LTI is focused towards consumer internet business

The estimated fair value⁽¹⁾ of Bob van Dijk's and Basil Sgourdos's longer-term incentives was balanced approximately as follows:

Balance of the FY20 LTI grant

BOB VAN DIJK



	%
Naspers PSUs	45
Naspers SOs	10
Ecommerce SARs	45
Total	100

Balance of all unvested LTI, including the FY20 LTI grant

BOB VAN DIJK



	%
Naspers PSUs	17
Naspers SOs	41
Ecommerce SARs	42
Total	100

BASIL SGOURDOS



	%
Naspers PSUs	45
Naspers SOs	10
Ecommerce SARs	45
Total	100

BASIL SGOURDOS

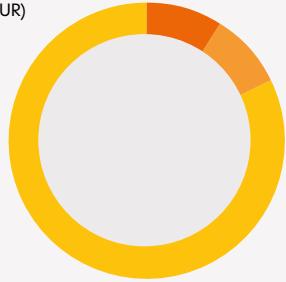


	%
Naspers PSUs	22
Naspers SOs	28
Ecommerce SARs	50
Total	100

Compensation is mostly 'at risk' and longer term

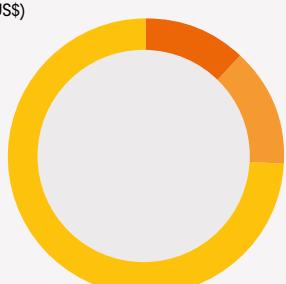
Below we show the relative weightings of each type of compensation: annual fixed pay, STI and LTI for each executive as at 31 March 2020.

BOB VAN DIJK
(EUR)



	%
Annual fixed pay	9
Annual STI (target)	9
Annual LTI at fair value	82

BASIL SGOURDOS
(US\$)



	%
Annual fixed pay	12
Annual STI (target)	14
Annual LTI at fair value	74

⁽¹⁾ Represents the fair value of LTI awards on grant date in accordance with IFRS 2.

Dilutive impact of group LTI schemes

Since 1 April 2018, the group purchases Naspers shares on the JSE for the purpose of issuing new Naspers SOs to employees and settling gains made on all share-based incentive schemes. The group's share-based incentive schemes are set out in equity compensation benefits in the notes to the annual financial statements on www.naspers.com.

In accordance with schedule 14 of the JSE Listings Requirements and the South African Companies Act, shareholders authorised the board at the annual general meeting in August 2011 that up to 40 588 541 N ordinary shares (approximately 10% of the then issued N ordinary share capital) may be issued for purposes of the group's various share-based incentive schemes. From August 2011 to 31 March 2018 approximately 4% of issued N ordinary share capital has been used for the share-based incentive schemes. Since then, Naspers N shares have been purchased on market to settle the group's share-based incentive scheme requirements and this is intended to continue. However, to address shareholder concerns about potential dilution in future should the group return to issuing new Naspers N shares for purposes of its share-based incentive schemes, and notwithstanding the shareholder approval currently in place, the board has determined that no more than a further 21 775 553 new N ordinary shares (approximately 5% of the current N ordinary share capital post the share repurchase programme executed in the 2020 financial year) may be used from the date of the 2020 AGM for purposes of the share-based incentive schemes without first returning to shareholders for approval.



Remuneration at a glance

continued

Looking forward to FY21

Due to the ongoing uncertainty created by the Covid-19 pandemic, there will be no performance-related salary increase for the executive directors for FY21, as we do not think it is appropriate to increase the cost base at this point in time. The pay review for all other employees has been postponed until further notice.

The effect of the Covid-19 pandemic on the Naspers group is not clear at this time. This creates significant uncertainty, which may mean that we need to adjust the objectives for the STI plan as such effect becomes clearer during the course of FY21. In addition, the committee may determine that it is not appropriate for the full (or any) bonus to be paid for FY21.

Given the longer-term focus of the company, and the prudent approach on pay and bonus, it will still be appropriate to issue LTI awards in the coming year, though the grant date will be postponed until August or early September, in line with the LTI awards to the broader employee population this year.

From FY21 onwards, the CFO will also be paid on a base salary basis. He was historically paid on a total-cost-to-company basis (TCTC), which is more typical for South African companies. This change now brings his compensation structure in line with international norms and with that of the CEO. The overall total cash opportunity for the CFO has not changed due to this restructure, as is shown on page 24 of the remuneration report.

FY21 remuneration in US\$

In US\$'000	Fixed remuneration	Variable remuneration		Pension ⁽⁴⁾	Other benefits ⁽⁵⁾	Total remuneration ⁽⁶⁾
Executive director	Base salary ⁽¹⁾	STI ⁽²⁾	LTI ⁽³⁾			
Bob van Dijk, CEO	1 362	100%	13 500	89	54	16 367
Basil Sgourdos, CFO	1 143	100%	8 000	90	26	10 402

FY21 remuneration in EUR

In EUR'000	Fixed remuneration	Variable remuneration		Pension ⁽⁴⁾	Other benefits ⁽⁵⁾	Total remuneration ⁽⁶⁾
Executive director	Base salary ⁽¹⁾	STI ⁽²⁾	LTI ⁽³⁾			
Bob van Dijk, CEO	1 235	100%	12 238	81	49	14 838
Basil Sgourdos, CFO	1 036	100%	7 252	81	24	9 429

⁽¹⁾ The executive directors did not receive an increase in base salary in this financial year. It is also noted that, from FY21 onwards, the compensation structure of the CFO changed from TCTC to base salary, without impacting the total target cash position. The maximum bonus is capped at 100% instead of 125%.

⁽²⁾ This is the at-target and also maximum STI as a percentage to base salary. STI goals are shown on page 8 of the remuneration report and on pages 6, 9 and 13 in the integrated annual report.

⁽³⁾ Represents the estimated fair value of the LTI awards on grant date in accordance with IFRS 2, of grants that are intended to be made in FY21. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure is based on indicative values and may therefore differ from the final fair value granted.

⁽⁴⁾ The net employer pension contributions for Bob van Dijk will remain stable at 6.5% of base salary. The life insurance costs will drop for both executives as a result to a change to a new provider.

⁽⁵⁾ Medical insurance, life and disability insurance.

⁽⁶⁾ Executive directors are executive directors of both Naspers and Prosus. Their remuneration as executive directors of these entities are currently split 10/90 between Naspers and Prosus.



Remuneration at a glance

continued

FY21 STI goals

BOB VAN DIJK

Target and maximum STI opportunity: 100% base salary

Group financial goals	Weighting %	Description	Maximum payout
Revenue	10.0	Achieve revenue target (on an economic-interest basis and excluding M&A)	€123 467
Core headline earnings (including Tencent)	15.0	Achieve core headline earnings at target, including Tencent	€185 201
Core headline earnings (excluding Tencent)	15.0	Achieve core headline earnings at target, excluding Tencent	€185 201
Free cash flow	10.0	Achieve free cash outflow at target	€123 467
	50.0		€617 336

The effect of the Covid-19 pandemic on the Naspers group is not clear at this time. This creates significant uncertainty, which may mean that we need to adjust the objectives for the STI plan as such effect becomes clearer during the course of FY21. In addition, the committee may determine that it is not appropriate for the full (or any) bonus to be paid for FY21.

Strategic, operational and ESG goals	Weighting %	Description	Maximum payout
Classifieds	12.5	Deliver organic topline growth and organic trading profit growth at target	€154 334
Food Delivery	15	Deliver on targets related to organic revenue growth and organic trading profit improvement	€185 201
Payments and Fintech	7.5	Deliver organic revenue growth target and organic trading loss improvement	€92 600
Sustainability: Machine learning and artificial intelligence	5	Continue to build our AI capabilities by increasing the number of machine learning modules in production	€61 734
Sustainability: Diversity and inclusion	5	Increase focus on diversity and inclusion throughout the group, measured through employee engagement survey	€61 734
Sustainability: Data privacy and security	5	Documented approach across the group to address privacy and security at the design phase for new products and services, consistent with the group's policies on data-privacy governance and cybersecurity	€61 734
	50.0		€617 336

BASIL SGOURDOS

Target and maximum STI opportunity: 100% of base salary

Group financial goals	Weighting %	Description	Maximum payout
Core headline earnings (including Tencent)	12.5	Achieve core headline earnings at target, including Tencent	US\$142 898
Core headline earnings (excluding Tencent)	12.5	Achieve core headline earnings at target, excluding Tencent	US\$142 898
Free cash flow	25.0	Achieve free cash outflow at target	US\$285 796
	50		US\$571 591

Strategic, operational and ESG goals	Weighting %	Description	Maximum payout
Holding company discount	15	Continue to engage with shareholders and taking into account their feedback, develop proposals to address the holding company discount	US\$171 477
Taxation	12.5	Effective taxation strategy and policy to address changes in global tax frameworks	US\$142 898
Investor relations	5.0	Increase focus on ESG, deliver effective communication and improve shareholder targeting	US\$57 159
Group finance	10	Deliver more effective processes that improve our financial capabilities. Deliver group auditing rotation process	US\$114 318
Governance, internal audit and risk management	2.5	Ensure that effective systems of internal control are operated throughout the group's controlled entities	US\$28 580
Sustainability: People and talent management	5.0	Progress on diversity and inclusion initiatives and develop a structured finance learning strategy	US\$57 159
	50.0		US\$571 591

Remuneration at a glance

continued

FY21 LTI awards

We have set out information below on the longer-term incentives to be made during the 2021 financial year:

	Naspers performance share units (PSUs)	Naspers Global Ecommerce share appreciation rights (SARs)	Naspers N share options (SOs)
	Fair value (US\$) ⁽¹⁾	Fair value (US\$) ⁽¹⁾	Fair value (US\$) ⁽¹⁾
Bob van Dijk	8 100 000	4 387 500	1 012 500
Basil Sgourdos	4 800 000	2 600 000	600 000

⁽¹⁾ Represents the estimated fair value of the LTI awards on grant date in accordance with IFRS 2 of grants intended to be made in FY21. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure is based on indicative values and may therefore differ from the final fair value granted. The number of PSUs, SARs and SOs awarded will be based on the value at the time of grant.

Executive remuneration is heavily weighted towards longer-term performance, delivered in PSUs, SARs, or SOs, and with every award subject to individual performance.

The committee has continued to award PSUs to senior executives in FY21, having introduced the programme in FY20. PSUs constituted approximately 45% of the LTI award made to the executive directors in FY20 and this will be approximately 60% for FY21.

Figures 1 and 2 show what the approximate balance of the unvested LTIs for the executive directors, post this FY21 allocation, will be.

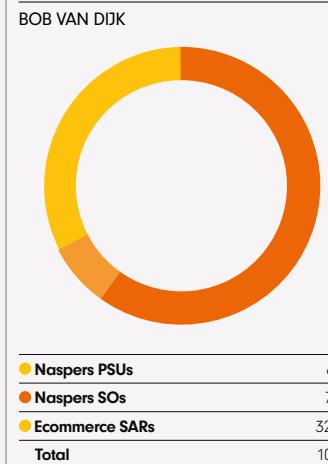
Because no one LTI vehicle can perfectly meet all our criteria, we employ a blend of LTI programmes, as shown in the table below. PSUs, SOs and SARs create a truly balanced mix of LTIs with value-based performance hurdles, in line with shareholder value creation, as shown in figure 3.

Please refer to the A-Z section on pages 37 to 40 of the remuneration report for further detail on our LTI policies.

Figure 3

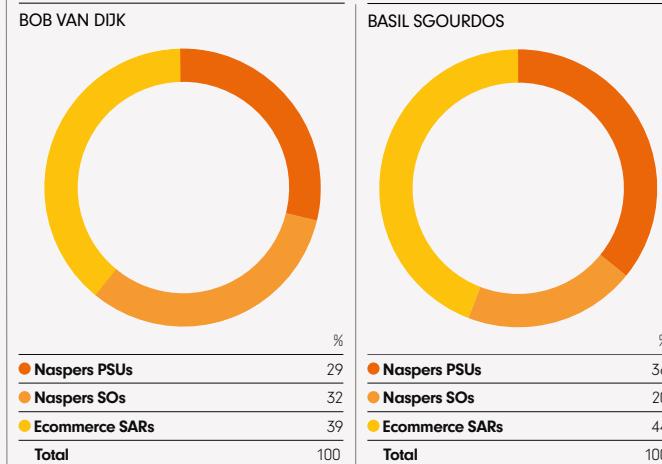
LTI Objectives	SOs	PSUs	SARs
Linked to outcomes management controls	<ul style="list-style-type: none"> Share price partially influenced by events beyond management control 	<ul style="list-style-type: none"> Reward management for the outcomes they directly control 	<ul style="list-style-type: none"> Reward management for the outcomes they directly control
Focused on longer-term value creation	<ul style="list-style-type: none"> Market cap represents longer-term value Vest over four years 	<ul style="list-style-type: none"> Valuation driven by longer-term projections Vest at end of three years 	<ul style="list-style-type: none"> Valuation (third party) driven by longer-term projections Vest over four years
Aligned with shareholder interests	<ul style="list-style-type: none"> Management 100% aligned with shareholders Incentivise management to reduce the discount to NAV 	<ul style="list-style-type: none"> Performance condition incentivises creating value in underlying internet business, closing discount to NAV Performance condition is relative to industry peers 	<ul style="list-style-type: none"> Incentivise value creation in underlying internet business Performance of internet business only one factor influencing share price

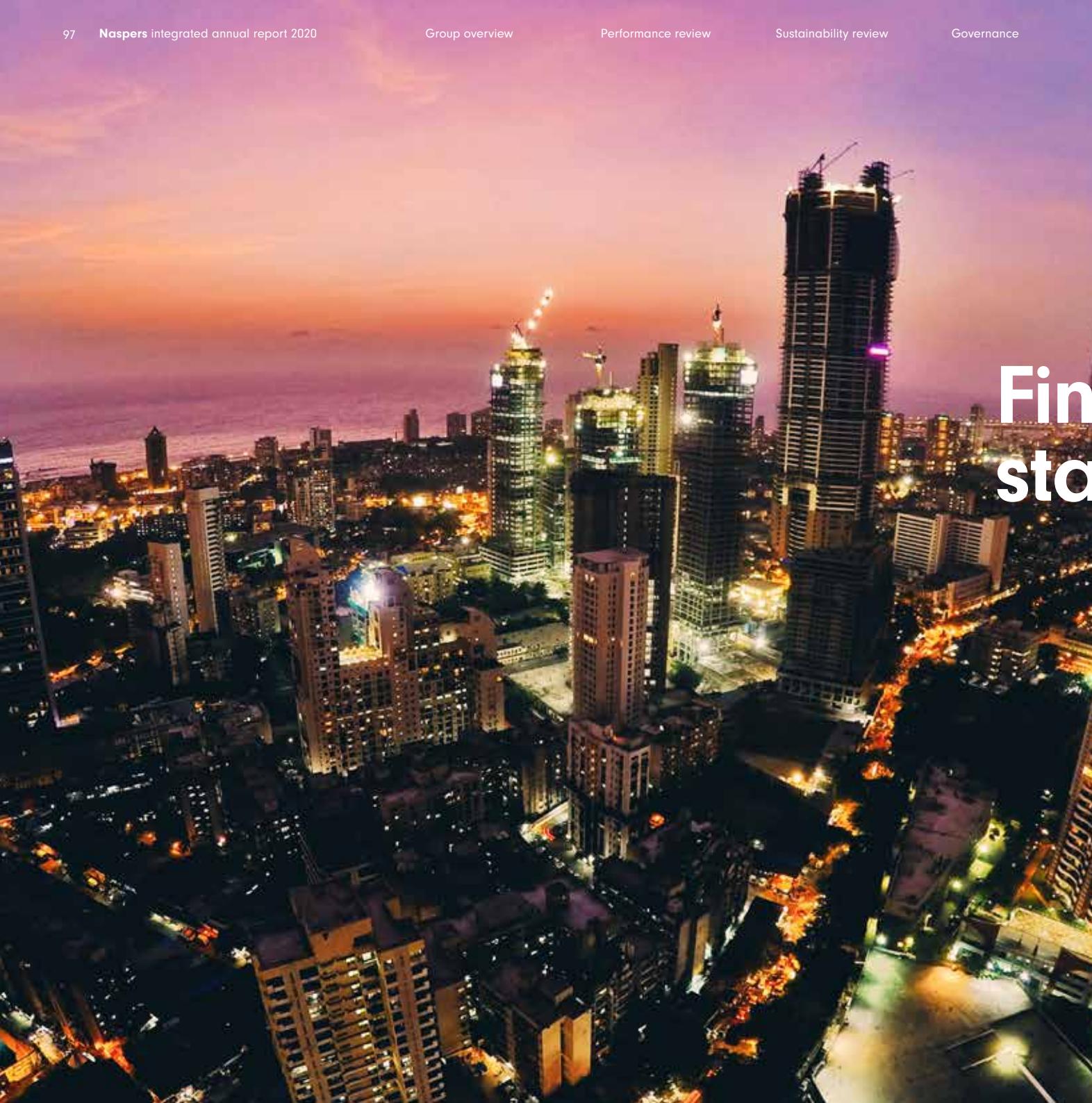
Figure 1
The balance of CEO/CFO FY21 LTI grant is focused towards consumer internet business



Represents the fair value of LTI awards on grant date in accordance with IFRS 2. The figure is based on indicative values and may therefore differ from the final fair value granted.

Figure 2
Balance of all unvested LTI, including the FY21 LTI grant





Financial statements

Contents

- 98** Statement of responsibility by the board of directors
- 99** Independent auditor's report
- 100** Summarised consolidated annual financial statements

Summarised consolidated annual financial statements

Contents	Page
Statement of responsibility by the board of directors	98
Independent auditor's report on the summary consolidated financial statements	99
Summarised consolidated income statement	100
Summarised consolidated statement of comprehensive income	100
Summarised consolidated statement of financial position	101
Summarised consolidated statement of changes in equity	102
Summarised consolidated statement of cash flows	103
Notes to the summarised consolidated financial statements	104 to 120

Statement of responsibility by the board of directors

for the year ended 31 March 2020

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, 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 99.

The summarised consolidated annual financial statements were approved by the board of directors on 29 June 2020 and are signed on its behalf by

Koos Bekker
Chair

Bob van Dijk
Chief executive

29 June 2020

Independent auditor's report on the summary consolidated financial statements



To the Shareholders of Naspers Limited

Opinion

The summarised consolidated financial statements of Naspers Limited, set out on pages 100 to 117 of the Integrated Annual Report, which comprise the summarised consolidated statement of financial position as at 31 March 2020, the summarised consolidated income statement, and summarised consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes to the summarised consolidated financial statements, are derived from the audited consolidated financial statements of Naspers Limited for the year ended 31 March 2020.

In our opinion, the accompanying summarised 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 note 2 to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summarised Consolidated Financial Statements

The summarised 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 summarised 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 29 June 2020. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Directors' Responsibility for the Summarised Consolidated Financial Statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the JSE's requirements for summary financial statements, set out in note 2 to the summarised 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 summarised 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.

PricewaterhouseCoopers

PricewaterhouseCoopers Inc.

Director: Vicky Myburgh

Registered Auditor

Johannesburg

29 June 2020

PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukkskei View, 2090
Private Bag X36, Sunninghill, 2157, South Africa
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za

Chief Executive Officer: L S Machaba

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukkskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.



Summarised consolidated income statement

for the year ended 31 March

	Notes	2020 US\$'m	2019 US\$'m
Continuing operations			
Revenue from contracts with customers	7	4 001	3 291
Cost of providing services and sale of goods		(2 692)	(2 104)
Selling, general and administration expenses		(1 960)	(1 716)
Other gains/(losses) – net	9	(69)	(38)
Operating loss		(720)	(567)
Interest income	8	245	284
Interest expense	8	(229)	(205)
Other finance income/(costs) – net	8	129	130
Share of equity-accounted results		3 932	3 410
Impairment of equity-accounted investments		(21)	(88)
Dilution losses on equity-accounted investments		(52)	(182)
Net gain on acquisitions and disposals	9	351	1 609
Profit before taxation	9	3 635	4 391
Taxation		(231)	(229)
Profit from continuing operations		3 404	4 162
Profit from discontinued operations	5	–	2 759
Profit for the year		3 404	6 921
Attributable to:			
Equity holders of the group		3 137	6 901
Non-controlling interests		267	20
Per share information related to continuing operations⁽¹⁾		3 404	6 921
Earnings per ordinary share (US cents)		718	965
Diluted earnings per ordinary share (US cents)		699	950
Headline earnings for the year (US\$m)	6	2 206	3 719
Headline earnings per ordinary share (US cents)		505	851
Diluted headline earnings per ordinary share (US cents)		487	837
Core headline earnings for the year (US\$m)	6	2 863	3 000
Core headline earnings per ordinary share (US cents)		656	687
Diluted core headline earnings per ordinary share (US cents)		637	673
Net number of ordinary shares issued ('000) ⁽¹⁾			
– weighted average for the year		436 756	436 977
– diluted weighted average		438 481	438 835

⁽¹⁾ Weighted average number of shares for the year ended 31 March 2019, have been adjusted to include those shares issued for no consideration from the start of the earliest period presented ie 1 April 2018, to permit comparability in accordance with IAS 33 Earnings Per Share. Per share data has accordingly been recalculated for all periods presented. Refer to note 1 for additional information.

Summarised consolidated statement of comprehensive income

for the year ended 31 March

	2020 US\$'m	2019 US\$'m
Profit for the year	3 404	6 921
Total other comprehensive loss, net of tax, for the year⁽¹⁾	(1 372)	(455)
Translation of foreign operations	(1 321)	(1 529)
Net fair-value (losses)/gains	(292)	11
Cash flow hedges	–	169
Share of other comprehensive income and reserves of equity-accounted investments	241	918
Tax on other comprehensive income	–	(24)
Total comprehensive income for the year	2 032	6 466
Attributable to:		
Equity holders of the group	2 013	6 452
Non-controlling interests	19	14
2 032	6 466	

⁽¹⁾ All components of other comprehensive income may subsequently be reclassified to profit or loss except for fair-value loss of US\$291.8m (2019: gains of US\$10.8m) relating to the group's financial assets at fair value through other comprehensive income and fair-value gains of US\$78.7m (2019: US\$752.4m) from equity-accounted investments' financial assets at fair value through other comprehensive income and other direct reserve movements.



Summarised consolidated statement of financial position

as at 31 March

	Notes	2020 US\$'m	2019 US\$'m
ASSETS			
Non-current assets		26 807	23 133
Property, plant and equipment		457	191
Goodwill	10	2 237	2 120
Other intangible assets		898	877
Investments in associates		22 235	19 746
Investments in joint ventures		74	96
Other investments and loans		818	74
Other receivables		13	7
Derivative financial instruments		55	1
Deferred taxation		20	21
Current assets		9 512	10 552
Inventory		260	209
Trade receivables		139	172
Other receivables and loans		542	518
Derivative financial instruments		-	4
Short-term investments		4 060	7 298
Cash and cash equivalents		4 303	2 284
		9 304	10 485
Assets classified as held for sale	12	208	67
Total assets		36 319	33 685

	Notes	2020 US\$'m	2019 US\$'m
EQUITY AND LIABILITIES			
Capital and reserves attributable to the group's equity holders		21 750	27 999
Share capital and premium		3 362	4 945
Other reserves		(8 508)	(739)
Retained earnings		26 896	23 793
Non-controlling interests		8 178	132
Total equity		29 928	28 131
Non-current liabilities		4 184	3 973
Capitalised lease liabilities		231	5
Liabilities – interest-bearing		3 508	3 237
– non-interest-bearing		20	3
Other non-current liabilities		205	544
Post-employment medical liability		17	21
Derivative financial instruments		2	33
Deferred taxation		201	130
Current liabilities		2 207	1 581
Current portion of long-term debt		67	23
Trade payables		322	287
Accrued expenses and other current liabilities		1 722	1 258
Derivative financial instruments		38	3
Bank overdrafts		32	8
		2 181	1 579
Liabilities classified as held for sale	12	26	2
Total equity and liabilities		36 319	33 685



Summarised consolidated statement of changes in equity

for the year ended 31 March

	Share capital and premium US\$'m	Foreign currency translation reserve US\$'m	Hedging reserve US\$'m	Valuation reserve US\$'m	Existing control business combination reserve US\$'m	Share-based compensation reserve US\$'m	Retained earnings US\$'m	Shareholders' funds US\$'m	Non-controlling interest US\$'m	Total US\$'m
Balance at 1 April 2018	4 965	(761)	(106)	841	(1 847)	1 460	20 971	25 523	169	25 692
Total comprehensive income for the year	-	(1 329)	130	355	-	395	6 901	6 452	14	6 466
Profit for the year	-	-	-	-	-	-	6 901	6 901	20	6 921
Total other comprehensive income for the year	-	(1 329)	130	355	-	395	-	(449)	(6)	(455)
Treasury share movements	(20)	-	-	-	-	-	-	(20)	-	(20)
Share-based compensation movement ⁽¹⁾	-	-	-	-	-	30	-	30	3	33
Transactions with non-controlling shareholders ⁽²⁾⁽³⁾	-	-	-	-	930	-	(890)	40	64	104
Foreign exchange movement on equity reserves	-	(4)	-	3	-	-	(1)	(2)	(2)	(4)
Direct retained earnings and other movements ⁽⁴⁾	-	24	(24)	(439)	(210)	(187)	836	-	-	-
Dividends	-	-	-	-	-	-	(196)	(196)	(116)	(312)
Distribution in specie ⁽⁵⁾	-	-	-	-	-	-	(3 828)	(3 828)	-	(3 828)
Balance at 31 March 2019	4 945	(2 070)	-	760	(1 127)	1 698	23 793	27 999	132	28 131
Balance at 1 April 2019	4 965	(2 070)	-	760	(1 127)	1 698	23 793	27 999	132	28 131
Total comprehensive income for the year	-	(1 116)	-	(437)	-	429	3 137	2 013	19	2 032
Profit for the year	-	-	-	-	-	-	3 137	3 137	267	3 404
Total other comprehensive income for the year	-	(1 116)	-	(437)	-	429	-	(1 124)	(248)	(1 372)
Share capital movements ⁽⁶⁾	(1 547)	208	-	-	-	-	-	(1 339)	-	(1 339)
Treasury share movements	(36)	-	-	-	-	-	-	(36)	-	(36)
Share-based compensation movement ⁽¹⁾	-	-	-	-	-	12	(63)	(51)	(2)	(53)
Transactions with non-controlling shareholders ⁽⁵⁾	-	-	-	-	(166)	1	(9)	(174)	233	59
Other movements ⁽⁷⁾	-	-	-	-	8	-	(37)	(29)	-	(29)
Recognition of Prosus non-controlling interest	-	-	-	-	(6 399)	(53)	37	(6 415)	7 798	1 383
Direct retained earnings movements ⁽⁴⁾	-	4	-	(42)	(7)	(211)	256	-	-	-
Dividends	-	-	-	-	-	-	(218)	(218)	(2)	(220)
Balance at 31 March 2020	3 362	(2 974)	-	281	(7 691)	1 876	26 896	21 750	8 178	29 928

⁽¹⁾ Retained earnings include a decrease of US\$62.6m (2019: US\$nil) related to the settlement of share-based compensation benefits. The share-based compensation reserve includes the current-year expense recognised in the income statement of US\$118.6m (2019: US\$98.0m).

⁽²⁾ Relates to the derecognition of non-controlling interest of US\$79.8m related to the MultiChoice Group which was distributed to shareholders in February 2019 through a listing on the JSE Limited stock exchange.

⁽³⁾ Relates mainly to the put option liabilities raised from the existing control business combination reserve of US\$137.5m. The group's various disposals and other transactions with non-controlling interest resulted in the realisation of retained earnings of US\$8.9m and non-controlling interest of US\$228.5m. In the prior year the settlement of put option liabilities and transactions with non-controlling interest amounted to US\$924.9m.

⁽⁴⁾ Relates to the realisation of the fair-value reserve recognised through other comprehensive income of US\$42.1m (2019: US\$439.4m), the recycling of share-based compensation reserve of US\$210.5m (2019: US\$186.6m) on the vesting of the share options and existing business combination reserve of US\$7.1m (2019: US\$209.9m).

⁽⁵⁾ Relates to the MultiChoice Group which was distributed to shareholders in February 2019.

⁽⁶⁾ During the current year Naspers effected a share repurchase programme.

⁽⁷⁾ Relates mainly to the realisation of reserves as a result of various disposals and liquidations in retained earnings of US\$37.4m and in existing control business combination reserve of US\$8.4m.



Summarised consolidated statement of cash flows

for the year ended 31 March

	Notes	2020 US\$'m	2019 US\$'m
Cash flows from operating activities			
Cash from operations		(394)	322
Interest income received		261	244
Dividends received from investments and equity-accounted investments		387	344
Interest costs paid		(235)	(252)
Taxation paid		(215)	(248)
Net cash (utilised in)/generated from operating activities		(196)	410
Cash flows from investing activities			
Acquisitions and disposals of tangible and intangible assets		(109)	(152)
Acquisitions of subsidiaries, associates and joint ventures	13	(867)	(1 402)
Disposals of subsidiaries, businesses, associates and joint ventures	13	109	1 460
Acquisition of short-term investments ⁽¹⁾		(3 868)	(8 591)
Maturity of short-term investments ⁽¹⁾		7 022	1 361
Cash movement in other investments and loans		29	(2)
Net cash generated from/(utilised in) investing activities		2 316	(7 326)
Cash flows from financing activities			
Proceeds from sale of subsidiary shares ⁽²⁾	14	1 568	-
Payments for the repurchase of shares	15	(1 426)	-
Proceeds from long- and short-term loans raised		1 300	62
Repayments of long- and short-term loans	15	(1 047)	(51)
Outflow from equity-settled share-based compensation transactions		(195)	(119)
Additional investment in existing subsidiaries ⁽³⁾		(68)	(1 610)
Dividends paid by the holding company and its subsidiaries		(211)	(317)
Repayments of capitalised lease liabilities		(34)	(59)
Funding received from non-controlling shareholders		127	70
Other movements resulting from financing activities		(8)	(19)

	Notes	2020 US\$'m	2019 US\$'m
Net cash generated from/(utilised in) financing activities		6	(2 043)
Net movement in cash and cash equivalents		2 126	(8 959)
Foreign exchange translation adjustments on cash and cash equivalents		(112)	(132)
Cash and cash equivalents at the beginning of the year		2 276	11 368
Cash and cash equivalents classified as held for sale	12	(19)	(1)
Cash and cash equivalents at the end of the year		4 271	2 276

⁽¹⁾ Relates to short-term cash investments with maturities of more than three months from date of acquisition.

⁽²⁾ Proceeds from sale of subsidiary shares net of transaction costs.

⁽³⁾ Relates to transactions with non-controlling interests. The prior year includes the settlement of the group's put option liabilities. Cash flow information related to FY19 includes cash flows associated with discontinued operations. Refer to note 5.



Notes to the summarised consolidated financial statements

for the year ended 31 March

1. 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, the Middle East, Central and Eastern Europe, and Asia in sectors including online classifieds, food delivery, payments and fintech, travel, education, health, e-tail and social and internet platforms.

On 11 September 2019 Naspers listed its international ecommerce and internet assets on Euronext Amsterdam. This listing has created a new global consumer internet group Prosus N.V. (formerly Myriad International Holdings N.V.) (Prosus), comprising Naspers's internet interests outside South Africa and includes investments in online classifieds, food delivery, payments and fintech, e-tail, travel, education and social and internet platforms, among others. Prosus N.V. has a secondary, inward listing on the Johannesburg Stock Exchange (JSE) in South Africa. Pursuant to this transaction, the group issued 6 011 074 N ordinary shares to those shareholders who elected not to receive Prosus N.V. shares upon listing. 56 065 A ordinary shares were also issued to existing A ordinary shareholders. These shares were issued for no consideration. Refer to note 14 for details of the listing of Prosus N.V.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The summarised consolidated financial statements for the year ended 31 March 2020 have been prepared in accordance with the JSE Listings Requirements, relevant to summarised financial statements (abridged reports) and the provisions of the Companies Act No 71 of 2008. The JSE Listings Requirements require abridged 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 statements 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 used in preparing the consolidated annual financial statements, from which the summarised consolidated financial statements were derived, are consistent with those applied in the previous consolidated annual financial statements, except as set out in the new accounting pronouncements below.

Operating segments

The group's reportable segments reflect the components of the group that are regularly reviewed by the chief operating decisionmaker as defined on note 41, Segment information, in the consolidated financial statements. The group proportionately consolidates its share of the results of its associates and joint ventures in its reportable segments.

Going concern

The summarised consolidated financial statements are prepared on the going concern basis. Based on forecasts and available cash resources, the group has adequate resources to continue operations as a going concern in the foreseeable future. As at 31 March 2020, the group recorded US\$8.33bn in net cash, comprising US\$4.30bn of cash and cash equivalents and US\$4.06bn in short-term cash investments. The group had US\$3.52bn of interest-bearing debt (excluding capitalised lease liabilities) and an undrawn US\$2.5bn revolving credit facility.

In assessing going concern, the impact of the Covid-19 pandemic on the group's operations and liquidity was considered in preparing the forecasts. The board is of the opinion that the group has sufficient financial flexibility given its low gearing and very strong liquidity position at 31 March 2020 to negate the expected negative effects that could result from the Covid-19 impact on the group's businesses in the year subsequent to the date of these financial statements.

New accounting pronouncements

The group has adopted all new and amended accounting pronouncements that are relevant to its operations and that are effective for financial years commencing 1 April 2019. The impact of adopting new accounting pronouncements is outlined below and includes, significantly, the first-time application of IFRS 16 *Leases* (IFRS 16) with effect from 1 April 2019. A number of other pronouncements were also effective from 1 April 2019 but did not have a significant effect on the group's summarised consolidated financial statements.

IFRS 16 Leases

IFRS 16 replaces IAS 17 *Leases* (IAS 17) and IFRIC 4 *Determining Whether an Arrangement Contains a Lease* (IFRIC 4) and outlines the principles for the recognition, measurement, presentation and disclosure of leases. In terms of IFRS 16, the group now recognises all leases (with limited exceptions) as right-of-use assets and obligations to make lease payments (lease obligations) in the statement of financial position whereas previously lease payments relating to arrangements classified as operating leases in terms of IAS 17 were expensed on a straight-line basis in the income statement.

In accordance with IFRS 16, lease payments are allocated between lease obligations and finance costs. The corresponding lease obligations, net of finance costs, are included in long-term liabilities or current portion of long-term debt. The interest element of lease payments is charged to the income statement over the relevant lease term. Right-of-use assets are depreciated over the shorter of the relevant right-of-use asset's estimated useful life and the lease term, on a straight-line basis.

The group has applied IFRS 16 on a prospective basis with effect from 1 April 2019 and has therefore restated the comparative information contained in these summarised consolidated financial statements. On transition to IFRS 16, lease liabilities were measured at the present value of remaining lease payments discounted at the incremental borrowing rate as at 1 April 2019. The right-of-use assets recognised on 1 April 2019 were measured at an amount equal to the lease liability adjusted by any prepaid or accrued lease payments and onerous contracts. There was no adjustment to the group's opening balance to retained earnings on 1 April 2019.

The group has applied the following practical expedients:

- The group did not reassess whether contracts contained leases and accordingly the previous classifications applied to these contracts in terms of IAS 17 and IFRIC 4 were retained (ie the accounting for contracts not previously identified as leases was sustained).
- Operating leases of which the underlying assets were of low value were not recognised as right-of-use assets and obligations to make lease payments in the statement of financial position – the existing accounting for these leases was sustained (ie lease payments continue to be expensed on a straight-line basis for these leases).
- Where appropriate, the group applied a single incremental borrowing rate to a portfolio of leases and onerous contract provisions with reasonably similar characteristics.
- The group relied on its existing onerous lease contract assessments as an alternative to performing impairment reviews on right-of-use assets as at 1 April 2019 and recognised all existing provisions for onerous leases as adjustments to the relevant right-of-use assets as at 1 April 2019.
- Operating leases under which the lease terms end within 12 months (short-term leases) of 1 April 2019 are accounted for as short-term leases (ie lease payments continue to be expensed on a straight-line basis for these leases).
- The group excluded any initial direct costs from the measurement of right-of-use assets as at 1 April 2019.
- The carrying amounts of leased assets and lease obligations relating to leases that were classified as finance leases in terms of IAS 17 were treated as the carrying amounts of the right-of-use assets and lease obligations for purposes of IFRS 16 immediately before the date of transition (ie as at 31 March 2019).
- The group applied hindsight in determining the lease terms for contracts that contain extension and termination options.



Notes to the summarised consolidated financial statements continued

for the year ended 31 March

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES continued

New accounting pronouncements continued

On transition to IFRS 16, the group recognised right-of-use assets of US\$241.5m and lease obligations of US\$242.2m. The difference related primarily to pre-existing onerous lease provisions and prepaid or accrued lease payments that were adjusted to the carrying value of the relevant underlying right-of-use assets. Apart from leases of assets of low value and short-term leases, lease obligations and right-of-use assets have been measured by discounting lease payments (including those arising under extension options where relevant) using the relevant lease's incremental borrowing rate as at 1 April 2019. The weighted average lessee's incremental borrowing rate was 4.8%.

The group presents right-of-use assets in "Property, plant and equipment" and capitalised lease liabilities in the statement of financial position. Interest on lease liabilities is included in "Interest expense" in the income statement and included in the "Cash flows from operating activities" in the statement of cash flows.

The group's leasing arrangements relate primarily to office buildings, warehouse space, equipment and motor vehicles. Lease agreements are generally entered into for fixed periods of between two and 10 years, depending on the nature of the underlying asset being leased. Leasing arrangements may contain extension and/or termination options that are exercisable by the group. In determining the lease term for arrangements that contain extension and/or termination options the group considers all facts and circumstances that may create an economic incentive to exercise an extension and/or not exercise a termination option. The leases do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

In the consolidated annual financial statements for the year ended 31 March 2019, the group disclosed the operating lease commitments in terms of IAS 17 on an undiscounted basis. The impact on transition to IFRS 16 provides a reconciliation of the lease commitments disclosed under IAS 17 as at 31 March 2019 to the lease liability recognised on a discounted basis using the weighted average incremental borrowing rate as at 1 April 2019. The impact on the financial statements on transition to IFRS 16 is detailed below.

Lease liabilities recognised

	1 April 2019 US\$'m
Operating lease commitments under IAS 17	
Operating lease commitment at 31 March as disclosed ⁽¹⁾	282
Discounted using the incremental borrowing rate as at 1 April 2019	216
Recognition exemptions	(1)
Short-term leases	(1)
Extension and termination options reasonably certain to be exercised	27
Finance lease liabilities recognised as at 31 March 2019	8
Lease liabilities recognised as at 1 April 2019	250
Less: Current portion of lease liabilities	(47)
Non-current portion of lease liabilities	203

⁽¹⁾ The group disclosed these lease commitments on an undiscounted basis in the consolidated annual financial statements for the year ended 31 March 2019.

3. INDEPENDENT AUDIT

The summarised consolidated financial statements have been audited by the company's auditor, PricewaterhouseCoopers Inc. (PwC). The individual auditor assigned to perform the audit is Vicky Myburgh. PwC's unqualified audit reports on the consolidated annual financial statements and the summarised consolidated financial statements for the year ended 31 March 2020 are available for inspection at the registered office of the company. The auditor's report does not necessarily cover all the information contained in the summarised consolidated financial statements. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's work, they should obtain a copy of that report, together with the consolidated annual financial statements from the registered office of the company. These documents will be available from the company's registered office from 29 June 2020. The consolidated annual financial statements will be available on www.naspers.com on or about 29 June 2020.



Notes to the summarised consolidated financial statements continued

for the year ended 31 March

4. SEGMENTAL REVIEW

	Revenue			EBITDA ⁽¹⁾			Trading profit		
	Year ended 31 March			Year ended 31 March			Year ended 31 March		
	2020 US\$'m	2019 US\$'m	% change	2020 US\$'m	2019 US\$'m	% change	2020 US\$'m	2019 US\$'m	% change
Continuing operations									
Ecommerce ⁽²⁾	4 680	3 934	19	(816)	(556)	(47)	(964)	(613)	(57)
– Classifieds	1 299	875	48	92	19	>100	44	2	>100
– Payments and Fintech	428	360	19	(60)	(39)	(54)	(67)	(43)	(56)
– Food Delivery	751	377	99	(596)	(162)	>(100)	(624)	(171)	>(100)
– Etail	1 756	1 847	(5)	(22)	(133)	83	(63)	(150)	58
– Travel	146	234	(38)	(19)	(36)	47	(22)	(37)	41
– Other	300	241	24	(211)	(205)	(3)	(232)	(214)	(8)
Social and internet platforms	17 189	14 744	17	5 455	4 369	25	4 699	3 952	19
– Tencent	16 779	14 457	16	5 328	4 324	23	4 601	3 929	17
– Mail.ru	410	287	43	127	45	>100	98	23	>100
Media	272	326	(17)	15	(7)	>100	8	(14)	>100
Corporate segment	–	2	(100)	(16)	(17)	6	(18)	(21)	14
Intersegmental	(5)	(16)	69	–	–	–	–	–	–
Total economic interest from continuing operations	22 136	18 990	17	4 638	3 789	22	3 725	3 304	13
Less: Equity-accounted investments	(18 135)	(15 699)	(16)	(4 987)	(4 120)	(21)	(4 200)	(3 686)	(14)
Total consolidated from continuing operations	4 001	3 291	(22)	(349)	(331)	(5)	(475)	(382)	(24)
Total from discontinued operations	–	3 321	(100)	–	655	(100)	–	512	(100)
Total consolidated⁽³⁾	4 001	6 612	(39)	(349)	324	>(100)	(475)	130	>(100)

⁽¹⁾ EBITDA refers to earnings before interest, taxation, depreciation and amortisation.

⁽²⁾ The group historically allocated a portion of its corporate costs to the Video Entertainment segment. Following the distribution of MultiChoice Group to shareholders in February 2019, 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*.

⁽³⁾ Includes the results of the Video Entertainment segment which has been classified as a discontinued operation in the comparative period (refer to note 5).



Notes to the summarised consolidated financial statements continued

for the year ended 31 March

4. SEGMENTAL REVIEW continued

Reconciliation of consolidated EBITDA and trading loss to consolidated operating loss

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
Consolidated EBITDA from continuing operations⁽¹⁾	(349)	(347)
Depreciation	(96)	(36)
Amortisation on software	(16)	(15)
Interest on capitalised lease liabilities	(14)	-
Consolidated trading loss from continuing operations⁽¹⁾	(475)	(398)
Interest on capitalised leases	14	1
Amortisation of other intangible assets	(104)	(94)
Other gains/(losses) - net	(69)	(38)
Retention option expense	(61)	(11)
Share-based incentives settled in Naspers Limited shares	(25)	(27)
Consolidated operating loss from continuing operations	(720)	(567)

⁽¹⁾ Includes the net profit impact of trading loss between continuing and discontinued operations of US\$nil (2019: US\$15.7m).

5. PROFIT FROM DISCONTINUED OPERATIONS

In February 2019, the group distributed to its shareholders its investment in MultiChoice Group Limited (MultiChoice Group). 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 the comparative period of the summarised consolidated 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 and which formed part of the Video Entertainment segment.

The results and cash flows from discontinued operations are detailed in the table below.

Income statement information of discontinued operations

	Year ended 31 March 2019 US\$'m
Revenue from contracts with customers	3 321
Expenses	(2 851)
Profit before tax	470
Taxation	(200)
Profit for the year	270
Gain on disposal of discontinued operation	2 489
Profit from discontinued operations	2 759
Profit from discontinued operations attributable to:	
Equity holders of the group	2 683
Non-controlling interests	76
	2 759

Notes to the summarised consolidated financial statements continued

for the year ended 31 March

5. PROFIT FROM DISCONTINUED OPERATIONS continued

	Year ended 31 March 2019 US\$'m
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Revenue from contracts with customers

Subscription revenue	2 750
Advertising revenue	211
Hardware sales and maintenance revenue	171
Technology revenue	98
Sublicense and reconnection fee revenue	63
Other revenue	28
Revenue from contracts with customers	3 321

Cash flow statement information of discontinued operations

Net cash generated from operating activities	344
Net cash utilised in investing activities	(63)
Net cash generated from financing activities	20
Cash generated by discontinued operations	301

Per share information related to discontinued operations

	31 March 2019
Earnings per ordinary share (US cents)	614
Diluted earnings per ordinary share (US cents)	611
Headline earnings for the year (US\$'m)	216
Headline earnings per ordinary share (US cents)	49
Diluted headline earnings per ordinary share (US cents)	49
Core headline earnings for the year (US\$'m)	308
Core headline earnings per ordinary share (US cents)	70
Diluted core headline earnings per ordinary share (US cents)	70
Net number of ordinary shares issued ('000)	
– weighted average for the year	436 977
– diluted weighted average	438 835

6. HEADLINE AND CORE HEADLINE EARNINGS

Headline earnings

Headline earnings represent net profit for the period attributable to equity holders of the group, excluding certain defined separately identifiable remeasurements relating to, among others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains or losses on acquisitions and disposals of investments as well as assets, dilution gains or losses on equity-accounted investments, remeasurement gains or losses on disposal groups classified as held for sale and remeasurements included in equity-accounted earnings, net of related taxes (both current and deferred) and the related non-controlling interests. These remeasurements are determined in accordance with Circular 1/2019, headline earnings, as issued by the South African Institute of Chartered Accountants, pursuant to the JSE Listings Requirements.

Core headline earnings

Core headline earnings, a non-IFRS performance measure, represent headline earnings for the period excluding certain non-operating items. Specifically, headline earnings are adjusted for the following items to derive core headline earnings: (i) equity-settled share-based payment expenses on transactions where there is no cash cost to the company. These include those relating to share-based incentive awards settled by issuing treasury shares as well as certain share-based payment expenses that are deemed to arise on shareholder transactions; (ii) deferred taxation income recognised on the first-time recognition of deferred tax assets as this generally relates to multiple prior periods and distorts current-period performance; (iii) fair-value adjustments on financial instruments (including put option liabilities) and unrealised currency translation differences, as these items obscure the group's underlying operating performance; (iv) one-off gains or losses (including acquisition-related costs) resulting from acquisitions and disposals of businesses as these items relate to changes in the composition of the group and are not reflective of its underlying operating performance; (v) the amortisation of intangible assets recognised in business combinations and acquisitions; and (vi) donations made to various governments in assisting with the Covid-19 pandemic, as these expenses are not considered operational in nature. These adjustments are made to the earnings of businesses controlled by the group as well as the group's share of earnings of associates and joint ventures, to the extent that the information is available.



Notes to the summarised consolidated financial statements continued

for the year ended 31 March

6. HEADLINE AND CORE HEADLINE EARNINGS continued

A reconciliation of net profit attributable to shareholders to headline and core headline earnings is outlined below.

Calculation of headline and core headline earnings

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
Net profit attributable to shareholders from continuing operations	3 137	4 218
Adjusted for:		
– impairment of property, plant and equipment and other assets	–	1
– impairment of goodwill and other intangible assets	13	7
– loss on sale of assets	–	2
– gain recognised on loss of control	(17)	–
– gains recognised on loss of significant influence	(13)	–
– gains on acquisitions and disposals of investments	(391)	(1 621)
– remeasurement of previously held interest	(73)	(7)
– dilution losses on equity-accounted investments	52	182
– remeasurements included in equity-accounted earnings ⁽¹⁾	(622)	695
– impairment of equity-accounted investments	21	88
	2 107	3 565
Total tax effects of adjustments	11	175
Total adjustment for non-controlling interest	88	(21)
Headline earnings⁽²⁾	2 206	3 719
Adjusted for:		
– equity-settled share-based payment expenses	494	561
– recognition of deferred tax assets	–	(36)
– tax paid on cancellation of shares	140	–
– amortisation of other intangible assets	316	295
– fair-value adjustments and currency translation differences	(620)	(1 570)
– retention option expense	42	11
– transaction-related costs	118	20
– Covid-19 donations	167	–
Core headline earnings	2 863	3 000

⁽¹⁾ Remeasurements included in equity-accounted earnings include US\$841.9m (2019: US\$126.4m) relating to gains arising on acquisitions and disposals by associates and US\$226.7m (2019: US\$799.4m) relating to impairment of assets recognised by associates.

⁽²⁾ Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined separately identifiable remeasurements. The headline earnings measure is pursuant of the JSE Listings Requirements.

The diluted earnings, headline earnings and core headline earnings per share figures presented on the face of the summarised consolidated income statement include a decrease of US\$71.0m (2019: US\$47.0m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.

Equity-accounted results

The group's equity-accounted investments contributed to the summarised consolidated financial statements as follows:

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
Share of equity-accounted results	3 932	3 410
– gains on acquisitions and disposals	(842)	(126)
– impairment of investments	227	799
Contribution to headline earnings	3 317	4 083
– amortisation of other intangible assets	301	236
– equity-settled share-based payment expenses	556	535
– fair-value adjustments and currency translation differences	(554)	(1 499)
– Covid-19 donations	114	–
Contribution to core headline earnings	3 734	3 355
Tencent	4 174	3 587
Mail.ru	70	15
MakeMyTrip	(13)	(49)
Delivery Hero	(167)	(55)
Other	(330)	(143)

The group applies an appropriate lag period in reporting the results of equity-accounted investments.



Notes to the summarised consolidated financial statements continued

for the year ended 31 March

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Reportable segment(s) where revenue is included	Year ended 31 March	
		2020 US\$'m	2019 US\$'m
Online sale of goods revenue	Classifieds and Etail	1 868	1 481
Classifieds listings revenue	Classifieds	790	623
Payment transaction commissions and fees	Payments and Fintech	380	308
Mobile and other content revenue	Other Ecommerce	173	159
Food-delivery revenue	Food Delivery	310	159
Travel package revenue and commissions	Travel	-	27
Advertising revenue	Various	201	229
Comparison shopping commissions and fees	Other Ecommerce	22	45
Printing, distribution, circulation, publishing and subscription revenue	Media	137	145
Other revenue	Various	120	115
		4 001	3 291

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.

8. FINANCE INCOME/(COSTS)

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
Interest income	245	284
– loans and bank accounts	241	283
– other	4	1
Interest expense	(229)	(205)
– loans and overdrafts	(209)	(201)
– capitalised lease liabilities	(14)	-
– other	(6)	(4)
Other finance income – net	129	130
– net foreign exchange differences and fair-value adjustments on derivatives	76	77
– remeasurement of written put option liabilities	53	53

Notes to the summarised consolidated financial statements continued

for the year ended 31 March

9. PROFIT BEFORE TAXATION

In addition to the items already detailed, profit before taxation has been determined after taking into account, inter alia, the following:

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
Depreciation of property, plant and equipment⁽¹⁾	96	35
Amortisation	122	111
– other intangible assets	106	94
– software	16	17
Impairment losses on financial assets measured at amortised cost	17	18
Net realisable value adjustments on inventory, net of reversals⁽²⁾	5	28
Other gains/(losses) – net	(69)	(38)
– loss on sale of assets	–	(2)
– impairment of goodwill and other intangible assets	(13)	(7)
– impairment of property, plant and equipment and other assets	–	(1)
– dividends received on investments	6	4
– fair-value adjustments on financial instruments	4	(27)
– gains recognised on loss of significant influence	13	–
– Covid-19 donations	(84)	–
– other	5	(5)
Gains on acquisitions and disposals	351	1 609
– gains on sale of investments – net	390	1 618
– gain recognised on loss of control transactions	17	–
– remeasurement of contingent consideration	–	3
– transaction-related costs	(113)	(19)
– securities tax paid on internal restructuring	(18)	–
– remeasurement of previously held interest	73	7
– other	2	–

⁽¹⁾ The increase in depreciation is as a result of the adoption of IFRS 16 Leases. Refer to note 2 for details of the group's adoption of new accounting pronouncements during the year.

⁽²⁾ Net realisable value write-downs relate primarily to general inventory write-downs in the retail segment.

10. GOODWILL

Movements in the group's goodwill for the year are detailed below:

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
Goodwill		
– cost	2 360	2 961
– accumulated impairment	(240)	(354)
Opening balance	2 120	2 607
– foreign currency translation effects	(278)	(292)
– acquisitions of subsidiaries and businesses	566	105
– disposals of subsidiaries and businesses	(7)	(7)
– transferred to assets classified as held for sale	(152)	(287)
– impairment	(12)	(6)
Closing balance	2 237	2 120
– cost	2 324	2 360
– accumulated impairment	(87)	(240)

Goodwill is tested for impairment annually on 31 December or more frequently if there is a change in circumstances that indicates that it might be impaired. The group reassessed its 10-year budgets and forecasts by adjusting cash flow projections and budgets to include the effects of the Covid-19 pandemic. The group also updated its discount rates where required. These adjustments took into account the impact of the pandemic on revenue and margins as well as the periods of interruptions to business operations as a result of lockdown trading restrictions. Covid-19 has had a broad impact on the group, with the restrictions impacting some businesses negatively where they are unable to operate and on the other hand, having a positive impact on the group's major business operations where online services and sale of goods is the primary solution for social distancing measures imposed. An impairment loss of US\$11.8m (2019: US\$6.4m) recognised as at 31 March 2020 takes into account the impact of the pandemic on the group and its cash-generating units which is the group's best estimate amid this current uncertain economic environment. Estimating the future performance of the group's cash-generating units is challenging during this pandemic. As circumstances change and/or information becomes available, the group may be required to recognise impairments in future periods. The goodwill impairment relates to the group's Classifieds and Media businesses.

Notes to the summarised consolidated financial statements continued

for the year ended 31 March

11. 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.

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
Commitments	151	327
– capital expenditure	29	19
– other service commitments	109	26
– lease commitments ⁽¹⁾	13	282

⁽¹⁾ The significant decrease in the current year is as a result of the adoption of IFRS 16 *Leases*. Refer to note 2 for the adoption of new accounting pronouncements during the reporting period.

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 withholding and other tax exposures, including interest and potential penalties, amounts to approximately US\$30.3m (2019: US\$22.0m).

Further, the group has an uncertain tax position of US\$170.8m (2019:US\$177.0m) related to amounts receivable from tax authorities.

12. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE/DISTRIBUTION

The group distributed its shareholding in the MultiChoice Group to shareholders during the prior 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 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 had committed to dispose of these shares within 12 months from the end of the previous reporting period. The portion of MultiChoice Group shares not classified as held for sale are presented as part of "Other investments and loans" in the statement of financial position.

In April 2019 the group concluded the contribution of its subsidiary Netrepreneur Connections Enterprises, Inc. (Sulit) to Carousell Private Limited (Carousell) for an equity interest in Carousell. Sulit was classified as held for sale as at 31 March 2019. Refer to note 13.

In October 2019 the group concluded the sale of its 100% effective interest in its subsidiary BuscaPé Company Informacao e Tecnologia Limitada (BuscaPé). The assets and liabilities of BuscaPé were classified as held for sale as at 30 September 2019. Refer to note 13.

In March 2020 the assets and liabilities of the group's subsidiary Wavy Global Holdings B.V. (Wavy) were classified as held for sale as the group signed an agreement to sell its investment to Stockholm-based customer engagement platform, Sinch AB. Refer to note 18.

Further in March 2020, the group signed an agreement to contribute the assets and liabilities of the US letgo business in exchange for an equity interest in OfferUp Inc., a US online marketplace. Refer to note 18.

Assets and liabilities classified as held for sale are detailed in the table below:

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
Assets	208	67
Property, plant and equipment	10	–
Goodwill and other intangible assets	152	13
Investments and loans	–	51
Trade and other receivables	27	2
Cash and cash equivalents	19	1
Liabilities	26	2
Long-term liabilities	3	–
Provisions	1	–
Trade payables	4	–
Accrued expenses and other current liabilities	18	2

13. BUSINESS COMBINATIONS, OTHER ACQUISITIONS AND DISPOSALS

The following relates to the group's significant transactions related to business combinations and equity-accounted investments:

In July 2019 the group acquired the majority stake in Red Dot Payment Private Limited (Red Dot) in Southeast Asia for US\$45m. The company is an online payment company providing payment solutions and expertise to merchants across Asia Pacific. Following this investment, the group has a 72% effective interest (66% fully diluted) in Red Dot. The transaction was accounted for as a business combination with an effective date of July 2019. The purchase price allocation: fixed assets US\$1m; intangible assets US\$11m; cash and deposits US\$14m; trade and other receivables US\$2m; trade and other liabilities US\$7m; and the balance of US\$36m to goodwill. The group has a put option arrangement with the non-controlling interest exercisable in future over a specified period and also exercisable upon termination of employment of the non-controlling interest. The main intangible assets recognised in the business combination were customer relationships and technology.

The main factor contributing to the goodwill recognised in the acquisition is Red Dot's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In July 2019 the group invested US\$66m 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 was accounted for as a business combination with an effective date of July 2019. The purchase price allocation: intangible assets US\$28m; property, plant and equipment US\$3m; cash and deposits US\$4m; trade and other receivables US\$9m; liabilities US\$14m; and the balance of US\$36m to goodwill. The main intangible assets recognised in the business combination were technology and customer relationships.

Notes to the summarised consolidated financial statements continued

for the year ended 31 March

13. BUSINESS COMBINATIONS, OTHER ACQUISITIONS AND DISPOSALS continued

The main factor contributing to the goodwill recognised in the acquisition is Wibmo's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In October 2019 the group concluded the merger of Dante International Korlátolt Felelősségi Társaság (eMAG Hungary), its Hungarian operations with operations of Ed Group Vagyonkezelő Korlátolt Felelősségi Társaság (Extreme Digital), one of the leading marketers in Hungary. The group contributed the operations of its subsidiary eMAG Hungary as well as US\$1m cash with an aggregate value of US\$13m. Following the merger, eMAG is the majority shareholder, with an effective interest of 52% in the newly merged entity. The group accounted for the acquisition of its interest in Extreme Digital as a business combination and recognised an investment in subsidiary. The purchase price allocation: intangible assets US\$21m; property, plant and equipment US\$8m; other assets US\$1m; liabilities US\$9m; and the balance of US\$4m to goodwill. The main intangible assets recognised in the business combination were customer relationships and brand names. The transaction gave rise to the recognition of non-controlling interest of US\$11m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of Extreme Digital as at the acquisition date.

The group has a put option arrangement with the non-controlling interest exercisable at specified future dates or upon termination of employment of the non-controlling interest. The settlement of the put option arrangement is in cash or shares at the group's discretion. The portion of the put option linked to employment is accounted for as a cash-settled share-based compensation arrangement over the employment period. At acquisition, the cash-settled liability for this arrangement amounted to US\$9m.

The main factor contributing to the goodwill recognised in the acquisition is Extreme Digital's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In December 2019 the group invested US\$134m in cash and contributed its subsidiary PayU Turkey to acquire a 90% effective and fully diluted interest in İlyz Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (Iyzico), a leading payment service provider in Turkey. The acquisition of Iyzico was accounted for as a business combination with an effective date of December 2019. The shares held by non-controlling interest in Iyzico are linked to an employment service period and will be accounted for as a cash-settled share-based compensation arrangement over the employment service period. Accordingly, no non-controlling interest has been recognised at the acquisition date. The purchase price allocation: intangible assets US\$40m; cash and deposits US\$28m; fixed assets US\$2m; trade and other liabilities US\$25m; deferred tax liabilities US\$9m, and the balance of US\$98m to goodwill. The main intangible assets recognised in the business combination were customer relationships, brand names and technology.

The main factor contributing to the goodwill recognised in the acquisition is Iyzico's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In December 2019 the group invested an additional US\$163m in PaySense Private Limited (PaySense), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. Prior to this transaction the group held 21% in PaySense and was accounted for as an investment in an associate. Following this additional investment, the group now holds a 79% effective and fully diluted interest in PaySense. The fair value of the group's previously held interest in PaySense was US\$31m at the date of obtaining control. A gain of US\$14m has been recognised in "Gains/(losses) on acquisitions and disposals" in the income statement on the remeasurement of the group's previously held equity interest in PaySense to its fair value. The transaction was accounted for as a business combination with an effective date of December 2019. The purchase price allocation: intangible assets US\$41m; cash and deposits of US\$98m; fixed assets of US\$1m; trade and other receivables US\$3m; liabilities US\$22m; deferred tax liabilities US\$10m, and the balance of US\$90m to goodwill. The main intangible assets recognised in the business combination were technology and brand names. The transaction gave rise to the recognition of non-controlling interest of US\$8m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of PaySense as at the acquisition date. A portion of the shares held

by non-controlling interest in PaySense is linked to an employment service period and will be accounted for as a cash-settled share-based compensation arrangement over the employment service period. Accordingly, the non-controlling interest recognised at the acquisition date relates to 50% of their legal shareholding not linked to an employment service period.

The group has a put option arrangement with the non-controlling interest exercisable at specified future dates or upon termination of employment of the non-controlling interest. The settlement of the put option arrangement is in cash or shares at the group's discretion. The portion of the put option linked to employment is accounted for as a cash-settled share-based compensation arrangement over the employment period. At acquisition, the cash-settled liability for this arrangement amounted to US\$5m.

The main factor contributing to the goodwill recognised in the acquisition is PaySense market presence and technological capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In December 2019 the group invested US\$320m in cash and contributed a portion of its investment in subsidiaries India Used Car Group B.V. (IUGC) and Poland Used Car Group B.V. (PUCG) for an additional interest in Frontier Car Group (FCG). FCG is a used-car marketplace in emerging markets providing consumers with access to buy used cars. Prior to this transaction the group held 33% effective interest (32% fully diluted) in FCG and was accounted for as an investment in an associate. Following this additional investment, the group holds an 84% effective interest (83% fully diluted) in FCG. A gain of US\$59m has been recognised in "Gains/(losses) on acquisitions and disposals" in the income statement on the remeasurement of the group's previously held equity interest in FCG to its fair value. The aggregate value of the investment in FCG was US\$455m consisting of the cash consideration, the fair value of the previously held interest in the company of US\$118m and the fair value of PUCG and IUGC contributed amounting to US\$4m and US\$11m respectively. The transaction was accounted for as a business combination with an effective date of December 2019.

The purchase price allocation: intangible assets US\$113m; cash and deposits US\$123m; trade and other receivables US\$31m; inventory US\$22m; property, plant and equipment US\$15m; liabilities US\$78m; deferred tax liabilities US\$22m; and the balance of US\$287m to goodwill. The main intangible assets recognised in the business combination were software, dealer relationships, tradenames and domain names. The transaction gave rise to the recognition of non-controlling interest of US\$31m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of FCG as at the acquisition date.

The group has a put option arrangement with the non-controlling interest exercisable at specified future dates or upon termination of employment of the non-controlling interest. The settlement of the put option arrangement is in cash or shares at the group's discretion. The portion of the put option linked to employment is accounted for as a cash-settled share-based compensation arrangement over the employment period. At acquisition, the cash-settled liability for this arrangement amounted to US\$20m.

The main factor contributing to the goodwill recognised in the acquisition is FCG's market presence. The goodwill that arose is not expected to be deductible for income tax purposes.

Since the acquisition dates of the above business combinations, revenue of US\$193m and net losses of US\$41m have been included in the group's income statement. The impact on revenue and net losses from the above transactions, had the acquisitions taken place on 1 April 2019, was US\$833m and US\$125m respectively.

During the reporting period the group disposed of its 100% effective interest in its subsidiary BuscaPé Company Informação e Tecnologia Limitada (BuscaPé) for US\$15m. The transaction received regulatory approval in October 2019. At 30 September 2019, BuscaPé was classified as a disposal group available for sale in the amount of US\$9m. The group recognised a loss of US\$178m, primarily related to the recycling of the foreign exchange translation loss reserve of US\$182m.

Notes to the summarised consolidated financial statements continued

for the year ended 31 March

13. BUSINESS COMBINATIONS, OTHER ACQUISITIONS AND DISPOSALS continued

The following relates to the group's significant transactions related to investments in its equity-accounted investees:

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\$56m 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 group recognised a gain on loss of control of US\$26m in "Gains on acquisitions and disposals" in the income statement. The companies will merge their operations in the Philippines. The group classified its interest in Carousell as an investment in an associate on account of its representation on the board of Carousell. In November 2019 the group's interest was further diluted to 7% effective interest (6% fully diluted) as a result of a subsequent funding round which resulted in the group losing its board representation. The group has classified its interest in Carousell as an investment at fair value through other comprehensive income.

In July 2019 the group invested an additional US\$25m in Brainly Inc. (Brainly). Following this investment, the group holds a 44% effective interest (38% fully diluted) in Brainly. The group continues to account for its interest as an investment in an associate.

In August 2019 the group invested US\$80m in Meesho Inc. (Meesho), a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalogue of goods and services to sell. Meesho also provides logistics and payment tools on their platform. As at 31 March 2020, the group holds a 12% effective and fully diluted interest in Meesho. The group has accounted for its interest as an investment in an associate on account of its representation on the board of Meesho.

In August 2019 the group exchanged its 43% interest in its online travel associate MakeMyTrip for a 6% effective interest in Trip.com Group Limited (formerly Ctrip.com International Limited) (Trip.com), a well-known provider of online travel and related services headquartered in China. The group made a gain of US\$599m which was recognised in "Gains on acquisitions and disposals" in the income statement. The group has classified its interest in Trip.com as an investment at fair value through other comprehensive income presented in "Other investments and loans" in the statement of financial position.

In October 2019 the group acquired a 21% effective interest (19% fully diluted) for US\$30m in NTex Transportation Services Private Limited (ElasticRun), a software and technology platform for providing transportation and logistics services in India. The group accounts for the acquisition of its interest as an investment in an associate.

In February 2020 the group made an additional investment amounting to US\$100m, in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food-delivery marketplace in India. Following this investment, the group holds a 40% effective interest (36% fully diluted) in Swiggy. The group continues to account for its interest in Swiggy as an investment in an associate.

The group made an additional investment amounting to US\$10m in April 2019 and US\$34m in March 2020, in Udemy Inc. (Udemy), an online education marketplace. Following this investment, the group holds a 15% effective interest (13% fully diluted) in Udemy. The group continues to account for its interest in Udemy as an investment in an associate.

14. CHANGES IN NON-CONTROLLING INTEREST

Pursuant to the listing of Prosus, Naspers provided its existing shareholders an option to receive either a shareholding in Prosus N ordinary shares or additional Naspers N ordinary shares for no consideration. Subsequent to the listing in September 2019 and certain shareholders electing to receive Prosus shares for no consideration, 26.16% of the issued Prosus N ordinary shares were recognised as a non-controlling interest in the Prosus group. Naspers held the remaining 73.84% of Prosus.

In January 2020 Naspers sold 22 million N ordinary shares in Prosus, corresponding to a 1.35% effective interest in the issued Prosus N ordinary shares, at a price per share of €67.50, resulting in gross proceeds of US\$1.64bn (€1.49bn) for Naspers. As at 31 March 2020 Naspers holds 72.63% of the issued Prosus N ordinary shares.

The Prosus group represents a significant portion of Naspers's net asset value as it comprises the international ecommerce and internet assets, including the investment in Tencent. Accordingly, the 27.37% interest in Prosus represents a significant non-controlling interest of the group. This non-controlling interest will be entitled to its share of future earnings of the Prosus group.

The Prosus group prepares its own consolidated financial statements, which are reported to its shareholders in accordance with its listing obligations on Euronext Amsterdam. In its results, Prosus discloses various related party balances and transactions with fellow subsidiaries in the Naspers group. More information on Prosus's results is available at www.prosus.com.

15. SIGNIFICANT FINANCING TRANSACTIONS

The group issued a 10-year US\$1.25bn bond in January 2020. The bond matures in January 2030 and carries a fixed interest rate of 3.68% per annum. The purpose of this offering was to raise proceeds to redeem the US\$1.0bn bond that was redeemable in July 2020. The net proceeds of the offering of this bond was used by the group for the redemption of the 2020 bond in February the current year and otherwise for general corporate purposes. The bond is listed on the Irish Stock Exchange (Euronext Dublin).

In January 2020 Naspers sold 22 000 000 N ordinary shares in Prosus (1.35% effective interest) to institutional investors. The net proceeds from the sale of the Prosus shares were used to return capital to Naspers shareholders in terms of its share repurchase programme. The programme was completed on 24 March 2020. As at 31 March 2020, Naspers has repurchased 9 156 705 N ordinary shares (representing 2.06% of the issued Naspers N ordinary shares prior to the programme) for a total consideration of US\$1.4bn (R22.4bn) inclusive of transaction costs. These shares were cancelled on the repurchase date and delisted. As a result, Naspers now has 435 511 058 N ordinary shares in issue.

Notes to the summarised consolidated financial statements continued

for the year ended 31 March

16. FINANCIAL INSTRUMENTS

The group's activities expose it to a variety of financial risks such as market risk (including currency risk, fair-value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The summarised consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the group's annual financial statements for the year ended 31 March 2020. There have been no material changes in the group's credit, liquidity, market risks or key inputs used in measuring fair value since 31 March 2019.

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 2020 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
Assets				
Financial assets at fair value through other comprehensive income	804	711	3	90
Financial assets at fair value through profit or loss	13	–	–	13
Derivatives embedded in leases	6	–	–	6
Cross-currency interest rate swap	49	–	49	–
Liabilities				
Forward exchange contracts	38	–	38	–
Derivatives embedded in leases	2	–	–	2
Earn-out obligations	22	–	–	22

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
Assets			
Financial assets at fair value through other comprehensive income ⁽¹⁾	122	73	3
Forward exchange contracts	4	–	4
Derivatives embedded in leases	1	–	–
Liabilities			
Forward exchange contracts	3	–	3
Earn-out obligations	7	–	7
Interest rate and cross-currency swaps	33	–	33

⁽¹⁾ Includes assets classified as held for sale.

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.

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 fair value of level 3 financial instruments is determined with the use of the most recent transaction values determined from the recent funding rounds that occurred in the current year for these transactions.

Notes to the summarised consolidated financial statements continued

for the year ended 31 March

16. FINANCIAL INSTRUMENTS continued

The group discloses the fair values of the following financial instruments as their carrying values are not a reasonable approximation of their fair values:

	31 March 2020		31 March 2019	
	Carrying value US\$m	Fair value US\$m	Carrying value US\$m	Fair value US\$m
Financial liabilities				
Publicly traded bonds	3 450	3 183	3 200	3 350

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. The fair values of the publicly traded bonds are level 2 financial instruments.

17. RELATED PARTY TRANSACTIONS AND BALANCES

The group entered into transactions and has balances with a number of related parties, including associates and joint ventures. Transactions that are eliminated on consolidation as well as gains or losses eliminated through the application of the equity method are not included. The transactions and balances with related parties are summarised below:

	Year ended 31 March	
	2020 US\$m	2019 US\$m
Sale of goods and services to related parties⁽¹⁾		
MakeMyTrip Limited ⁽²⁾	5	12
Various other related parties	1	1
	6	13

⁽¹⁾ The group receives revenue from a number of its related parties in connection with service agreements. The nature of these related party relationships is that of associates and joint ventures.

⁽²⁾ Revenue earned from MakeMyTrip Limited, relates to payment services provided by PayU when MakeMyTrip Limited was an associate of the group.

The balances of advances, deposits, receivables and payables between the group and related parties are as follows:

	Year ended 31 March	
	2020 US\$m	2019 US\$m
Receivables⁽¹⁾		
Tencent Technology (Shenzhen) Co Ltd	90	-
Honor Technology, Inc.	8	-
Zoop Tecnologia e Meios de Pagamento Limitada (Zoop)	6	-
Various other related parties	3	3
Total related party receivables	107	3
Less: Non-current portion of related party receivables	(8)	-
Current portion of related party receivables	99	3

⁽¹⁾ The group provides services and loan funding to a number of its related parties. The nature of these related party relationships is that of equity-accounted investments.

Purchases of goods and services from related parties amounted to US\$nil (2019: US\$1.0m), amounts payable to related parties amounted to US\$2.8m (2019: US\$2.8m). These amounts are not considered significant and relate to various related parties, most of which are equity-accounted investments of the group.

Notes to the summarised consolidated financial statements continued

for the year ended 31 March

18. EVENTS AFTER THE REPORTING PERIOD

In March 2020 it was announced that OfferUp and letgo US, two of America's most popular apps to buy and sell locally, intend to combine their businesses in the United States. OLX Group will therefore contribute its letgo US business plus cash of US\$100m. OLX Group will own 40% of the newly combined entity. The transaction received regulatory approval and is expected to close 1 July 2020. The group expects to account for its interest in OfferUp as an equity accounted associate.

In March 2020 MIH Movile Holding B.V. (Movile) signed an agreement to sell its subsidiary Wavy Global Holdings B.V. (Wavy) to Stockholm-based customer engagement platform, Sinch AB, in exchange for cash of approximately US\$68m (approximately BRL355m) and a 2.70% equity investment in Sinch AB. The transaction is subject to regulatory approval. The group expects to account for its interest in Sinch AB as an investment at fair value through other comprehensive income.

On 26 April 2020 OLX Global B.V. (OLX) merged its subsidiary, Dubizzle Limited (B.V.I.) (Dubizzle), the leading classifieds platform for users in the United Arab Emirates, with Emerging Markets Property Group (EMPG). EMPG owns and operates bespoke classifieds portals in different emerging markets across the world, including Bayut in Dubai, Zameen in Pakistan, and Mubawab in Morocco, North Africa. The group also contributed cash of approximately US\$75m. Following the transaction, the group will hold a 39% interest in EMPG. The group will account for its interest in EMPG as an investment in associate.

On 24 April 2020 the Naspers board approved a prospective change in the settlement mechanism for the group's share appreciation right (SAR) schemes from equity settled to cash settled. Gains earned by participants on exercise of their SAR awards will now be settled in cash, rather than in Naspers N ordinary shares. All other features of the awards, including strike price, vesting and expiry periods remain unchanged. The fair value of the SAR awards on the effective date of the change is approximately US\$322m and will be recognised as a share-based payment liability. The share-based payment reserve related to these SAR awards is US\$80m. The change in settlement will be accounted for as a modification, with the difference between the existing share-based payment reserve and the share-based payment liability being recognised through retained earnings in equity. The SAR schemes will be accounted for in terms of the group's accounting policy in respect of cash-settled share-based payments.

A. NON-IFRS FINANCIAL MEASURES AND ALTERNATIVE PERFORMANCE MEASURES

A.1 Growth in local currency, excluding acquisition and disposals

The group applies certain adjustments to segmental revenue and trading profit reported in the summarised consolidated financial statements to present the growth in such metrics in local currency and excluding the effects of changes in the composition of the group. Such underlying adjustments provide a view of the company's underlying financial performance that management believes is more comparable between periods by removing the impact of changes in foreign exchange rates and changes in the composition of the group on its results. Such adjustments are referred to herein as "Growth in local currency, excluding acquisitions and disposals". The group applies the following methodology in calculating growth in local currency, excluding acquisitions and disposals:

- 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:

	Year ended 31 March	
Currency (1FC = US\$)	2020	2019
South African rand	0.0667	0.0723
Euro	1.1103	1.1537
Chinese yuan renminbi	0.1433	0.1485
Brazilian real	0.2398	0.2622
Indian rupee	0.0141	0.0143
Polish zloty	0.2569	0.2684
Russian ruble	0.0152	0.0153
United Kingdom pound	1.2702	1.3084

- Adjustments made for changes in the composition of the group relate to acquisitions, mergers and disposals of subsidiaries and equity-accounted investments, as well as to changes in the group's shareholding in its equity-accounted investments. For acquisitions, adjustments are made to remove the revenue and trading profit/(loss) of the acquired entity from the current reporting period and, in subsequent reporting periods, to ensure that the current reporting period and the comparative reporting period contain revenue and trading profit/(loss) information relating to the same number of months. For mergers, adjustments are made to include a portion of the prior period's revenue and trading profit/(loss) of the entity acquired as a result of a merger. For disposals, adjustments are made to remove the revenue and trading profit/(loss) of the disposed entity from the previous reporting period to the extent that there is no comparable revenue or trading profit/(loss) information in the current period and, in subsequent reporting periods, to ensure that the previous reporting period does not contain revenue and trading profit/(loss) information relating to the disposed business.



Notes to the summarised consolidated financial statements continued

for the year ended 31 March

A. NON-IFRS FINANCIAL MEASURES AND ALTERNATIVE PERFORMANCE MEASURES continued

A.1 Growth in local currency, excluding acquisition and disposals continued

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 2020

Transaction	Basis of accounting	Reportable segment	Acquisition/disposal
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
Disposal of the group's interest in Travel Boutique Online (TBO)	Subsidiary	Ecommerce	Disposal
Disposal of the group's interest in Uaprom	Subsidiary	Ecommerce	Disposal
Step up in the group's interest in Swiggy	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Frontier Car Group	Associate	Ecommerce	Acquisition
Step up of the group's interest in Frontier Car Group	Subsidiary	Ecommerce	Disposal/Acquisition
Acquisition of the group's interest in Asaanjobs	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Selency	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in BYJU'S	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Honor	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Zooz	Subsidiary	Ecommerce	Acquisition
Step up in the group's interest in Sympla	Subsidiary	Ecommerce	Disposal/Acquisition
Acquisition of the group's interest in Wibomo	Subsidiary	Ecommerce	Acquisition
Disposal of the group's interest in Kreditech	Associate	Ecommerce	Disposal
Disposal of the group's interest in MakeMyTrip	Associate	Ecommerce	Disposal
Disposal of the group's interest in LBS	Subsidiary	Ecommerce	Disposal
Dilution of the group's interest in BuscaPé	Subsidiary	Ecommerce	Disposal
Acquisition of the group's interest in Iyzico	Subsidiary	Ecommerce	Acquisition
Step up in the group's interest in PaySense	Subsidiary	Ecommerce	Disposal/Acquisition
Acquisition of the group's interest in Red Dot	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Extreme Digital	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in ElasticRun	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Meesho	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in EMicro Transit	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in TTRS Servicos	Subsidiary	Ecommerce	Acquisition

The net adjustment made for all acquisitions and disposals on continuing operations that took place during the year ended 31 March 2020 amounted to a negative adjustment of US\$156m on revenue and a negative adjustment of US\$27m on trading profit. These adjustments include a change in estimate related to Mail.ru's deferred revenue.



Notes to the summarised consolidated financial statements continued

for the year ended 31 March

A. NON-IFRS FINANCIAL MEASURES AND ALTERNATIVE PERFORMANCE MEASURES continued

A.1 Growth in local currency, excluding acquisition and disposals 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							
	2019		2020					
	A IFRS ⁽¹⁾ US\$'m	B Group composition disposal adjustment US\$'m	C Group composition acquisition adjustment US\$'m	D Foreign currency adjustment US\$'m	E Local currency growth US\$'m	F ⁽²⁾ IFRS ⁽¹⁾ US\$'m	G ⁽³⁾ Local currency growth %	H ⁽⁴⁾ IFRS %
CONTINUING OPERATIONS								
Revenue								
Internet	18 678	(544)	400	(827)	4 162	21 869	23	17
Ecommerce	3 934	(502)	344	(210)	1 114	4 680	32	19
– Classifieds	875	(4)	133	(25)	320	1 299	37	48
– Payments and Fintech	360	(11)	25	(20)	74	428	21	19
– Food Delivery	377	(16)	55	(45)	380	751	>100	99
– Etail	1 847	(343)	73	(102)	281	1 756	19	(5)
– Travel	234	(99)	–	–	11	146	8	(38)
– Other	241	(29)	58	(18)	48	300	23	24
Social and internet platforms	14 744	(42)	56	(617)	3 048	17 189	21	17
– Tencent	14 457	(38)	–	(615)	2 975	16 779	21	16
– Mail.ru	287	(4)	56	(2)	73	410	26	43
Media	326	(12)	–	(23)	(19)	272	(6)	(17)
Corporate segment	2	–	–	–	(2)	–	(100)	(100)
Intersegmental	(16)	–	–	1	10	(5)		
Economic interest	18 990	(556)	400	(849)	4 151	22 136	23	17
DISCONTINUED OPERATIONS								
Video Entertainment	3 324	(3 324)	–	–	–	–	–	(100)
Group economic interest	22 314	(3 880)	400	(849)	4 151	22 136	23	(1)

⁽¹⁾ Figures presented on an economic-interest basis as per the segmental review.

⁽²⁾ A + B + C + D + E.

⁽³⁾ E/(A + B) x 100.

⁽⁴⁾ (F/A) - 1 x 100.

Notes to the summarised consolidated financial statements continued

for the year ended 31 March

A. NON-IFRS FINANCIAL MEASURES AND ALTERNATIVE PERFORMANCE MEASURES continued

A.1 Growth in local currency, excluding acquisition and disposals 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							
	2019		2020					
	A IFRS ⁽¹⁾ US\$'m	B Group composition disposal adjustment US\$'m	C Group composition acquisition adjustment US\$'m	D Foreign currency adjustment US\$'m	E Local currency growth US\$'m	F ⁽²⁾ IFRS ⁽¹⁾ US\$'m	G ⁽³⁾ Local currency growth %	H ⁽⁴⁾ IFRS %
CONTINUING OPERATIONS								
Trading profit								
Internet	3 339	65	(101)	(121)	553	3 735	16	12
Ecommerce	(613)	75	(157)	50	(319)	(964)	(59)	(57)
– Classifieds	2	1	(31)	14	58	44	>100	>100
– Payments and Fintech	(43)	6	(17)	(1)	(12)	(67)	(32)	(56)
– Food Delivery	(171)	(7)	(91)	28	(383)	(624)	>(100)	>(100)
– Etail	(150)	47	–	8	32	(63)	31	58
– Travel	(37)	9	–	–	6	(22)	21	41
– Other	(214)	19	(18)	1	(20)	(232)	(10)	(8)
Social and internet platforms	3 952	(10)	56	(171)	872	4 699	22	19
– Tencent	3 929	(10)	–	(170)	852	4 601	22	17
– Mail.ru	23	–	56	(1)	20	98	87	>100
Media	(14)	9	–	–	13	8	>100	>100
Corporate segment	(21)	–	–	5	(2)	(18)	(10)	14
Group economic interest	3 304	74	(101)	(116)	564	3 725	17	13
DISCONTINUED OPERATIONS								
Video Entertainment	512	(512)	–	–	–	–	–	(100)
Group economic interest	3 816	(438)	(101)	(116)	564	3 725	17	(2)

⁽¹⁾ Figures presented on an economic-interest basis as per the segmental review.

⁽²⁾ A + B + C + D + E.

⁽³⁾ E/(A + B) x 100.

⁽⁴⁾ (F/A) - 1 x 100.

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.



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Further information

Contents

- [122 Notice of annual general meeting](#)
- [129 Form of proxy](#)
- [130 Notes to the form of proxy](#)
- [132 Shareholder and corporate information](#)
- [133 Analysis of shareholders and shareholders' diary](#)
- [134 Naspers voting control structure](#)



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 106th annual general meeting of Naspers Limited (the company or Naspers) will be held (subject to any adjournment or postponement) on Friday 21 August 2020 at 14:00 (SAST). The annual general meeting will be conducted entirely, and be accessible by shareholders, through electronic communication as envisaged.

Electronic participation by shareholders

Given the outbreak of Covid-19 and the related government action and regulations aimed at social distancing, including through the prohibition of gatherings, the annual general meeting will be conducted entirely through electronic communications as envisaged in the Act.

To this end, the company has retained the services of The Meeting Specialist Proprietary Limited (TMS) to remotely host the annual general meeting on an interactive electronic platform, in order to facilitate remote participation and voting by shareholders. Our transfer secretaries, Link Market Services South Africa Proprietary Limited, will act as scrutineer. Shareholders are strongly encouraged to submit votes by proxy before the annual general meeting.

Should any shareholder (or representative or proxy for a shareholder) wish to participate in the annual general meeting electronically, that shareholder should apply in writing (including details on how the shareholder or representative (including proxy) can be contacted) to the TMS, via email at proxy@tmsmeetings.co.za and at the address below, to be received by TMS at least seven (7) business days prior to the annual general meeting (ie Tuesday, 11 August 2020) for TMS to arrange for the shareholder (or representative or proxy) to provide reasonably satisfactory identification to the transfer

secretaries for the purposes of section 63(1) of the Act and for TMS to provide the shareholder (or representative or proxy) with details on how to access the annual general meeting by means of electronic participation. The written notification, a form of which is enclosed with this notice of annual general meeting, should contain the following:

- A certified copy of the shareholder's identification document or passport if the shareholder is an individual.
- A certified copy of a resolution or letter of representation given by the holder if you are a company or juristic person, and certified copies of identity documents or passports of the persons who passed the resolution.
- A valid email address and/or telephone number.
- An indication that you or your proxy not only wishes to attend the meeting by means of electronic communication, but also to participate and vote by means of electronic communication.

Such participants, who have complied with the notice requirement above, will be contacted between Tuesday, 11 August 2020 and Thursday, 20 August 2020, by no later than twenty-four (24) hours before the annual general meeting and will be provided with the relevant connection details as well as the passcodes through which you or your proxy/ies can participate via electronic communication and of the process for participation via a unique link to the email/cellphone number provided in the notification. Shareholders who are fully verified (as required under the Act and outlined above) and subsequently registered at the commencement of the annual general meeting will be able to participate in and/or vote by electronic communication.

Should you wish to participate by way of electronic communication, you will be required to connect with the details as provided by the company by no

later than 15 minutes prior to the commencement of the annual general meeting during which time registration will take place.

If you choose to participate online you will be able to view a live webcast of the annual general meeting, and ask directors questions online in written format and submit your votes in real time.

For administrative purposes, and in order to participate and vote, completed notices for electronic participation must be received by TMS via email at proxy@tmsmeetings.co.za before 14:00 (SAST) on Wednesday, 19 August 2020.

Important dates

The board of directors of the company has determined, in accordance with section 59(1)(a) and (b) of the Act, the following important dates:

Record date for receipt of notice purposes	Friday 19 June 2020
Notice of meeting distributed to shareholders	Monday 29 June 2020
Last date to trade to be eligible to vote	Tuesday 11 August 2020
Record date for voting purposes	Friday 14 August 2020
For administration purposes, forms of proxy to be lodged by 14:00	Wednesday 19 August 2020
Meeting to be held at 14:00	Friday 21 August 2020
Results of meeting released on SENS	Friday 21 August 2020

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 Friday, 14 August 2020.

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 a 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 (through electronic communication), 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 Meeting Specialist Proprietary Limited (TMS), via email to proxy@tmsmeetings.co.za or the transfer secretaries of the company (Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein 2001 or PO Box 10462, Johannesburg 2000) by no later than 14:00 (SAST) on Wednesday 19 August 2020 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 14:00 (SAST) on Wednesday 19 August 2020 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 2020 integrated annual report available under the investors section. All other proxies must be provided to the company secretary before the proxy exercises any rights of the shareholder at the meeting.

Purpose of meeting

The purpose of the meeting is to:

- present the directors' report, the audited annual financial statements of the company, the audit committee report and the social, ethics and sustainability committee report, for the immediate preceding financial year
- consider and, if deemed fit, adopt with or without amendment, the resolutions set out below, and
- consider any matters raised by shareholders of the company, with or without advance notice to the company.



Notice of annual general meeting continued

Integrated annual report

The integrated annual report of the company for the year ended 31 March 2020 is available on www.naspers.com or on request during business hours at Naspers's registered address, 40 Heerengracht, Cape Town 8001 (contact person Ms Yasmin Abrahams) and in Johannesburg at WeWork, The Link, 4th Floor, 173 Oxford Road, Rosebank 2196 (contact person Mrs Toni Lutz) or by email at cosec@naspers.com.

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 9 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.

1. To consider and accept the annual financial statements of the company and the group for the twelve (12) months ended 31 March 2020 and the reports of the directors, auditor, audit committee, and social, ethics and sustainability committee. The summarised form of the financial statements is attached to this notice. A copy of the complete audited annual financial statements of the company for the financial year ended 31 March 2020 (and the reports of the directors, auditor, audit committee, and social, ethics and sustainability committee) can be obtained from www.naspers.com or on request during business hours at Naspers's registered address, 40 Heerengracht, Cape Town 8001 (contact person Ms Yasmin Abrahams) and in Johannesburg at WeWork, The Link, 4th Floor, 173 Oxford Road, Rosebank 2196 (contact person Mrs Toni Lutz) or by email at cosec@naspers.com.

2. To confirm and approve payment of dividends in relation to the N ordinary and A ordinary shares issued by 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.

4. To confirm the appointments of Ms M Girotra and Ms Y Xu as non-executive directors. Their abridged curricula vitae appear on pages 76 and 77. The board and nomination committee unanimously recommend approval and confirmation of the appointment of the directors in question.

5. To elect Messrs D G Eriksson and M R Sorour and Ms E M Choi and Prof R C C Jaffa who retire by rotation and, being eligible, offer themselves for re-election as directors of the company. Their abridged curricula vitae appear on pages 76 and 77. The board and nomination committee unanimously recommend that the re-election of each of the directors in terms of resolution number 5 be approved by shareholders of the company.

Voting on the appointments of the directors in ordinary resolution number 4 and re-election of directors in ordinary resolution number 5 will be conducted as a series of separate 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 appoint audit committee members as required in terms of the Act, the JSE Listings Requirements and as recommended by the King Report on Corporate Governance for South

Africa 2016 (King IV) (Principle 8). The board and nomination committee are satisfied that the company's audit committee members are suitably skilled and experienced independent non-executive directors. Collectively, they have sufficient qualifications and experience to fulfil their duties, as contemplated in regulation 42 of the Companies Regulations 2011.

Collectively, they have a comprehensive understanding of financial reporting, internal financial controls, risk management and governance processes in the company, as well as International Financial Reporting Standards (IFRS) and other regulations and guidelines applicable to the company. They keep up to date with developments affecting their required skills set. The board and nomination committee therefore unanimously recommend Mr D G Eriksson, Prof R C C Jaffa, Ms M Girotra and Mr S J Z Pacak for election to the audit committee. Their abridged curricula vitae appear on pages 76 and 77. 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 2020 remuneration report on pages 18 to 23, by way of a non-binding advisory vote.

8. To endorse the implementation report of the remuneration report by the company as set out on pages 24 to 34 of the 2020 remuneration report, by way of a non-binding advisory vote.

9. 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") in the form of the amended trust deed, as laid before the meeting, with effect from the date of this resolution.

Reason for and effect of ordinary resolution 9

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.

The board proposes certain amendments to the scheme and the trust deed. A summary of the principal terms of the amendments that require shareholder approval in terms of Schedule 14 is set out below. In addition to these amendments, further minor and administrative amendments will be made to the trust deed. The amendments will be effective on and as from the date on which they are approved by shareholders.

The trust deed currently provides for the granting of two types of awards to defined employees in the group, namely (i) RSU Awards (being conditional rights awarded to employees to the delivery or distribution of Naspers N ordinary shares ("Shares") or cash in lieu thereof) from the trust, which is not subject to the satisfaction of any performance conditions) ("RSU Awards"); and (ii) PSU Awards (being conditional rights awarded to employees to the delivery or distribution of Shares (or cash in lieu thereof) from the trust, which is subject to the satisfaction of a performance condition) ("PSU Awards"). The current trust deed describes the category of group employees who is eligible to receive (i) RSU Awards as being critical

talent employees, such as engineers and those with specialist skill sets at the mid-level of the group, as identified by the Board (as such term is defined in the trust deed); and (ii) PSU Awards as being key employees as identified by the Board (as such term is defined in the trust deed). It is proposed that the trust deed be amended to describe the category of group employees who is eligible to receive RSU Awards and/or PSU Awards as being any Employees selected by the Board (as such term is defined in the trust deed). This provides the Board (as such term is defined in the trust deed) with flexibility to select any group employees to whom RSU Awards and/or PSU Awards may be granted.

Furthermore, it is proposed to reduce the aggregate number of Shares which may be utilised for purposes of the scheme. In this regard, the trust deed currently states that the maximum aggregate number of Shares which may at any time be settled by the issue of Shares or the delivery of treasury shares to beneficiaries, must not exceed the maximum number of Shares previously authorised by the Shareholders to be available for fresh issue in connection with the share-based incentive schemes of or applicable to the group, being 40 588 541 Shares, either alone or when aggregated with all share-based incentive schemes of or applicable to the group. In terms of the proposed amendment, this aggregate number will be reduced to 21 775 553 Shares.

Finally, it is proposed to amend the individual limits of Shares relating to RSU Awards and PSU Awards (collectively "Awards") granted to any one beneficiary. The current trust deed provides for the following individual limits:

(i) for RSU Awards the current limit is 20 000 Shares, being the maximum aggregate number of Shares which may at any time be allocated in respect of unvested RSU Awards granted to a

beneficiary, either alone or when aggregated with the number of Shares that such beneficiary is entitled to in terms of all other share-based incentive schemes of or applicable to the group, but specifically excluding Shares allocated in respect of PSU Awards granted to such beneficiary, and

- (ii) for PSU Awards the current limit is 400 000 Shares, being the maximum aggregate number of Shares that may at any time be allocated in respect of unvested PSU Awards granted to a beneficiary.

In terms of the proposed amendments, no differentiation will be made between RSU Awards and PSU Awards, and the individual limit which will apply to all Awards will be 400 000 Shares, being the maximum aggregate number of Shares which may at any time be allocated in respect of unvested Awards granted to a beneficiary, either alone or when aggregated with the number of Shares that such beneficiary is entitled to in terms of all share option schemes and restricted stock plans of or applicable to the group.

This ordinary resolution number 9 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 8001 (contact person Ms Yasmin Abrahams) and in Johannesburg at WeWork, The Link, 4th Floor, 173 Oxford Road, Rosebank 2196 (contact person Mrs Toni Lutz) or by email at cosec@naspers.com for a period of not less than fourteen (14) days prior to the annual general meeting.



Notice of annual general meeting continued

10. To approve amendments to the consolidated deed constituting the MIH Services FZ LLC Share 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 10

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.

The board of directors ("board") of MIH Services FZ LLC proposes certain amendments to the scheme and the trust deed. A summary of the principal terms of the amendments that require shareholder approval in terms of Schedule 14 is set out below. In addition to these amendments, further minor and administrative amendments will be made to the trust deed. The amendments will be effective on and as from the date on which they are approved by shareholders.

Amending the definition of "Company" by replacing MIH Services FZ LLC ("MIH Services") with MIH Internet Holdings B.V. ("MIH Internet"). It is proposed to amend the definition of "Company" by replacing MIH Services with MIH Internet. Accordingly, the scheme will be defined with reference to MIH Internet, and no longer with reference to MIH Services. This results in indirect consequential amendments of

various other provisions of the trust deed, which relate to matters requiring shareholder approval. These are described below:

- (a) the term "Board" is defined with reference to the "Company". As a result of the amendment of the definition of "Company" the definition of "Board" will no longer refer to the board (or board committee) of MIH Services, but instead to the board (or board committee) of MIH Internet. This, in turn, effectively results in an amendment of the following provisions of the trust deed:
 - (i) paragraph 3.2, which provides discretion to the "Board" to (i) select Employees to participate in the scheme, and (ii) determine the awards to be granted to such selected Employees with reference to criteria set by the human resources and remuneration committee of the "Company". This discretion and ability to set criteria will now be granted to the board (or board committee) and human resources and remuneration committee of MIH Internet, and not MIH Services;
 - (ii) paragraph 21.5 of the current trust deed, which regulates the rights of participants in the event of their early departure from the scheme due to termination of their employment, as the right to approve more favourable treatment, terms or dispensations to any employee as contemplated in paragraph 21.5 is now granted to the board (or board committee) of MIH Internet, and not MIH Services; and
 - (iii) paragraphs 26.1 and 26.2 of the current trust deed, which regulate the treatment of options in instances of mergers, takeovers or corporate actions, as the discretion to make adjustments to awards and the price attaching to Options/ Offers, as contemplated in paragraphs 26.1 and 26.2 is now granted to the board (or board committee) of MIH Internet, and not MIH Services;
- (b) the term "Employee" (ie persons eligible to participate in the scheme) is defined with reference to the "Company". If the group of entities currently comprising MIH Services and its "Affiliates" will not be the same as the group of entities comprising MIH Internet and its "Affiliates", this will in substance result in an amendment of the definition of "Employee". In addition, pursuant to such change to the definition of "Employee" the leaver provisions of paragraph 21 of the current trust deed could be triggered in circumstances where they would not have been triggered had such change to the definition of "Employee" not been implemented;
- (c) "Expert" is defined as being appointed by the "Board" and "Board" is defined with reference to the "Company". The amendment of the definition of "Company" results in the amendment of the definition of "Board" (as set out above) and, as a result, the person appointed by the board (or board committee) of MIH Internet will be the "Expert" and no longer a person appointed by the board (or board committee) of MIH Services. This indirect change in the definition of "Expert" arguably results indirectly in the amendment of the following provisions of the trust deed:

(i) paragraph 10.5 of the current trust deed, which regulates how the maximum number of equity securities which may be used for purposes of the scheme may be adjusted in certain circumstances in a manner as certified by the "Expert";

(ii) paragraph 12.5 of the current trust deed, which regulates how the maximum number of equity securities for any one participant may be adjusted in certain circumstances in a manner as certified by the "Expert";

(iii) paragraph 12.6 of the current trust deed, which regulates how the number of shares subject to an award, and how the price payable in respect of such shares, may be adjusted in certain circumstances in a manner as certified by the "Expert"; and

(d) as a result of the amendment of the definition of "Company", a change of control of MIH Services will become irrelevant and, instead, a change of control of MIH Internet will become relevant for purposes of paragraph 27 of the current trust deed, which regulates the effect that a change of control (ie takeover) of, amongst others, the "Company" will have on awards.

Removing ability to issue new offers (ie only new options to be issued in future): The trust deed currently provides for the granting of two types of awards to defined employees in the group, namely: (i) Offers (being offers made to employees to purchase Naspers N ordinary shares ("Shares") from the trust ("Offers")); and (ii) Options (being options to employees which, when exercised in respect of Shares to which the options relate, will result in the sale of Shares by the trust to the beneficiaries) ("Options"). It is proposed that the provisions governing Offers be

removed from the body of the trust deed and moved to schedule 2 of the trust deed. Schedule 2 provides that the rules of the scheme (as amended by schedule 2) will apply to Offers made before October 2014. This has the effect that the trust will in future no longer be able to grant new Offers (ie it will only be able to grant new Options).

Amending definition of "Affiliate": The definition of "Affiliate" will be simplified. The term "Employee" is defined with reference to the company and its "Affiliates" and the amended definition of "Affiliate" could therefore result in an amendment of the definition of "Employee" (ie persons eligible to participate in the scheme).

Amending interpretation provision regulating extension of periods: Paragraph 2.4 of the trust deed previously stated that whenever the last day of any period stipulated falls within a Closed Period (as defined), the stipulated period will be extended to a date 90 days after the expiry of the Closed Period and any subsequent Closed Period(s), should another Closed Period occur during the 90 day extension period. It is proposed that "a date" in the aforesaid wording be deleted and replaced with "the first business day falling". This amendment could in certain circumstances affect a beneficiary's rights attaching to awards (eg this may affect the expiry date of the period within which an Option may be exercised).

Removing concept of a security agreement: Provisions in terms of which a beneficiary may be required to execute a security agreement on acceptance of an award under certain circumstances, and related provisions, have been deleted, as this is not used in practice. This means that a security agreement will in future no longer be capable of forming part of the provisions regulating awards.

Amending the aggregate number of Shares which may be utilised for purposes of the scheme: It is proposed to reduce the aggregate number of Shares which may be utilised for purposes of the scheme. In this regard, the trust deed currently states that the maximum number of Shares available for fresh allocation after 27 August 2010 under the scheme and any other share incentive scheme of Naspers or of any direct or indirect subsidiary of Naspers, is 40 588 541 Shares. In terms of the proposed amendment, this number will be reduced to 21 775 553 Shares.

Amending the individual limits of Shares relating to awards granted to any one beneficiary: It is proposed to amend the individual limits of Shares relating to Options and Offers granted to any one beneficiary. In this regard, the Trust Deed currently states that the trustees may not after 27 August 2010, grant to, or for the benefit of, any one employee, Offers and/or Options over more than 12 176 562 Shares in aggregate. In terms of the proposed amendment, the trust deed will state that the trustees may not (subject to certain adjustments) grant to, or for the benefit of, any one employee, either Options or Offers over more than 400 000 Shares, either alone or when aggregated with all share option schemes, share appreciation right schemes, restricted stock plans (including the scheme) and any other share-based incentive schemes of or applicable to the company and its affiliates, that grant awards over ordinary shares in the capital of Naspers.



Notice of annual general meeting continued

Amending period within which Option will lapse in the case of Dutch residents: The current Trust Deed provides that an Option will lapse:

- (a) to the extent that it is not exercised before the expiry of 5 years and 105 days from the grant date (where the beneficiary is a Dutch resident and such time limit, rather than a period of 10 years after the grant date, is required for taxation purposes in the Netherlands) or before the expiry of 10 years from the grant date (in the case of all other beneficiaries); or
- (b) where it has been exercised, but the full exercise costs have not been paid before the expiry of 5 years and 105 days from the grant date (where the beneficiary is a Dutch resident and such time limit, rather than a period of 10 years after the grant date, is required for taxation purposes in the Netherlands) or before the expiry of 10 years from the grant date (in the case of all other beneficiaries).

In terms of the proposed amendments, the specific references to Dutch residents will be removed and both provisions will refer to a period of 10 years for all beneficiaries.

Amending period within which purchase price in respect of Offers must be paid in the case of Dutch residents: The current Trust Deed provides that all amounts owing by a beneficiary for their scheme Shares and linked assets pursuant to an Offer must be paid not later than 5 years and 105 days after the grant date (where a beneficiary is a Dutch resident and such time limit, rather than a period of 10 years after the grant date, is required for taxation purposes in the Netherlands) or not later than 10 years after the grant date (in the case of all other beneficiaries). In terms of the proposed amendments, the specific reference to Dutch residents will be removed and a period of 10 years will apply to all beneficiaries.

This ordinary resolution number 10 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 8001 (contact person Ms Yasmin Abrahams) and in Johannesburg at WeWork, The Link, 4th Floor, 173 Oxford Road, Rosebank 2196 (contact person Mrs Toni Lutz) or by email at cosec@naspers.com for a period of not less than fourteen (14) days prior to the annual general meeting.

11. To approve amendments to the trust deed of the MIH Holdings Share 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.

The board of directors ("board") of MIH Holdings Proprietary Limited proposes certain amendments to the scheme and the trust deed. A summary of the principal terms of the amendments that require shareholder approval in terms of Schedule 14 is set out below. In addition to these amendments, further minor and administrative amendments will be made to the trust deed. The amendments will be effective on and as from the date on which they are approved by shareholders.

It is proposed to reduce the aggregate number of shares (defined as Class N ordinary shares in the capital of Naspers) ("Shares") which may be utilised for purposes of the scheme. In this regard, the trust deed currently states that the maximum number of Shares available for use under the scheme, together with the aggregate number of Shares to be used for the purpose of any other share incentive schemes by Naspers or any direct or indirect subsidiary of Naspers, may not be more than 40 588 541 Shares. In terms of the proposed amendment, the trust deed will state that the maximum number of Shares available for fresh allocation after 27 August 2010 to employees under the scheme and any other share incentive scheme of Naspers or of any direct or indirect subsidiary of Naspers, is 21 775 553 Shares.

Furthermore, it is proposed to amend the individual limit of Shares relating to options and offers made to any one employee under the scheme. In this regard, the trust deed currently states that the number of scheme shares in respect of which any one employee will be entitled to accept an offer or offers and/or exercise an option or options pursuant to the scheme will not exceed 12 176 562 Shares. In terms of the proposed amendment, the trust deed will state that the number of Shares in respect of which any one employee will be entitled to accept an offer or offers and/or exercise an option or options

pursuant to the scheme will not exceed 400 000 Shares either alone or when aggregated with all group schemes that grant awards over ordinary shares in the capital of Naspers.

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 8001 (contact person Ms Yasmin Abrahams) and in Johannesburg at WeWork, The Link, 4th Floor, 173 Oxford Road, Rosebank 2196 (contact person Mrs Toni Lutz) or by email at cosec@naspers.com for a period of not less than fourteen (14) days prior to the annual general meeting.

12. To approve amendments to the trust deed of the Naspers Share Incentive 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 12

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.

The board proposes certain amendments to the scheme and the trust deed. A summary of the principal terms of the amendments that require shareholder approval in terms of Schedule 14 is set out below. In addition to these amendments, further minor and administrative amendments will be made to the trust deed. The amendments will be effective on and as from the date on which they are approved by shareholders.

It is proposed to reduce the aggregate number of shares (defined as ordinary N-shares in the share capital of Naspers which have been or will be issued by Naspers or such other shares that Naspers may issue from time to time and any other shares that may be substituted for such shares) ("Shares") which may be utilised for purposes of the scheme. In this regard, the trust deed currently states that the maximum number of Shares available for fresh allocation after 27 August 2010 under the scheme and any other share incentive scheme of Naspers or of any direct or indirect subsidiary of Naspers, is 40 588 541 Shares. In terms of the proposed amendment, this number will be reduced to 21 775 553 Shares.

Furthermore, it is proposed to amend the individual limit of Shares relating to options and offers made to any one participant under the scheme. In this regard, the trust deed currently states that the number of scheme shares to which any single participant is entitled in terms of the scheme, will with effect from 27 August 2010 not exceed 12 176 562 Shares of Naspers's issued share capital. In terms of the proposed amendment, the trust deed will state that the number of Shares to which any single participant is entitled in terms of the scheme, will not exceed 400 000 Shares either alone or when aggregated with all Naspers group schemes that grant awards over

ordinary shares in the capital of Naspers.

This ordinary resolution number 12 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 8001 (contact person Ms Yasmin Abrahams) and in Johannesburg at WeWork, The Link, 4th Floor, 173 Oxford Road, Rosebank 2196 (contact person Mrs Toni Lutz) or by email at cosec@naspers.com for a period of not less than fourteen (14) days prior to the annual general meeting.

13. 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.



14. 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 allot and issue unissued shares of a class of shares already in issue in the capital of the company (and/or options in respect of shares or securities convertible into shares) for cash as the opportunity arises and as the directors in their discretion deem fit, subject to the JSE Listings Requirements (as amended from time to time, and subject to any rulings or dispensations granted by the JSE Limited), which currently include, among others:

- 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 the passing of this resolution.
- 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% of the issued number of that class of shares (including securities that are compulsorily convertible into shares of that class on the date of this notice).
- 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 (if applicable), 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.

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 the annual general meeting to be adopted.

Special resolutions numbers 1.1 to 1.13

At the annual general meeting on 23 August 2019, shareholders approved an increase of up to 5% year on year for fees for directors, the chair of the board, committee members, the chairs of committees and trustees of group share schemes and other personnel fund for the year ended 31 March 2021. Given the impact of Covid-19, the board decided not to increase fees for the 31 March 2021 financial year, but to seek approval from shareholders to defer their previous decision and apply it to the 31 March 2022 financial year.

Accordingly, approval of the remuneration of non-executive directors for the year ending 31 March 2022 of up to a 5% increase on fees earned for the 31 March 2020 financial year is being sought as follows:

			31 March 2022 ⁽¹⁾ (total proposed fee payable by Naspers and Prosus)	31 March 2022 ⁽¹⁾ (proposed amount payable by Naspers)
1.	Chair ⁽²⁾		2.5 times member	US\$156 973
2.	Member		US\$209 297	US\$62 789
All members: Daily fees when travelling to and attending meetings outside home country			US\$3 500	US\$1 050
Committees				
3.	Audit committee	Chair	2.5 times member	US\$38 675
4.		Member	US\$51 566	US\$15 470
5.	Risk committee	Chair	2.5 times member	US\$22 972
6.		Member	US\$30 629	US\$9 189
7.	Human resources and remuneration committee	Chair	2.5 times member	US\$27 245
8.		Member	US\$36 236	US\$10 898
9.	Nomination committee	Chair	2.5 times member	US\$14 648
10.		Member	US\$19 530	US\$5 859
11.	Social, ethics and sustainability committee	Chair	2.5 times member	US\$20 104
12.		Member	US\$26 805	US\$8 042
Other				
13.	Trustee of group share schemes/ other personnel funds		R56 448	R16 934

⁽¹⁾ In the 2020 financial year, following the listing of Prosus on Euronext Amsterdam as a primary listing and on the JSE Limited, as a secondary listing, Naspers non-executive directors now serve on the boards of both Naspers and Prosus. 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.

⁽²⁾ 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 1.1 to 1.13 is to grant the company the authority to pay remuneration to its directors for their services as directors.

Each of the special resolution numbers 1.1 to 1.13, in respect of the proposed 31 March 2022 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 compliance with the requirements of the memorandum of incorporation of the company and the provisions of section 44 of the Act to a director or prescribed officer of the company or of a related or interrelated company or corporation (irrespective of where any such entity may be incorporated), subject to (ii) below, or to a related or interrelated company or corporation, or to a member or shareholder of a related or interrelated company or corporation, pursuant to the authority hereby conferred upon the board for these purposes by the shareholders. 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 148 and 149 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 authorise the directors generally to approve the provision of financial assistance by the company 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 compliance with the requirements of the memorandum of incorporation of the company and the provisions of section 45 of the Act, any direct or indirect financial assistance to a related or interrelated company or corporation, or to a shareholder of a related or interrelated company or corporation (irrespective of where any such entity may be incorporated), pursuant to the authority hereby conferred upon the board for these purposes.

The reason for and effect of special resolution number 3 is to authorise the directors generally to approve the provision of financial assistance by the company to the potential recipients as set out in the resolution.



Notice of annual general meeting continued

Special resolution number 4

That the company or any of its present or future 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 on such terms and conditions as may be determined by the directors from time to time, subject to compliance with the applicable requirements of the memorandum of incorporation of the company, the provisions of the Act and of the JSE Listings Requirements. It is recorded that the company or a subsidiary may only make a general repurchase of N ordinary shares in the company subject to the following (which reflects the current requirements under the JSE Listings Requirements):

- 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. The company will instruct an independent third party, which makes its investment decisions in relation to the company'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.
- Authorisation for the repurchase is given by the company's memorandum of incorporation.
- 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 between the company and the counterparty.
- This general authority will be valid until the earliest of the company's next annual general meeting, or a period not exceeding fifteen (15) months from the date of the passing of this special resolution.
- 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 the passing of this special resolution.

- 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 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 Listings 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 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 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.

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 for shareholders to grant the company the general authority in terms of the Act and JSE Listings Requirements for the acquisition by the company, or any present or future subsidiary of the company, of the company's issued N ordinary shares.

Special resolution number 5

That the company or any of its present or future subsidiaries be and is hereby specifically authorised, for a period until the earlier of the next annual general meeting or fifteen (15) months from the date of adoption of this resolution, to acquire up to 10% of the number of issued N ordinary shares as at the date hereof (being 43 551 105), through structured repurchase mechanisms implemented by or on behalf of the company or any of its present or future subsidiaries, 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 on such terms and conditions as may be determined by the directors from time to time, subject to compliance with the applicable requirements of the memorandum of incorporation of the company, the Act and the JSE Listings Requirements, which currently include the following:

- 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 have 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.

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 (12) 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.



Notice of annual general meeting continued

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 5 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 5 contains all information required by the applicable JSE Listings Requirements.

The reason for and effect of special resolution number 5 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 until the earlier of the next annual general meeting or fifteen (15) months from the date of adoption of the resolution) 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 5 and any repurchase made under this Specific Repurchase Authorisation (if granted) will not affect any authority granted under special resolution number 5.

Special resolution number 6

That the company or any of its present or future 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 compliance with the requirements of the memorandum of incorporation of the company and the provisions of the Act.

The reason for and effect of special resolution number 6 is for shareholders to grant the company the authority in terms of the Act for the acquisition by the company, or any present or future subsidiary of the company, of the company's A ordinary shares.

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.

Ordinary resolution

15. 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 the 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

29 June 2020
Cape Town



Form of proxy

Incorporated in the Republic of South Africa
Registration number: 1925/001431/06

JSE share code: NPN ISIN: ZAE000015889 LSE share code: NPSN ISIN: US 6315122092
(Naspers or the company)

106th annual general meeting of shareholders

For use by holders of certificated shares or 'own name' dematerialised shareholders at the 106th annual general meeting of shareholders of the company to be held (subject to any adjournment or postponement) on Friday 21 August 2020 at 14:00 (SAST). The annual general meeting will be held entirely by electronic communication.

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 (subject to any adjournment or postponement) on Friday 21 August 2020 at 14:00 (SAST) (entirely through electronic communication) for the purpose of considering and, if deemed fit, passing, with or without amendment, 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
Ordinary resolutions			
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 the following persons as non-executive directors:			
4.1 M Girotra			
4.2 Y Xu			

	In favour of	Against	Abstain
5. To re-elect the following directors:			
5.1 D G Eriksson			
5.2 M R Sorour			
5.3 E M Choi			
5.4 R C C Jafta			
6. Appointment of the following audit committee members:			
6.1 D G Eriksson			
6.2 R C C Jafta			
6.3 M Girotra			
6.4 S J Z Pacak			
7. To endorse the company's remuneration policy			
8. To endorse the implementation report of the remuneration report			
9. To approve amendments to the trust deed constituting the Naspers Restricted Stock Plan Trust and the share scheme			
To approve amendments to the consolidated deed constituting			
10. the MIH Services FZ LLC Share Trust and the share scheme envisaged by such trust deed			
To approve amendments to the consolidated deed constituting			
11. the MIH Holdings Share Trust and the share scheme envisaged by such trust deed			
To approve amendments to the consolidated deed constituting			
12. the Naspers Share Incentive Trust and the share scheme envisaged by such trust deed			
13. Approval of general authority placing unissued shares under the control of the directors			
14. Approval of general issue of shares for cash			
15. Authorisation to implement all resolutions adopted at the annual general meeting			
Special resolution number 1			
Approval of the remuneration of the non-executive directors			
Proposed financial year 31 March 2022:			
1.1 Board: Chair			
1.2 Board: Member			



Form of proxy continued

	In favour of	Against	Abstain
1.3 Audit committee: Chair			
1.4 Audit committee: Member			
1.5 Risk committee: Chair			
1.6 Risk committee: Member			
1.7 Human resources and remuneration committee: Chair			
1.8 Human resources and remuneration committee: Member			
1.9 Nomination committee: Chair			
1.10 Nomination committee: Member			
1.11 Social, ethics and sustainability committee: Chair			
1.12 Social, ethics and sustainability committee: Member			
1.13 Trustees of group share schemes/other personnel funds			
Special resolution number 2			
Approve generally the provision of financial assistance in terms of section 44 of the Act			
Special resolution number 3			
Approve generally the provision of financial assistance in terms of section 45 of the Act			
Special resolution number 4			
General authority for the company or its subsidiaries to acquire N ordinary shares in the company			
Special resolution number 5			
Granting the Specific Repurchase Authorisation			
Special resolution number 6			
General authority for the company or its subsidiaries to acquire A ordinary shares in the company			
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 2020			
Signature..... Assisted by (where applicable).....			

Notes to the form of proxy

1. The following provisions apply to proxies:
 - 1.1 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.
 - 1.2 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.
 - 1.3 A proxy instrument must be in writing, dated and signed by the shareholder.
 - 1.4 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.
 - 1.5 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.
 - 1.6 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.
 - 1.7 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 in respect of holders of Naspers N ordinary shares must be lodged at or posted to The Meeting Specialist Proprietary Limited, JSE Building, One Exchange Square, Gwen Lane, Sandown 2196 or PO Box 62043, Marshalltown 2107 or proxy@tmsmeetings.co.za or the transfer secretaries of the company, Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein 2001 or PO Box 10462, Johannesburg 2000. Forms of proxy in respect of holders of 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 or cosec@naspers.com. Forms of proxy lodged in this manner are to be received by not later than 14:00 (SAST) on Wednesday 19 August 2020, 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.



Notes to the form of proxy continued

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.
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 chair may reject or accept any form of proxy which is completed other than in accordance with these instructions, provided that in the event of acceptance, the chair is satisfied as to the manner in which a shareholder wishes to vote.
9. If the shareholding is not indicated on the form of proxy, the proxy will be deemed to be authorised to vote the total shareholding registered in the shareholder's name.
10. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company secretary or waived by the chair.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company secretary.

TO BE COMPLETED BY SHAREHOLDERS WHO WISH TO PARTICIPATE ELECTRONICALLY IN THE NASPERS ANNUAL GENERAL MEETING

The annual general meeting

- Shareholders or their proxies who wish to participate in the annual general meeting via electronic communication (participants), must deliver the form below (the application) to TMS Proprietary Limited via email to proxy@tmsmeetings.co.za
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the annual general meeting, must provide TMS Proprietary Limited with the information requested below.
- Each shareholder, who has complied with the requirements below, will be contacted between Tuesday, 11 August 2020 and Friday, 21 August 2020 via email/mobile phone with a unique link to allow them to participate electronically in the annual general meeting.
- The cost of the participant's phone call or data usage will be at his/her own expense and will be billed separately by his/her own telephone service provider.
- The cut-off time, for administrative purposes, to participate electronically in the annual meeting will be 14:00 (SAST) on Tuesday, 11 August 2020.
- The participant's unique link will be forwarded to the email/mobile phone number provided below.
- Should a participant experience any issue with the electronic communication during the annual general meeting, they should contact Farhana Adam on +27 (0)84 433 4836 or Michael Wenner on +27 (0)61 440 0654 to assist them.

Application form

Name and surname of shareholder.....

Name and surname of shareholder representative (If applicable).....

ID number.....

Email address.....

Mobile phone number.....

Telephone number.....

Name of CSDP or broker (if applicable).....

(If shares are held in dematerialised format).....

SCA number or broker account number.....

Number of shares.....

Signature.....

Date



Notes to the form of proxy continued

Terms and conditions for participation at the Naspers annual general meeting via electronic communication

- The cost of electronic participation at the annual general meeting including dialling in using a telecommunication line/webcast/web-streaming to participate in the annual general meeting is for the expense of the participant and will be billed separately by the participant's own telephone service provider.
- The participant acknowledges that the electronic communication and/or services, including telecommunication lines/webcast/web-streaming are provided by a third party and indemnifies Naspers, JSE Limited and TMS Proprietary Limited against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic communication and/or services, including telecommunication lines/webcast/web-streaming, whether or not caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant hereby irrevocably and conditionally confirms and acknowledges that he/she will have no claim against Naspers, JSE Limited and TMS Proprietary Limited, whether for damages or otherwise (whether on a direct or indirect basis), arising from, in relation to or in connection with the use of the electronic communication and/or services including the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the electronic communication and/or services, including the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the annual general meeting.
- Participants will be able to vote during the annual general meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the annual general meeting, must act in accordance with the requirements set out above.
- Once the participant has received the link, the onus to safeguard this information remains with the participant.
- The application will only be deemed successful if this application form has been completed and fully signed by the participant and emailed to TMS Proprietary Limited at proxy@tmsmeetings.co.za.

Shareholder name:

Signature:

Date:

Shareholder and corporate information

Administration and corporate information

Company secretary

Gillian Kisbey-Green
WeWork
The Link
173 Oxford Road
Rosebank 2196
South Africa
cosec@naspers.com

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 10462
Johannesburg 2000
South Africa
Tel: +27 (0)86 140 0110/+27 (0) 11 029 0253

For the purpose of holding a virtual annual general meeting

The Meeting Specialist Proprietary Limited
JSE Building
One Exchange Square
Gwen Lane
Sandown 2196
(PO Box 2043, Marshalltown 2107)
proxy@tmsmeetings.co.za
Tel: +27 11 520 7951/0/2

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 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

Werksmans Inc.
PO Box 1474
Cape Town 8000
South Africa

Webber Wentzel (in alliance with Linklaters)
PO Box 61771
Marshalltown
Johannesburg 2107
South Africa

Investor relations

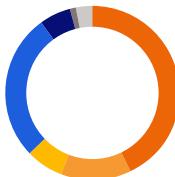
Eoin Ryan
InvestorRelations@naspers.com
Tel: +1 347-210-4305

Analysis of shareholders and shareholders' diary

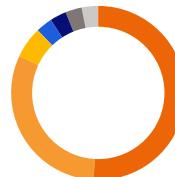
Analysis of N ordinary shareholders

Size of holdings	Number of shareholders	Number of N ordinary shares owned
1 - 100 shares	56 626	1 885 032
101 - 1 000 shares	22 244	6 724 889
1 001 - 5 000 shares	3 270	7 103 898
5 001 - 10 000 shares	666	4 837 379
More than 10 000 shares	1 629	414 959 860
	84 436	435 511 058

GEOGRAPHIC DISPERSION



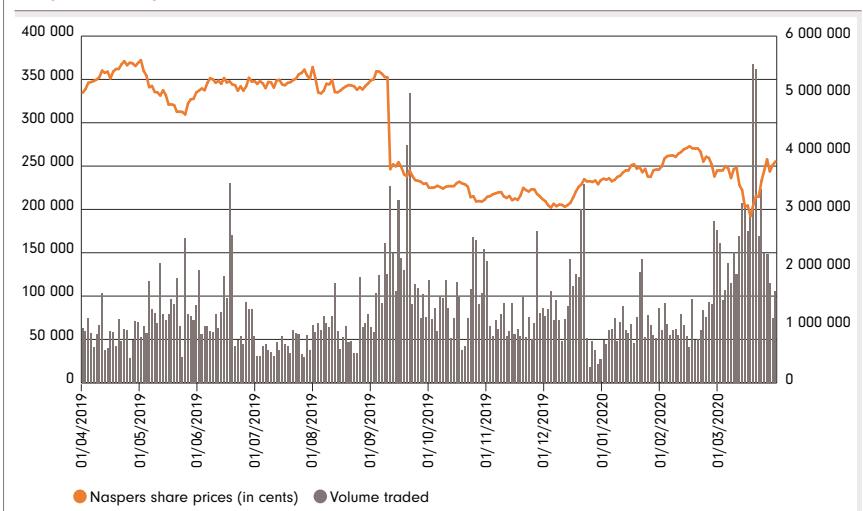
SHAREHOLDER TYPES



The following shareholders hold 5% and 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	13.84%	60 257 921

Naspers share price and trade volume for FY20



Shareholders' diary

Annual general meeting	August
Reports	
Interim for half-year to September	November
Announcement of annual results	June
Annual financial statements	June
Dividend	
Declaration	August
Payment	November
Financial year-end	March

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 2020 was 96.68%, represented by 84 424 shareholders holding 421 058 516 N ordinary shares in the company. The non-public shareholders of the company comprising 12 shareholders representing 14 452 542 N ordinary shares are analysed as follows:

Category	Number of N ordinary shares	% of N ordinary issued share capital
Naspers share-based incentive schemes	2 831 289	0.65
Directors	6 919 447	1.59
Group companies	4 701 806	1.08

Naspers 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 more 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.

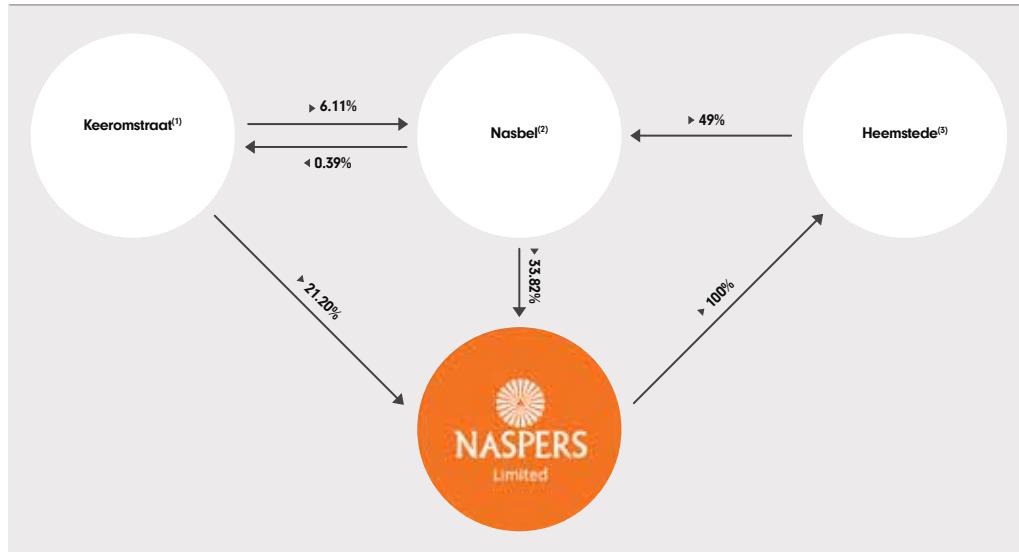
In recent times many internet and tech companies in particular have implemented similar structures.

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's stock exchange (JSE). As at 31 March 2020 there are 435 511 058 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 2020 there are 961 193 A shares in issue.

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 in this diagram:



Keeromstraat 30 Beleggings (RF) Beperk (Keerom) and Naspers Beleggings (RF) Beperk (Nasbel) hold such A class ordinary shares that together they control more than 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 2 823 shareholders and its constitutional documents provide that no shareholder is entitled to exercise more than 50 votes regardless of shareholding.

Nasbel has 2 593 shareholders, one of which is Heemstede Beleggings Proprietary Limited (Heemstede) (which is 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.



NASPERS

Naspers

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40 Heerengracht
Cape Town
8001
South Africa

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