



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!

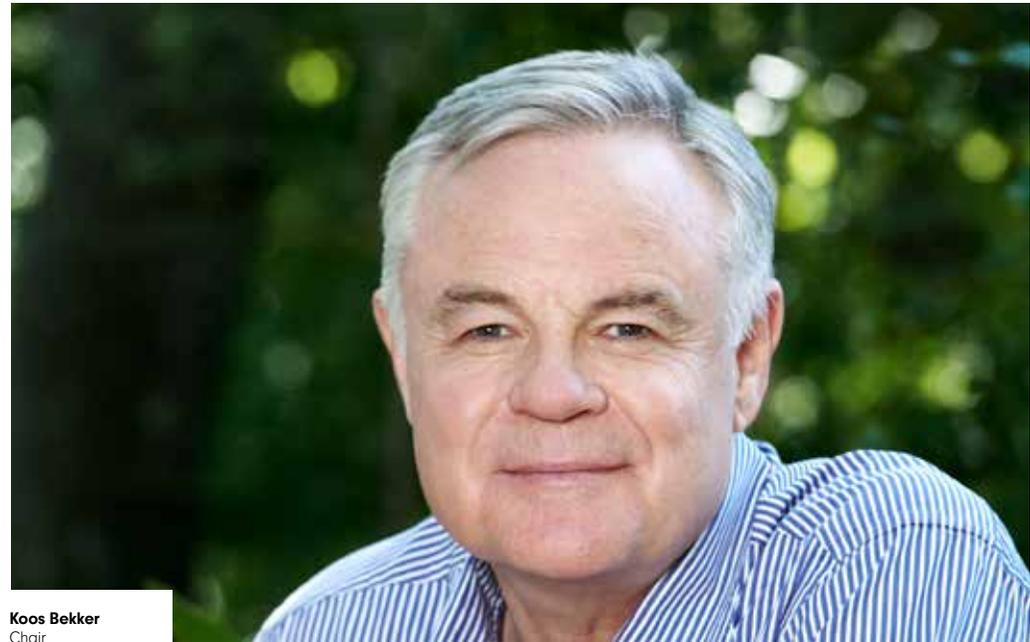
Board members provided valuable guidance and support during the year – an unusually active one in terms of meetings and decisions.

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.

