NASPERS

Annual financial statements

for the year ended 31 March 2020

Cape Town, South Africa

Statement of responsibility by the board of directors

for the year ended 31 March 2020

The annual financial statements of the Naspers Limited group (Naspers or the group) and the company 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 and separate annual financial statements presented on pages 29 to 182.

We have prepared the consolidated annual financial statements of Naspers for the year ended 31 March 2020, and the undertakings included in the consolidation taken as a whole, in accordance with, and in compliance, in all material respects, with International Financial Reporting Standards (IFRS) and the Companies Act No 71 of 2008. As such, the consolidated and company 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 consolidated and separate annual financial statements. The directors are responsible for the establishment and adequate functioning of a system of governance, risk management and internal controls in the company. Consequently, the directors have implemented a broad range of processes and procedures designed to provide control by the directors over the company's operations.

These processes and procedures include measures regarding the general control environment. All these processes and procedures are aimed at providing a reasonable level of assurance that we have identified and managed the significant risks of the company, and that we meet the operational and financial objectives in compliance with applicable laws and regulations. Information regarding our internal control systems is set out in "Governance for a sustainable business" section of the Integrated Annual Report.

The Internal Audit function monitors the compliance with our internal control systems and updates management regarding the emergence of new risks. They support the annual review of the effectiveness of the system of governance, risk management and internal controls of the board of directors. Internal Audit provides comfort to the audit committee and board of directors that our system of risk management and internal controls – as designed and represented by management – are adequate and effective. While we routinely work towards continuous improvement of our processes and procedures regarding financial reporting, the directors are of the opinion that these systems provide reasonable assurance that the financial reporting does not contain material inaccuracies.

Based on forecasts and available cash resources, the directors believe that the group and company have adequate resources to continue operations as a going concern in the foreseeable future. Accordingly, the financial statements support the viability of the group and the company.

The preparation of the consolidated and company annual financial statements was supervised by the group's financial director, Basil Sgourdos CA(SA). These results were made public on 29 June 2020.

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 and company annual financial statements. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 22.

The consolidated and company 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

Certificate by the company secretary

for the year ended 31 March 2020

In terms of section 88(2)(e) of the Companies Act No 71 of 2008 I, Gillian Kisbey-Green, in my capacity as company secretary of Naspers Limited, confirm that for the year ended 31 March 2020, the company has lodged with the Companies and Intellectual Property Commission, all such returns as are required of a public company in terms of the Companies Act and that all such returns and notices are, to the best of my knowledge, true, correct and up to date.

Gillian Kisbey-Green
Company secretary
29 June 2020

Directors' report to shareholders

for the year ended 31 March 2020

GENERAL INFROMATION

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, etail and social and internet platforms.

OPERATING REVIEW

The past financial year has seen the Naspers group transform considerably as we executed several significant strategic initiatives, which we believe will unlock value over time. Operationally, the group ended the year in a position of significant strength with accelerating revenue growth in its ecommerce (online commerce) portfolio, improved profitability and a substantial net cash position with sufficient liquidity. Underpinning these results, Tencent continued to report resilience in an uncertain macro environment.

Most recently, the onset of a global pandemic had a marked impact on the daily lives people globally and the economy at large. While the impact is likely to persist for some time, we are confident to weather the storm. The group's focus is on safety, plus leveraging its financial flexibility to continue building a business that grows strongly, generates high rates of return and provides employment for thousands over the long term.

After many years of stock-price outperformance, Naspers now represents an outsized position on the JSE Limited's shareholder weighted index (SWIX). To extend our shareholder base and reduce that outsized position, on 11 September 2019, we listed our international internet assets on Euronext Amsterdam as Prosus N.V. (Prosus). Prosus includes all Naspers's operations and investments outside South Africa in online classifieds, food delivery, payments and fintech (financial technology), etail (online retail), travel, education, and social and internet platforms. As Europe's most valuable consumer internet company, Prosus gives global internet investors direct access to our portfolio of international internet assets, as well as exposure to China, India and other high-growth markets. Prosus also has a secondary listing on the JSE Limited (JSE) in South Africa. At the date of listing, Prosus was 73.84% owned by Naspers, with a free float of 26.16%. In January 2020, to fulfil an obligation to the South African Reserve Bank to repatriate US$1.5bn to South Africa, Naspers sold 22 million shares in Prosus, representing 1.35% of the issued Prosus N ordinary shares, to institutional investors for gross proceeds of €1.5bn (US$1.64bn). Following the disposal, Prosus was 72.49% owned by Naspers, with a free float of 27.51%. We have no intention to sell additional shares of Prosus.

All proceeds, net of expenses and costs, received by Naspers from this disposal were repatriated to South Africa as required and used to return capital to our shareholders in the form of a share repurchase programme. The programme was completed on 24 March 2020, with a total of 9 156 705 Naspers N ordinary shares being repurchased (representing 2.06% of the issued Naspers N ordinary shares prior to the programme). A total of R22.4bn (US$1.4bn), including transaction costs, was paid under the programme (representing an average cost of R2 447.11 per Naspers N ordinary share). The Naspers N ordinary shares repurchased in terms of the programme have been cancelled and delisted. We are pleased with the performance of the programme which, through the sale of Prosus N ordinary shares with a lower discount to net asset value and repurchase of Naspers N ordinary shares with a larger discount to net asset value, realised around R3.3bn in shareholder value. As a result, Naspers had 435 511 058 N ordinary shares in issue at 31 March 2020.

In ecommerce, all key segments made good progress against financial and strategic objectives. The Classifieds as well as Payments and Fintech segments have now reached profitability at their core and continue to grow profits, while investing to drive growth. Classifieds is expanding considerably faster than many of its peers. Food Delivery was the most significant investment area, as we grow the market and our position in it by investing in technology. We are also focusing on building first-party delivery capabilities, city and restaurant reach. To date, this investment has driven order and revenue growth in our Food-Delivery operations ahead of global peers. We believe Food Delivery fits our strategy, as it addresses a major consumer need that can be fundamentally transformed by technology. The progress of our core ecommerce segments, which are scaling well, builds confidence in our ability of identifying opportunities to create value.

Tencent delivered a solid financial performance, particularly in fintech and business services. Its expanding ecosystem drives very user engagement, ahead of local and international peers. This positions Tencent to offer new products and services to users. We continue to benefit from the close relationship and partnerships we have established in some of our markets.

OPERATING REVIEW (continued)

We ended the financial year facing the global Covid-19 pandemic, with many of our markets locking down in March 2020. Our priority was the wellbeing of our 25 000 people and the communities we serve around the world. As a global company operating in numerous local markets, we take our responsibility seriously. We are helping our people and communities navigate this crisis. In April 2020, we committed R1.5bn (US$84m) in emergency aid to the South African government's response to the crisis. We contributed R500m to the Solidarity Fund announced by the South African president, plus R1bn worth of personal protective equipment and other medical supplies. This equipment was rapidly sourced – in partnership with the Chinese government and Tencent – to support South Africa's frontline health workers. It was delivered in multiple shipments, with the final shipment delivered on 12 June 2020. In April 2020, Prosus donated INR100crore (US$13m) to the Indian government's response to the Covid-19 crisis via the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund. In addition, at local level, many of our companies have made meaningful contributions. Across the group, we continue to identify ways in which our technological expertise, global networks and resources can be used to support the fight against this virus.

We will continue to respond quickly to the evolving situation to safeguard our people, maintain our ability to serve our customers and protect our businesses. While we believe each of our segments will continue to benefit from secular growth trends, the global pandemic has affected operations and we need to draw attention to its potential impacts on 2021's financial year. That said, we believe the fundamentals of our businesses remain strong. We have sufficient liquidity to run the company and the ability to invest in opportunities that may arise during this period.

Given the wide geographical span of our operations and significant investments in ecommerce in particular, reported earnings are materially impacted by foreign exchange movements and the effects of acquisitions and disposals. Where relevant in this report, adjustments have been made for the effects of foreign currencies and acquisitions and disposals. These adjustments (pro-forma financial information) are quoted in brackets after the equivalent metrics reported under International Financial Reporting Standards (IFRS).

FINANCIAL REVIEW

Group revenue, measured on an economic-interest basis, was US$22.1bn, reflecting growth of 17% (23%) from continuing operations. Measured similarly, and including the stepped-up investment in Food Delivery, group trading profit grew 13% (17%) year on year to US$3.7bn. Tencent grew revenues by a healthy 16% (21%) year on year. 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 year on year. This was led by the Food Delivery segment, which grew orders 102% and revenues by 99% (105%), and strong growth in Classifieds, up 48% (37%). Tencent's profitability improved 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 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 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.

FINANCIAL REVIEW (continued)

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 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 for further details.

The company's external auditor has not reviewed or reported on forecasts included in this directors' report.

Unless otherwise stated, the following segmental reviews are prepared on an economic-interest basis (which includes consolidated subsidiaries and a proportionate consolidation of associates and joint ventures).

SEGMENTAL REVIEW

Internet

Internet revenues were US$21.9bn, up 17% (23%). Internet trading profit rose 12% (16%), even as we increased investment across the portfolio and particularly in Food Delivery, as many ecommerce units improved their profitability. Tencent delivered a solid performance.

Ecommerce

Overall, ecommerce revenue increased 19% (32%) to US$4.7bn, a 6% acceleration year on year and was led by meaningful contributions from Classifieds, Payments and Fintech, Food Delivery and Etail.

Trading losses rose to US$964m after increased investment to capture the online food-delivery opportunity and additional investments in payments and fintech to expand its footprint and build its credit offering. Excluding these and acquisitions and disposals, ecommerce trading losses reduced by 24% or US$76m in local currency, excluding acquisitions and disposals. Our investments in the Food Delivery business have already started delivering meaningful scale, evidenced by continued strong growth in orders and revenue. Classifieds continued to invest in convenient transactions, resulting in increased trading losses in that business as it scales. However, overall profitability in Classifieds improved year on year due primarily to continued revenue growth and strong margins at Avito, Central and Eastern Europe and reduced losses in letgo. Overall, Classifieds trading profit increased 1 933% in local currency, excluding acquisitions and disposals. Etail reported narrowing trading losses. Growth in PayU's core payment service provider (PSP) businesses reduced the trading profit margin from 2% last year to 1% this year.

Revenues from our profitable ecommerce businesses totalled US$2.3bn, with trading profits of US$411m. Compared to US$2.0bn and US$414m last year, this reflects growth, in local currency, of 18% and 13% respectively.

SEGMENTAL REVIEW (continued)

Ecommerce (continued)

Classifieds

Building on the momentum from the previous financial year when the business became profitable, Classifieds delivered healthy results while expanding its business model. This is one of the fastest-growing classifieds businesses globally, with accelerating revenue growth of 48% (37%) to US$1.3bn. It generated trading profits of US$44m, driven by strong revenue growth in listings and margin improvement.

Convenient transaction revenue was US$393m, compared to US$103m in the prior year, growing 282% (164%) and contributing 30% of overall Classifieds revenue for the year. We are investing to improve the value proposition for our customers by deepening our relationships with partners and the breadth of our offering in autos. Larger markets in Russia and Europe drive growth, with strength in autos and real estate verticals, where leading market positions combine with operational execution to drive monetisation and successful financial outcomes. In Russia, Avito has maintained good momentum, recording revenues of RUB25.7bn or year-on-year growth of 22%. Avito delivered a trading profit margin of 51%, with autos and real estate revenue growing 38% and 21% year on year, respectively. Poland remains the cornerstone, growing revenues 16% (21%) to US$185m and recording a trading profit margin of 58%. Autos, real estate and business services all performed above expectations.

In the convenient transactions business, CashMyCar in India grew revenue 229% in local currency to US$78m, by expanding to over 70 inspection centres and more than 21 000 transactions at the end of the period.

OLX Brazil, our joint venture with Adevinta, improved its financial performance with year-on-year revenue growth of 10% (20%), due to vertical strength.

Competition in general classifieds has increased steadily. In 2020, we expanded our ecosystem and offering, while anchoring our competitive advantage where possible. This has allowed us to enhance our localised footprint.

In December 2019, Classifieds increased its shareholding to a majority in Frontier Car Group, enabling synergies and a presence in ten developing countries globally, with more than 450 inspection centres and over 89 000 transactions for the financial year. In Russia, the acquisition of MaxPoster in January 2020 (focused on providing business solutions to car dealers) deepens product offerings across the autos category.

On 3 March 2020, OLX Brazil reached an agreement to acquire Grupo Zap, which includes two leading Brazilian real estate verticals: Zap and VivaReal. The transaction is subject to approval by the Brazilian competition authorities and is expected to close in the second half of 2020. This investment will be financed equally by the joint venture partners.

On 26 March 2020, we announced the merger of our letgo US business with OfferUp, a deal that combines two of the leading classifieds brands in the US with complementary footprints. This will give the business a solid foundation in a highly competitive market. The transaction received regulatory approval and is expected to close on 1 July 2020.

On 26 April 2020, we completed the merger of our subsidiary Dubizzle Limited (BVI), the leading classifieds platform for users in the United Arab Emirates (UAE), 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 some US$75m. Following the transaction, the group will hold a 39% interest in EMPG and account for this interest as an investment in associate.

In mid-March 2020, many of the markets in which we operate entered lockdown. In Classifieds we have seen a decline in traffic in marketplaces but have taken steps to assist customers and partners. In the short term, we expect to record some impact on revenue and profitability.

SEGMENTAL REVIEW (continued)

Ecommerce (continued)

Food Delivery

This sector is evolving rapidly, moving from a marketplace model (third-party or 3P) to implementing an own-delivery model (first-party or 1P). This is increasing the size of the market and corresponding opportunity. We are at the forefront of this transformation and investing heavily in Food Delivery to grow both the size of the market and our position. We invest in product and technology innovation, including logistics, convenience and grocery delivery, cloud kitchens and private brands. We are also investing technology, which is significantly improving consumer targeting to optimise customer acquisition and marketing costs, while improving 1P economics by smartly routing delivery representatives to points of highest demand density. We anticipate further opportunity in this market which will be disrupted by technology. Our investment in the Food Delivery business has meaningful scale, as evidenced by continued strong growth in orders and revenue.

In the current year, this segment grew rapidly and is now one of the fastest-growing platforms globally, producing cumulative annualised gross merchandise value (GMV) growth of 76% year on year. Segment revenue increased 99% (105%), with strong contributions from our entire portfolio. Trading losses rose to US$624m from US$171m, reflecting continued investments in growth by the respective businesses.

In Latin America, iFood posted revenue growth of 94% (113%), as a result of product innovation and the growth of its logistics business. iFood remains the clear leader in Brazil and holds competitive positions in Mexico and Colombia. In March 2020, iFood Brazil supported a network of 160 000 active restaurants and processed 31 million orders, compared to 17 million last year. iFood Brazil has ramped up its own-delivery business, and 1P orders now account exceed 30% of orders and exceed the total volume of the nearest 1P competitor. In April 2020, we announced that iFood would join forces with Delivery Hero in Colombia. iFood will retain a 51% share and operate the combined business, Domicilios.com.

In India, Swiggy's revenue grew 182% year on year, driven by expansion into new cities. Swiggy now operates in over 520 cities and supports more than 160 000 restaurant partners, up from 85 000 a year ago. We invested an additional US$100m in Swiggy in February 2020 to support its business growth, increasing our already substantial commitment in India.

For the year ended 31 December 2019, Delivery Hero reported segmental revenue growth of 109% and order volume growth of 80%. GMV grew 66% year on year in constant currency to €7.4bn, primarily due to faster delivery times, efficiencies in customer acquisition and increased order frequency following investments to improve product and technology. Delivery Hero engaged in M&A and portfolio consolidation during the year, the acquisition of shares in South Korean Woowa Brothers Corp., and the incorporation of a joint venture to consolidate their footprint in the region. Delivery Hero has also restructured its German operations, disposing of its food-delivery business to Takeaway.com N.V. for cash and an equity stake in Takeaway. More information on Delivery Hero's results is available at **https://ir.deliveryhero.com**.

The lockdown state in many of our markets affected the Food Delivery business. While our platforms are recording increased demand, we have not always been able to meet demand due to supply issues as restaurants closed. In India, Swiggy has been permitted to continue operating during the lockdown, but was not implemented uniformly across the country and Swiggy's services have been halted in some regions. It is engaging with national and regional authorities in India. In Brazil, iFood's efforts to assist its restaurant and food-delivery partners have mitigated some supply issues and order volume is holding up well. In the longer term, we believe that the current environment may drive a structural shift in global consumption patterns in favour of food delivery.

SEGMENTAL REVIEW (continued)

Ecommerce (continued)

Payments and Fintech

PayU's revenue grew 19% (21%) year on year, on the back of 26% (29%) higher volumes processed. Processed volumes reached US$37.9bn, driven by 30% growth in the number of transactions processed. The Payments and Fintech business's trading loss margin increased from 12% last year to 16%. This reflected improvement in profitability in the core PSP business, offset by investment to build a credit offering, primarily in India, and expanding our footprint in Southeast Asia with the Red Dot acquisition.

The payments business in India remains the growth engine, with volumes growing 30% (32%). In 2020, India's processed volumes were US$19.4bn, 51% of the total volume processed by PayU. Structural shifts to digital payments in the country, our ability to increase conversion rates for enterprise merchants, along with our ability to enter new segments such as billing and small/medium-sized businesses, have been the main drivers of this growth at above market rates.

In July 2019, we acquired Wibmo (a payment security leader) and also created closer partnerships with leading banks to reduce transaction failures and further strengthen our relationship with merchants.

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 this to over US$10m monthly issuances. We recently acquired a majority stake of 79.2% in PaySense for US$163m. PayU is setting the ambitious goal of building a strong credit franchise in India. While we believe the expansion of our credit business over time offers significant potential, it is important that we build the loan book methodically, with acceptable loss rates. We have temporarily paused due to the global pandemic.

In mid-March 2020, our Payments and Fintech business began to be impacted by lockdowns in markets in which we operate. It is still too early to estimate the full impact although we have seen a significant initial drop in transaction volumes in payments. India represents over 50% of the payments and fintech business's transaction volumes. In time, this business is expected to benefit from large sectoral trends, including more customers transacting online and more online transactions being executed through alternative forms of payment (other than cash). Our European businesses appear resilient and continued to grow during the pandemic, although that could change if the broader economic environment deteriorates further.

In December 2019, we completed the acquisition of a 90% interest in Iyzico for around US$199m to consolidate our position in Turkey's high-growth ecommerce market. Turkey is now our second-largest market in the Europe, Middle East and Africa region. On integration, PayU will be able to leverage existing relationships with global merchants and Iyzico's product capabilities to drive incremental cross-border volume.

We also added the South Asia market to our footprint by acquiring a majority in Red Dot, based in Singapore. Southeast Asia is an attractive base to enter one of the most dynamic markets globally, with ecommerce growth (62% CAGR 2015-19) and a high share of alternative payment methods (70% of ecommerce). This transaction gives us access to local payment-processing capabilities, supporting our merchants' expectations, and provides unique payment solutions particularly for the hotel and hospitality segment. We have integrated Red Dot into our global hub to offer all existing merchants access to the south-east Asia market.

Etail

The Etail segment accelerated revenue growth to 19% year on year, measured in local currency and adjusted for the disposal of Flipkart. On the same basis, the segment also improved its profitability, reducing its trading losses by economies of scale such as higher gross margins and fixed cost control.

eMAG, our leading business-to-consumer (B2C) platform in Central and Eastern Europe, continued to outpace market growth and improve its economics over the review period. Organic revenue growth reached 16% and trading profit increased 35%. eMAG's core market, Romania, realised 17% GMV growth in local currency. Performance was particularly strong across the 3P marketplace, which grew 26% in local currency. In Hungary, eMAG's second-largest market, the business delivered GMV growth of 25% in local currency. Both the retail and marketplace businesses contributed meaningfully to eMAG Hungary's results.

SEGMENTAL REVIEW (continued)

Ecommerce (continued)

Etail (continued)

eMAG's main market, Romania, entered lockdown on 26 March 2020, but the business is holding up well. It has recorded a boost in the early stages of the lockdown as customers shifted to online purchasing. While the rate of growth is likely to subside over time, we believe the pandemic may prove an accelerator in the structural shift to ecommerce.

In October 2019, the Hungarian competition authority approved the merger of eMAG Hungary with eDigital, two leading online retailers. This combination expands eMAG's product offering to consumers and brings in the experienced and talented eDigital founders who will lead the merged business.

Takealot, South Africa's number 1 etailer, extended its leadership and grew GMV 46% year on year in local currency. Takealot's trading loss reduced by 20% in local currency and would have improved more, but for investment in the promising food-delivery business. This was driven in part by improving gross margins and disciplined management of operating costs. Takealot recorded revenue growth of 28% in local currency. One of the main drivers was the marketplace business, which grew GMV 77% year on year. Mr D Food, South Africa's leading food-delivery service, continues to scale as it expands the local market for food delivery. Mr D Food's GMV grew 94% and revenue grew 83%, both in local currency.

In South Africa, our Takealot business was allowed to sell and deliver only essential items in the first phase of the lockdown. The list of items was later expanded. In addition, Mr D Food is gaining momentum as take-away restaurants are slowly reopening.

Travel

In April 2019, we announced the exchange of our 43% interest in MakeMyTrip, our equity-accounted online travel investment in India, for a 5.6% interest in Trip.com Group Limited (formerly Ctrip.com International Limited) (Trip.com). The transaction closed at the end of August 2019, resulting in a gain of US$599m. Our share of MakeMyTrip's reported revenues was US$146m, up 8% (measured in local currency, adjusted for acquisitions and disposals).

We include eight months of results for MakeMyTrip in our segmental results, representing our share of its earnings for the period up to disposal and a catch-up of the lag period applied in reporting its results. On a similar basis, trading losses in the Travel segment (measured in local currency, adjusted for acquisitions and disposals) increased 21% year on year. After the Trip.com transaction, our Travel segment will cease to exist and will not be reported on after this financial year. The investment in Trip.com is accounted for at fair value through other comprehensive income. More information on MakeMyTrip's results is available at **http://investors.makemytrip.com**.

Tencent

For the year ended 31 December 2019, Tencent's revenue of RMB377bn was up 21% year on year. Non-GAAP profit attributable to shareholders (Tencent's measure of normalised performance) grew 22% to RMB94bn.

Revenues from value-added services increased 13% to RMB200bn, with online games' revenues growing 10% to RMB115bn and social networks' revenues rising 17% to RMB85bn. Revenues from fintech and business services increased 39% to RMB101bn, and revenues from the online advertising business rose 18% to RMB68bn.

Tencent continued to lead in China, with nine of the top 20 mobile apps. Combined monthly active users (MAU) of Weixin and WeChat increased 6% to 1.16 billion. The Weixin mini program ecosystem became increasingly vibrant, with an annual transaction volume of over RMB800bn. With enhanced chat and friend recommendation features, as well as entertainment use cases via mini programs, QQ's popularity with the younger generation continues to increase. However, QQ smart devices' MAU declined 7.5% year on year to 647 million as Tencent proactively cleaned up spamming and bot accounts.

SEGMENTAL REVIEW (continued)

Ecommerce (continued)

Tencent (continued)

China's online games market recovered after in-game monetisation licence approvals resumed in December 2018. Tencent extended its leadership. It has also made breakthroughs in self-developed games for international markets, with five of the top 10 international mobile games. Tencent's international revenue rose to 23% of total online games revenue in the fourth quarter of 2019.

Tencent currently operates the largest mobile payment platform in China by daily average users (DAU) and transaction volumes. Daily commercial payment transactions exceeded 1 billion as Tencent deepened penetration among offline merchants. In cloud, Tencent currently has over 1 million paying customers and outgrows peers with increasing scale and higher operating efficiency.

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

Tencent continues to grow off a very large base in a market that appears to be emerging well from the impact of Covid-19. It has been working relentlessly to mitigate the impacts of the pandemic. Tencent has steered its engineering scale and product suite to help the government and businesses navigate and recover from the impacts of Covid-19. This has benefited millions of enterprises that used WeChat for Work to resume operations in the wake of the outbreak. Over 300 million Weixin users have used Tencent Health as an access point for real-time pandemic data, online consultations and self-diagnosis services powered by artificial intelligence (AI). Through Tencent Medipedia, users can access professional medical information. Tencent has also provided medical AI imaging capabilities to assist the diagnosis of Covid-19. Its operational performance has remained resilient through the crisis, underpinning the value of its diverse portfolio and broad ecosystem.

More information on Tencent's results is available at **www.tencent.com/en-us/ir**.

Mail.ru

For the year ended 31 December 2019, Mail.ru's revenues grew 22% to RUB87.1bn. Non-GAAP EBITDA (Mail.ru's measure of normalised performance) grew 10% to RUB29.8bn. Advertising revenue rose 23% to RUB36.5bn. This was driven by user and user engagement growth, increased inventory of video advertisements and contextual targeting advertisements, and technology advancements in its advertising platforms.

Online games revenue grew 20% to RUB28bn. International revenues accounted for 68% of 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. This integrates Mail.ru's cross-border ecommerce platform, Pandao, with Alibaba's AliExpress and Tmall services in Russia. In December 2019, Sberbank and Mail.ru formed a Russian O2O services platform joint venture, focusing on food technology and mobility. Mail.ru contributed its food-delivery business, Delivery Club, and a 29.67% stake in Citymobil, Russia's second-largest taxi application, to the new entity.

As a long-term investor in Russian digital businesses, we continue to monitor proposed legislation that would potentially limit foreign ownership of businesses in Russia that are defined as significant information resources. As a long-standing participant in the country, we have stayed the course through various business cycles, up and down. We remain confident of a continued favourable disposition to our investment in the country.

More information on Mail.ru's results is available at **https://corp.mil.ru/en/investors/**.

PROSPECTS

We anticipate a time when Covid-19 will no longer have the impact on the global economy it has today. We hope to emerge from the global pandemic stronger.

Until then, we face these challenges from a position of relative financial strength. We closed our financial year on 31 March 2020 with US$4.8bn in net cash and a US$2.5bn undrawn revolving credit facility; with accelerating growth in our ecommerce portfolio, and improved profitability. We believe we have sufficient liquidity to run the company, while investing in opportunities that may arise during this period.

Our focus will remain on driving profitability in our more-established ecommerce segments, such as the classified markets and PSP business in the payment and fintech segment. We will invest substantially in food delivery, as well as the convenient transaction model in classifieds and credit in payments. Our strong balance sheet provides a basis for driving growth and unlocks new opportunities. We will also improve the competitiveness of our platforms by investing in tech and product and reinforcing our AI capabilities.

All our operations have business continuity plans in place. We are assessing potential impacts and supporting our businesses. The challenges of Covid-19 will vary by sector and geography, but we have the teams, the resources and the experience required to navigate them.

SHARE CAPITAL

The authorised share capital at 31 March 2020 was:

- 1 250 000 A ordinary shares of R20 each
- 500 000 000 N ordinary shares of 2 SA cents each

The issued share capital at 31 March 2020 was:

- 961 193 A ordinary shares of R20 each
- 435 511 058 N ordinary shares of 2 SA cents each

Refer to note 19 to the consolidated annual financial statements for information regarding changes in the group’s share capital during the year.

PROPERTY, PLANT AND EQUIPMENT

At 31 March 2020, the group’s investment in property, plant and equipment amounted to US$456.9m (2019: US$190.8m). Details are reflected in note 5 of the consolidated annual financial statements. The increase from the prior year is as a result of the adoption of IFRS 16 in the current financial year. Refer to note 2 for further details.

Capital commitments at 31 March 2020 amounted to US$28.9m (2019: US$18.8m).

DIVIDENDS

The board recommends an 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. 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. These, 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 payments, 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.

Dividends are declared and paid in SA rand, with the relevant exchange rate announced at the time of the dividend payment.

GROUP

Naspers is not a subsidiary of any other company. The name, country of incorporation and effective financial percentage interest of the holding company in each of the Naspers group's principal subsidiaries are disclosed in note 8 to the consolidated annual financial statements.

Details relating to significant acquisitions and divestitures during the year are highlighted in note 3 to the consolidated annual financial statements.

DIRECTORS

The directors' names and details are presented on the next page and the company secretary's name and business and postal addresses are presented on page 183. Directors' shareholdings in the issued share capital of the company are disclosed in note 18 to the consolidated annual financial statements.

From 31 March 2020, our non-executive director and lead independent director, Fred Phaswana, retired from the board. Mr Phaswana served on the board since 2003. He was lead independent director from April 2015 and a director of various group structures. He was also a member of the human resources and remuneration and nomination committees. The board thanks him for his superb commitment to the group over many years – his unique contributions were highly valued and will be missed. From 1 April 2020, Hendrik du Toit, an independent non-executive director, was appointed lead independent director.

In addition, from 24 April 2020, Ben van der Ross, independent non-executive director, stepped down from the audit and risk committees and was appointed to the social, ethics and sustainability committee. The board thanks him for his valuable contribution over many years to the audit and risk committees.

The appointment of Manisha Girotra as an independent non-executive director was confirmed on 1 October 2019. Ms Girotra also serves as a member of the audit committee.

From 26 June 2020, Ying Xu was appointed as an independent non-executive director.

DIRECTORS (continued)

Directors and attendance at meetings:

	Date first appointed in current position	Date last appointed	Thirteen board meetings were held during the year. Attendance:	Category
J P Bekker[1]	17 April 2015	23 August 2019	13	Non-executive
E Choi	21 April 2017	28 August 2017	12	Independent non-executive
H J du Toit[2]	1 April 2016	24 August 2018	11	Independent non-executive
C L Enenstein	16 October 2013	24 August 2018	12	Independent non-executive
D G Eriksson	16 October 2013	24 August 2018	12	Independent non-executive
M Girotra[3]	01 October 2019	01 October 2019	6	Independent non-executive
R C C Jafta[1][4]	23 October 2003	25 August 2017	13	Independent non-executive
F L N Letele	22 November 2013	26 August 2016	10	Non-executive
D Meyer	25 November 2009	23 August 2019	13	Independent non-executive
R Oliveira de Lima	16 October 2013	24 August 2018	13	Independent non-executive
S J Z Pacak[1]	15 January 2015	23 August 2019	10	Non-executive
T M F Phaswana[1][5]	23 October 2003	25 August 2017	13	Independent non-executive
M R Sorour [1][6]	15 January 2015	24 August 2018	13	Non-executive
V Sgourdos[1]	1 July 2014	29 August 2014	13	Executive
J D T Stofberg	16 October 2013	23 August 2019	12	Non-executive
B van Dijk[1]	1 April 2014	29 August 2014	13	Executive
B J van der Ross	12 February 1999	23 August 2019	12	Independent non-executive

Notes

(1) *Members of the projects committee.*

(2) *Appointed as lead independent director on 1 April 2020.*

(3) *Appointed as a non-executive director on 1 October 2019.*

(4) *Appointed as a member of the projects committee as at 1 April 2020*

(5) *Retired as a director and member of all the committees on 31 March 2020.*

(6) *Appointed as a member of the Projects Committee 24 April 2020.*

Directors' report to shareholders (continued)

for the year ended 31 March 2020

DIRECTORS (continued)

Committees and attendance at meetings:

	Projects committee[1]		Audit committee[2]		Risk committee		Human resources and remuneration committee[2]		Nomination committee[2]		Social, ethics and sustainability committee[3]		
	Seven meeting held during the year.		**Five meetings held during the year. Attendance:**		**Five meetings held during the year. Attendance:**		**Six meetings held during the year. Attendance:**		**Three meetings held during the year. Attendance:**		**Three meetings held during the year. Attendance:**		**Category**
J P Bekker	√	7					√	6	√	3			Non-executive
E M Choi					√	5	√	5					Independent non-executive
H J du Toit									√	3			Independent non-executive
C L Enenstein							√	6	√	3			Independent non-executive
D G Eriksson			√	5	√	5					√	3	Independent non-executive
M Girotra[4]			√	2									Independent non-executive
R C C Jafta[5]	√	-	√	5	√	5			√	3	√	3	Independent non-executive
F L N Letele											√	2	Non-executive
D Meyer											√	3	Independent non-executive
R Oliveira de Lima							√	6	√	3			Independent non-executive
S J Z Pacak	√	7			√	5							Non-executive
T M F Phaswana[6]	√	7					√	6	√	3			Independent non-executive
M R Sorour[7]	√	-											Non-executive
V Sgourdos	√	7			√	5					Alt	3	Executive
J D T Stofberg											√	3	Non-executive
B J van der Ross[8]			√	5	√	5					√	-	Independent non-executive
B van Dijk	√	7			√	4					√	3	Executive
M Davidson											√	3	Executive

Notes

[1] *Committee renamed from executive committee to projects committee on 23 August 2019.*

[2] *Executive directors attend meetings by invitation.*

[3] *Committee renamed from social and ethics committee to social, ethics and sustainability committee on 22 November 2019.*

[4] *Appointed as a member of the audit committee on 01 October 2019.*

[5] *Appointed as a member of the projects committee on 01 April 2020.*

[6] *Retired as a director and member of all the committees on 31 March 2020.*

[7] *Appointed as a member of the Projects Committee on 24 April 2020.*

[8] *Resigned from the audit and risk committees and appointed as a member of the social, ethics and sustainability committee on 24 April 2020.*

√ *Member of committee.*

Alt Alternate director

Report of the audit committee

for the year ended 31 March 2020

I am pleased to present the report of the audit committee (the committee) for the year ended 31 March 2020. The committee submits this report, as required by section 94 of the South African Companies Act No 71 of 2008 (the Act).

MEMBERS OF THE AUDIT COMMITTEE AND ATTENDANCE AT MEETINGS

This committee, chaired by Don Eriksson, comprises only independent non-executive directors. All members are financially literate and have business and financial acumen. The committee held five meetings during the past financial year. The chief executive and financial director attend committee meetings by invitation.

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 on page 13.

The committee has unrestricted access to company information falling within the committee's mandate and will liaise with management on the information it requires to carry out its responsibilities. Both internal and external auditors have unrestricted access to the committee through the chair. The internal and external auditors also have the opportunity at two meetings per year to report to the committee in the absence of management, or when appropriate to do so.

The chair of the board is not a member of the committee, but may attend meetings by invitation. Board members are entitled to attend committee meetings as observers. However, non-committee members are not entitled to participate without the consent of the chair; do not have a vote; and are not entitled to fees for attendance.

RESPONSIBILITIES

This committee's main responsibilities, in addition to its responsibilities in terms of the South African Companies Act, are as follows:

- Annually review and assess the charters of the group's significant subsidiaries' audit committees and review their annual assessment of compliance with their charters to establish if the committee can rely on the work of the subsidiary companies' committees.
- Perform a formal annual evaluation of whether the committee has fulfilled its responsibilities in terms of its charter and reporting these findings to the board.
- Review and approve for presentation to and approval by the board, the company's annual report director reports, annual financial statements, interim and provisional reports, and any other company press releases with material financial or internal control impacts.
- Disclose in the annual report significant matters that the committee has considered in relation to the annual financial statements, and how these were addressed by the committee.
- Review the documented assessment of the viability of the company and the group on a going-concern basis, making recommendations to the board relating thereto. The committee should be alert to the general viability of the company and the group with regard to its reliance and effects on the total resources it uses and affect, its solvency and liquidity, and its status as a going concern.
- Receive the external auditors' reports directly from the external auditors, including the receipt and review of reports, which furnish, in a timely fashion, information relating to:
    - all critical accounting policies and practices to be used in the preparation of the financial statements;
    - all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the external auditors' preferred treatment;
    - the external auditors' internal quality control procedures (such reports to be received annually), describing any material issues raised by the most recent internal quality control review or peer review of the external auditors, (such reports to be received annually), or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, in respect of one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issue,
    - a written statement in respect of relationships between the external auditors and the company, which the audit committee will use to investigate any relationships disclosed therein that may impact the external auditors' objectivity and independence, and take appropriate action to oversee the external auditors' independence

RESPONSIBILITIES (continued)

  - confirmation of the external auditors' continued registration with the JSE
  - other material written communications between the external auditors and management; and
  - other required disclosures to the audit committee by the external auditors.

- Annually review external audit and disclose the committee's views on the quality of the external audit and independence, when required, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators.
- Evaluate the lead partner of the external auditors, who will be subject to regular rotation as required by applicable regulations.
- Present the committee's conclusions in respect of the nomination for appointment as external auditors to the board, preceding the annual request to shareholders to approve the appointment of the external auditors.
- Approve the external auditor's terms of engagement and remuneration. Evaluate and provide commentary on the external auditors' audit plans, scope of findings, identified issues and reports.
- Pre-approve all audit and audit-related services provided by the external auditors.
- Develop a policy for the board to approve with regard to non-audit services performed by the external auditors. Approve non-audit services provided by the external auditor in accordance with the policy.
- Receive notice of reportable irregularities (as defined in the Auditing Profession Act) that have been reported by the external auditor to the Independent Regulatory Board for Auditors.
- Oversee the management of financial and other risks that affect the integrity of external reports issued by the company.
- Based on the information provided by the various assurance providers, evaluate the effectiveness of internal financial controls and disclose the committee's views in the Naspers integrated annual report on the effectiveness of the design and implementation of internal financial controls and on the nature and extent of any significant weaknesses in the design, implementation or execution or internal financial controls that resulted in material financial loss, fraud, corruption or error. Such views must be reported to the board and in the integrated annual report.
- Approve and recommend to the board for approval the internal audit charter, which must be reviewed annually.
- Overseeing the internal audit function and assisting the board in fulfilling the following responsibilities:
  - Setting the direction for internal audit arrangements needed to provide objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes.
  - Ensure that arrangements for internal audit provide for the necessary skills and resources to address the complexity and volume of risk faced by the company, and that internal audit is supplemented as required by specialists.
  - Confirm the appointment or dismissal of the head of the group's internal audit function and periodically review his or her performance.
  - Monitor that internal audit follows an approved risk-based internal audit plan, reviews the organisational risk profile regularly, and propose adaptations to the internal audit plan accordingly.
  - Ensure internal audit provides a statement annually as to the effectiveness of the company's governance, risk management and control process.
  - Ensure the internal audit function is subject to an external, independent quality review every 5 years.
  - Obtain confirmation annually from the head of the group's internal audit function that internal audit conforms to a recognised industry code of ethics.
- Evaluate and disclose the audit committee's views on the effectiveness of the head of internal audit and the arrangements for internal audit, as well as approving the annual internal audit plan and any material changes thereto.
- Review internal audit's and the risk committee's reports to the committee.

RESPONSIBILITIES (continued)

- Review procedures to ensure that the requirements of the relevant stock exchanges are complied with.
- Review Naspers practices in light of the King IV^{tm} code on Corporate Governance for South Africa, as amended from time to time, and make specific disclosures recommended by the King IV^{tm} Code.
- Monitor compliance with the board-approved group levels of authority.
- Related-party transactions:
  - within the confines and requirements of the South African Companies Act, approve all related-party transactions between US$5 million and US$50 million (in excess of US$50 million only the board to approve) (except those between wholly owned, direct and indirect subsidiaries of Naspers, which would be reviewed in the context of accounting disclosure requirements) as defined by the JSE and IAS 24 *Related Party Disclosures* (IAS24).
  - all related-party transactions as defined by IAS 24 to a value of less than US$5 million must be brought to the attention of the audit committee at the most convenient meeting closest to when the transaction is concluded, and
  - furthermore, the audit committee will review, approve and recommend to the board for approval material related party transactions outside the ordinary course of business, or on terms other than normal market terms, as required by the relevant laws and regulations.
- Evaluate:
  - legal matters which may affect the financial statements
  - matters of significance reported by the internal and external auditors, and any other parties, including implied potential risks to the group and recommendations on appropriate improvements
  - major unresolved accounting or auditing issues, and
  - progress in respect of the completion of all unfinished matters reported by the internal and external auditors.
- Establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal control, auditing matters, risk management and management or other fraudulent activities, including procedures for confidential, anonymous reporting by employees in respect of questionable matters.
- Annually evaluate the performance of and appropriateness of the expertise and experience of the financial director and the finance function. The results of the review to be disclosed in the annual report.
- Compile a report to be inserted in the financial statements, describing how the committee carried out its functions and stating whether the committee is satisfied that the external auditors were independent of the company. Include in that report a statement regarding the effectiveness of the internal controls and, specifically, of the internal financial controls.
- Assisting the board in fulfilling the following responsibilities:
  - Ensuring that arrangements for assurance services are effective in achieving the following objectives:
    - enabling an effective internal control environment
    - supporting the integrity of information used for internal decision-making by management, the board and its committees, and
    - supporting the integrity of external reports.
  - Ensuring that a combined assurance model is applied that incorporates and optimises the various assurance services and functions so that, taken as a whole, these support the objectives for assurance.
  - Ensure that the combined assurance model is designed and implemented to cover effectively the company's significant risks and material matters through a combination of assurance service providers and functions as is appropriate for the company.
  - Disclosing in the annual report the arrangements in place for combined assurance and the committee's views on its effectiveness.

RESPONSIBILITIES (continued)

- Execute assignments commissioned by the board

Some responsibilities of this committee may also be a responsibility of the company's risk committee

KEY FOCUS AREAS DURING THE YEAR

The committee's key focus areas during the year included:

- discharging its functions in terms of its charter;
- assessing and reviewing the preparation of the Prosus N.V. prospectus and the combined financial information in anticipation of the listing of Prosus;
- assessing the impact of changes to accounting standards;
- ensuring group reporting meets JSE Listings Requirements and any other requirements which arise due to Naspers's listings; and
- implementing King IV™ recommendations.

FINANCIAL STATEMENT REPORTING ISSUES

The committee's main responsibility in relation to the group's financial reporting is to review, with both management and the external auditor, the appropriateness of the group's consolidated annual financial statements with its primary focus on:

- the quality and acceptability of accounting policies and practices;
- material areas where significant judgements have been made, along with any significant assumptions or estimates, or where significant issues have been discussed with or challenged by the external auditor; and
- an assessment of whether the consolidated and company annual financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy.

The significant judgements and issues and conclusions reached/actions taken by the committee in relation to the 2020 annual financial statements are outlined in the table below. The significant judgements and issues are broadly comparable in nature to prior years. Each of these matters was discussed with the external auditor and, where appropriate, has been addressed as a key audit matter in the report on the audit of the consolidated and company financial statements on pages 22 to 28.

Significant reporting matter	Conclusions reached/actions taken
Applicable to the consolidated financial statements	
Impairment testing of goodwill and intangible assets The group's net asset value includes significant amounts of goodwill and intangible assets (refer to notes 6 and 7). These balances are tested at least annually for impairment and this process involves complex calculations and the exercise of critical management judgement regarding assumptions and estimates. The outbreak of the Covid-19 pandemic is a triggering event for potential impairment and the impairment tests as of 31 March 2020 were updated using revised forecasts to take the impact of Covid-19 into account.	The committee received impairment reporting from management including the results of the group's annual impairment testing of goodwill and those assets where indicators of impairment existed. The committee reviewed this reporting in terms of the consistent application of management's testing methodology, the achievability of business plans and forecasts based on the Naspers board approval thereof and the critical assumptions applied. In addition, as impairment testing remains a key area of focus for the group's external auditor, the committee reviewed the external auditor's reporting on impairment testing and the valuations used for this purpose. The committee also received detailed written feedback from management on how valuation principles, areas of judgement and forecasts have been impacted by Covid-19. Consequently, the committee was satisfied with the appropriateness of the analysis performed by management and the impairment-related disclosures in the consolidated annual financial statements.
Share-based payments The group has a number of share-based compensation schemes (refer to note 44). The share-based payments arising therefrom involve complex valuations and the use of critical management judgement regarding assumptions and estimates.	The committee acknowledged that the human resources and remuneration committee reviews the valuations, including assumptions and allocations, of the share-based compensation schemes as well as the various scheme rules. The committee noted the report of the human resources and remuneration committee will be tabled at the Naspers board meeting in August and will detail the results of these reviews as per the normal process. The committee noted that these valuations and the underlying assumptions are used for the accounting of share-based payments. The committee also reviewed the accounting and disclosure of share-based payments in the annual financial statements. As a result, the committee concluded that that accounting and disclosure of share-based payments in the consolidated annual financial statements is appropriate.
Equity-accounted investments – Tencent Holdings Limited (Tencent) Equity-accounted investments (refer to notes 10 and 11) are significant to the consolidated annual financial statements and the group is required to make certain adjustments to the underlying results of investees in respect of any significant transactions that occur between the investees' year-ends and 31 March. These adjustments require the exercise of critical management judgement and are significant in terms of magnitude. Accounting for the group's investment in Tencent was a significant matter due to the significant contribution of the	The committee received feedback from the group's representatives on the committees of Tencent and other significant equity-accounted investments. The committee reviewed the reporting of the contribution of equity-accounted investments to the group's results and financial position as part of their review of the consolidated annual financial statements. In addition, the committee received reporting from management on significant lag-period adjustments and/or adjustments made to the underlying results of investees to align the investees' accounting policies to those of the group.

Significant reporting matter	Conclusions reached/actions taken
Applicable to the consolidated financial statements	
entity to the consolidated results of the group and the fact that Tencent has a year-end that is not coterminous with that of the group. For further information refer to note 2 and note 10.	The committee was satisfied with the adjustments made and the critical judgements applied by management.

INTERNAL AUDIT

The committee has oversight of the group's consolidated annual financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring that the group's internal audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties.

The committee oversees cooperation between internal and external auditors, and serves as a link between the board of directors and these functions. The head of internal audit reports functionally to the chair of the committee and administratively to the financial director. An assessment of the effectiveness of the internal audit function, as well as the head of internal audit, is performed annually by the committee. Based on the assessment, the committee is of the opinion that the internal audit function, as well as the head of internal audit, is effective.

EFFECTIVENESS OF THE COMPANY'S INTERNAL FINANCIAL CONTROLS

The committee reports to the board that it is of the opinion that, based on enquiries made and the reports from the internal and external auditors, the internal financial controls of the company and its investments are effective. Although the committee was appraised of certain areas in which control improvements are recommended, have started or have been completed, after consideration it is of the opinion that none of these imply a material weakness in financial control of the company and its subsidiaries for the year under review

INDEPENDENCE AND EFFECTIVENESS OF THE EXTERNAL AUDITOR

PricewaterhouseCoopers Inc. (PwC) was reappointed as auditor of the company until the next annual general meeting. PwC has been the auditor of Naspers for 105 years. The committee believes that the auditor has observed the highest level of business and professional ethics. The committee is satisfied that the auditor has at all times acted with unimpaired independence.

Details of fees paid to the external auditor are disclosed in note 29 to the consolidated annual financial statements on page 113. All non-audit services were approved by the committee during the current financial year in accordance with the board-approved policy on non-audit services performed by the external auditor. The partner responsible for the audit is required to rotate every five years. The committee meets with the auditor independently of senior management.

During the year, the audit committee reviewed a representation by the external auditor and, after conducting its own review, confirmed the independence of the auditor. The quality of the external audit was reviewed, focusing on a range of factors considered relevant to audit quality and feedback from PwC on their performance against their own objectives, the committee concluded the external audit to be satisfactory.

It was confirmed that no unresolved issues of concern exist between the group and the external auditors.

CONFIDENTIAL MEETINGS

Audit committee agendas provide for confidential meetings between committee members and the internal and external auditors.

Report of the audit committee

for the year ended 31 March 2020

EXPERTISE AND EXPERIENCE OF FINANCIAL DIRECTOR AND THE FINANCE FUNCTION

As required by JSE Listings Requirement 3.84(h), the committee has satisfied itself that the financial director has appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skillset of the finance function met the group's requirements.

Based on an assessment performed annually, the committee is of the opinion that the finance function, as well as the financial director, is effective.

COMBINED ASSURANCE

The board does not only rely on the adequacy of the internal control embedment process but considers reports on the effectiveness of risk management activities from the risk committee. The committee ensures that the assurance functions of management as well as internal and external audit are sufficiently integrated and is satisfied with the effectiveness of the arrangements for combined assurance. The various assurance providers to the board comprise the following:

- senior management and the risk committee considers the company's risk strategy and policy, along with the effectiveness and efficiency thereof. The risk committee also considers the adequacy of risk management strategies, systems of internal control, risk profiles and legal compliance. The committee receives assurance from the risk committee that risk management activities are sufficiently addressed and effective; and
- the committee considers the systems of internal control, internal and external audit reports and also reviews the independence of the auditor, the extent and nature of audit engagements, scope of work and findings. This committee also reviews the level of disclosure in the consolidated annual financial statements and the appropriateness of accounting policies adopted by management, and jointly with the risk committee considers material issues of fraud and reporting on fraud. The board reviews the performance of the committee against its charter.

The chair of the committee reports to the board at the board meeting following each committee meeting on matters addressed by the committee at its last meeting.

DISCHARGE OF RESPONSIBILITIES

The committee determined that, during the financial year under review, it had discharged its legal and other responsibilities as outlined in terms of its remit, details of which are included in the full corporate governance report on www.naspers.com. The board concurred with this assessment.

KEY FOCUS AREAS GOING FORWARD

The committee's key focus for the 2021 financial year include:

- discharging its functions in terms of its charter;
- assessing the impact of changes to accounting standards;
- ensuring group reporting meets JSE Listings Requirements and any other requirements which arise due to Naspers's listings;
- implementing King IV™ recommendations;
- overseeing the mandatory audit firm rotation process;
- focussing regularly on the group's working capital requirements and ensuring that the group and its subsidiaries continue to operate as going concerns; and
- reviewing and monitoring the accounting for potential mergers, acquisitions and disposal and the conduct of impairment tests.

Don Eriksson
Chair: Audit committee
29 June 2020

Report on the audit of the consolidated and separate financial statements

TO THE SHAREHOLDERS OF NASPERS LIMITED

OUR OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Naspers Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2020, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Naspers Limited's consolidated and separate financial statements set out on pages 29 to 182 comprise:

- the consolidated and company statements of financial position as at 31 March 2020;
- the consolidated income statement for the year then ended;
- the consolidated and company statements of comprehensive income for the year then ended;
- the consolidated and company statements of changes in equity for the year then ended;
- the consolidated and company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

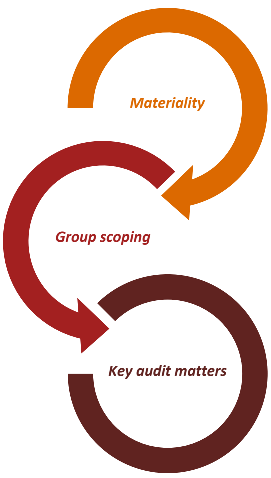
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

OUR AUDIT APPROACH

Overview



Overall group materiality

US$181 750 000, which represents 5% of consolidated profit before tax from continuing operations.

Group audit scope

We identified significant components based on the following indicators: consolidated revenue, consolidated profit before tax, consolidated total assets and consolidated total liabilities.

We conducted full scope audits at 4 significant components, and other audit procedures on 8 other components due to their risk or contribution to the consolidated financial statements.

File reviews were performed by the group team for the work performed by PwC teams in China (Tencent) and the Netherlands (Prosus N.V. Group (Prosus)).

Key audit matters

1. Impairment assessment of goodwill and intangible assets arising from business combinations (applicable to the consolidated financial statements);
2. Valuation of share-based compensation schemes and share-based payments (applicable to the consolidated financial statements);

	3. Accounting for equity accounted investments – Tencent Holdings Limited (applicable to the consolidated financial statements); and 4. Accounting for the Prosus restructuring (applicable to the separate financial statements).

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	US$ 181 750 000
How we determined it	5% of consolidated profit before taxation from continuing operations.
Rationale for the materiality benchmark applied	We chose consolidated profit before taxation from continuing operations as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our group audit strategy included consideration of significant components as well as taking into consideration the sufficiency of work performed over material line items in the consolidated financial statements.

In scoping our group audit, we first determined the components that are individually financially significant to the group, namely: Tencent Holdings Limited, the Classifieds and Etail segments as well the listed entity Prosus N.V. which includes the majority of the Group's cash, short-term investments and external debt. These components were subjected to audits of their complete financial information (full scope audit). To achieve appropriate audit coverage over the consolidated financial statements, we selected 5 additional components: Mail.ru, Movile (including iFood), the Payments and Fintech segment, Takealot, the Media24 Group and certain corporate entities for full scope audits of their complete financial information.

The group engagement team performed further audit and review procedures over the remaining balances and the consolidation process to corroborate our assessment that there were no significant risks of material misstatements within those components.

In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team, or by component auditors from other PwC network firms, or non-PwC firms operating under our instruction, in order to issue our audit opinion on the consolidated financial statements of the Group. The group engagement team performed the audit work on the corporate entities. For all other components we used component auditors who are familiar with the local laws and regulations to perform the audit work.

.

Report on the audit of the consolidated and separate financial statements

How we tailored our group audit scope (continued)

We issued group audit instructions to the component teams. These instructions included, amongst others, our risk analysis, evaluation of local materiality levels applied and our global approach. We had individual calls with each of the in scope component teams before commencing their respective audits, throughout the audit and upon conclusion of their work. During these calls, we discussed our instructions, the significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters which could be of relevance for the consolidated financial statements

We, as a group engagement team conducted meetings with several of the component teams and local management. During these meetings we discussed the strategy and financial performance of the local businesses, as well as the audit plan and execution, significant risks and other relevant audit topics. Since the Covid-19 outbreak limited our ability to physically visit all the significant components during the year, we conducted a series of video calls and performed remote review of selected working papers of the work performed by component teams in China (Tencent) and the Prosus N.V. Group audit team's review of the component teams in Poland (OLX and PayU), Romania (eMag), Brazil (Movile and iFood), and the United States (Letgo).

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
1. Impairment assessment of goodwill and intangible assets arising from business combinations (applicable to the consolidated financial statements) (refer to note 2(h) (accounting policies) and notes 6 and 7 (financial disclosures) to the consolidated financial statements) As at 31 March 2020 the Group's goodwill and intangible assets amount to over US$3 billion. Goodwill is tested for impairment annually, at the level of individual cash generating units (CGU's), for impairment or whenever there is an impairment indicator identified by management. Intangible assets are tested for impairment when an impairment indicator is identified. The recoverable amounts for unlisted CGU's are based on the fair value estimates by management by reference to recent funding rounds or market transactions (where applicable) or value in use estimates using discounted cash flow models. In estimating the recoverable amount, management uses assumptions relating to discount rates, long term growth rates and projected revenue growth rates, projected EBITDA margins and EBITDA growth rates, which they model using forecast periods of up to 10 years. These forecast periods reflect the early stage in the life cycle of many of these businesses. The outbreak of the Covid-19 pandemic is a triggering event for potential impairment and management updated the impairment tests as of 31 March 2020 using revised forecasts and discount rates. Impairments amounting to US$ 12 million were raised as a result of this assessment. The impairment assessment of goodwill and intangible assets	We have performed procedures, with the support of our valuation specialists which varied in depth per CGU or investment, based on our risk assessment with respect to the size and maturity of the individual businesses. Our audit procedures included, amongst others: • Tested the composition of future cash flow forecasts by evaluating (i) the current and past performance of the business or CGU, (ii) the consistency with external market and industry data; (iii) the corroboration of strategic initiatives with evidence obtained in other areas of the audit; and (iv) the expectations of certain analysts for a specific business or CGU; • Assessed the reasonableness of the terminal growth rates used by management per CGU or investment by comparing to the long-term growth rates most reflective of the underlying operations, obtained from independent external sources; • Compared the inputs to the discount rates to externally obtained data such as the risk-free rates in the market, equity market risk premiums, country risk premiums, debt/equity ratios as well as the betas of comparable companies; • Recalculated the carrying amount of the goodwill CGUs with reference to underlying documentation; • For those investments valued on a recent transaction or funding round, assessed the overall economics thereof to ensure that one or more third parties was directly impacted by the underlying valuation used; • Evaluated external analyst report valuations and comparing these to management's valuation;

Key audit matter	How our audit addressed the key audit matter
was a matter of most significance to our audit due to the significant judgement applied by management. in determining the recoverable amounts as well as the magnitude of the balances involved.	• Tested the forecasts updated by management for the anticipated impact of Covid-19 by reperforming the procedures listed above; and • Tested the related financial statement disclosures against the disclosure requirements of IFRS. In addition to our overall response described above, we further challenged management's sensitivity analyses by performing our own sensitivity analyses based on independent inputs for key valuation assumptions. In respect of the audit procedures specified above no material findings were identified.
2. Valuation of share-based compensation schemes and share-based payments (applicable to the consolidated financial statements) (refer to note 2(q) (accounting policy) and note 44 (financial disclosures) to the consolidated financial statements). A number of equity compensation plans are used where share options, restricted stock units (RSUs), performance share units (PSUs) or share appreciation rights (SARs) are granted to employees in the Group. The share-based compensation expense amounted to $122 million for the year ended 31 March 2020. When these schemes are settled in cash or Naspers shares at the discretion of the Group, they are accounted for as equity-settled schemes by the Group. The grant date fair value is calculated by management using an option valuation model. In estimating the fair value of options management uses assumptions relating to risk free rates, volatility rates, dividend yields, forfeiture rates, listed share prices, and for unlisted schemes, the share prices of the underlying businesses. All awards are granted subject to the completion of a requisite service (vesting) period by employees. The following share schemes were considered to be most significant in terms of their contribution to the total share-based compensation balances of the Group and have therefore been separately disclosed by management: • MIH Services FZ LLC Share Trust • Naspers Restricted Stock Plan Trust (RSU) • Naspers Share Incentive Trust • MIH Holdings Share Trust • Naspers Global Ecommerce SAR Scheme • Naspers Global Classifieds SAR scheme • Naspers Fintech SAR Scheme • Avito SAR Scheme The valuation of share-based compensation schemes and share based payments was a matter of most significance to our audit due to the complexity surrounding the valuations, specifically the assumptions, judgements and estimates used in the option valuation models relating to each scheme, as	We assessed the terms of share-based compensation schemes including changes to the existing plans based on the guidance set forth in International Financial Reporting Stadard, *Share-based payment* (IFRS 2). We traced the award movements to relevant supporting documentation as follows: • Agreed the share option/right offers during the year to signed trustee, board or remuneration committee resolutions; • Agreed the share option/right sales during the year to sales requisitions; • Agreed share option/right forfeitures to supporting documentation such as resignation or dismissal letters; and • Agreed other movements such as cancellations to underlying supporting documentation. We tested the mathematical accuracy of the option valuation models by performing a recalculation of significant valuations, and we involved our valuation experts in assessing if the approach adopted by management in the option valuation models is in line with the requirements of IFRS 2. With the assistance of our internal valuation experts, we assessed the key inputs in the option valuation calculation by performing the following procedures: • Agreed risk free rates to independently obtained data; • Agreed expected volatility rates for listed companies to independently obtained external data, and for unlisted companies they were agreed to volatility rates of comparable companies in the market; • Assessed dividend yields by agreeing the share price information to independently obtained data and recalculating the average historical dividend yield; • Assessed the reasonableness of forfeiture rates in terms of the history of forfeitures for each grant of the relevant share option/share appreciation right scheme; • For unlisted schemes, recalculated the share prices of the underlying businesses by dividing the valuations performed by management's expert by the outstanding number of shares of the relevant scheme; and

Report on the audit of the consolidated and separate financial statements

Key audit matter	How our audit addressed the key audit matter
well as the volume of share-based transactions.	• For listed schemes, agreed the share prices to the listed share price as at the grant date for equity settled awards. We assessed the experience and competence of management's expert utilised in performing the business valuations and assessed the reasonability of these valuations by comparing them to the values attributed to these businesses as part of management's impairment assessment process. We evaluated whether the disclosures were in compliance with the disclosure requirements of IFRS 2, *Share-based payment.* In respect of the audit procedures specified above no material findings were identified.
3. Accounting for equity accounted investments – Tencent Holdings Limited (applicable to the consolidated financial statements) (refer to note 2(a) (accounting policy) and note 10 (financial disclosures) to the consolidated financial statements) The Group holds an investment in Tencent Holdings Limited which is accounted for in terms of International Accounting Standard 28, *Investments in Associates and Joint Ventures* (IAS 28) and carried at US$ 18.67 billion. The Tencent Holdings Limited investment has a year-end (31 December) that is not coterminous with that of the Group. The Group's accounting policy is to account for an appropriate lag period in reporting on their results. Any significant transactions that occur between Tencent's year-end and 31 March (the Group's year-end) are taken into account in the equity-accounted results of the investment. The accounting for the equity accounted investment in Tencent Holdings Limited was a matter of most significance to our audit due to the fact that the investment has a year-end that is not coterminous with that of the Group and therefore management apply judgement in adjusting for significant transactions that occur in the lag period, as well as the significant contribution of the associate investment to the consolidated results of the Group.	We performed the following procedures: • We issued audit instructions to the component auditors of Tencent Holdings Limited. The instructions covered the significant audit areas that the Tencent Holdings Limited auditors should focus on, as well as the information required to be reported back to the Group audit team. A summary of the performed procedures in relation to the component auditors work is outlined in section 'The scope of our group audit' of this report. • We obtained the equity accounted results recorded by the Group and reconciled them to the audited 31 December 2019 financial results of Tencent Holdings Limited. • Since Tencent Holdings Limited's year end is not coterminous with the Company, lag period adjustments and top-level adjustments prepared by management were recalculated based on publicly available information subsequent to 31 December 2019 and input from the corresponding component team to gain comfort that all material lag period adjustments were appropriately accounted for. We independently assessed the accounting policies of the associate to that of the Group to identify any material differences with IFRS. In respect of the audit procedures specified above no material findings were identified.
4. Accounting for the Prosus restructuring (applicable to the separate financial statements) (refer to note 1 (accounting policy) and note 13 (Revenue) to the separate financial statements). Following the listing of the Company's subsidiary, Prosus N.V. on the Euronext Amsterdam MIH Holdings Proprietary Limited ("MIHH"), a wholly owned subsidiary of the Company, distributed its 73.84% interest in Prosus N.V. to the Company on 13 September 2019 as a dividend-in-specie, which is recognised at a value of R1.3 trillion.	We inspected the signed board resolution in respect of the in-specie dividend declaration of the 73.84% interest in Prosus N.V. to the Company, and the share register of Prosus N.V. to recalculate the Company's shareholding in Prosus N.V. on 13 September 2019. We assessed the fair value of the dividend-in-specie (the Prosus N.V. investment) by agreeing the trading volumes and share prices of Prosus N.V. to independent sources and recalculating the 15-day VWAP used by management.

Report on the audit of the consolidated and separate financial statements

Key audit matter	How our audit addressed the key audit matter
This dividend-in-specie (investment in Prosus N.V.) was recognised in the Company's separate financial statements at the fair value of the Prosus N.V. investment. In calculating the fair value, the Company determined that the share price of the Prosus N.V. Group for the first 15 days did not represent an orderly transaction on account of the trading volumes during this period and the Volume Weighted Average Price (VWAP) determined over the following 15 days of trading was considered more representative of the fair value of the Prosus N.V. Group in an orderly transaction. The accounting for the Prosus restructure within the separate financial statements was a matter of most significance to our audit due to the judgement applied by management in the estimation of the fair value of the dividend in specie as well as the magnitude of the balances involved.	We evaluated whether the disclosures were in line with IFRS. In respect of the audit procedures specified above no material findings were identified.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Naspers Limited financial statements 2020"and in the document titled "Naspers Limited Integrated Report 2020", which include the Certificate by the company secretary, the report of the Audit Committee and the Directors' Report to shareholders as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

Report on the audit of the consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Naspers Limited since the company's formation in 1915 (105 years).

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Vicki Myburgh
Registered Auditor
Johannesburg, South Africa
29 June 2020

Consolidated statement of financial position

as at 31 March 2020

	Notes	31 March 2020 US$'m	31 March 2019 US$'m
ASSETS			
Non-current assets		**26 807**	23 133
Property, plant and equipment	5	**457**	191
Goodwill	6	**2 237**	2 120
Other intangible assets	7	**898**	877
Investments in associates	10	**22 235**	19 746
Investments in joint ventures	11	**74**	96
Investments and loans	12	**818**	74
Other receivables	16	**5**	7
Related party receivables	18	**8**	-
Derivative financial instruments	42	**55**	1
Deferred taxation	13	**20**	21
Current assets		**9 512**	10 552
Inventory	14	**260**	209
Trade receivables	15	**139**	172
Other receivables	16	**443**	515
Related party receivables	18	**99**	3
Derivative financial instruments	42	**-**	4
Short-term investments	39	**4 060**	7 298
Cash and cash equivalents	40	**4 303**	2 284
		9 304	10 485
Assets classified as held for sale	17	**208**	67
TOTAL ASSETS		**36 319**	33 685
EQUITY AND LIABILITIES			
Capital and reserves attributable to the group's equity holders		**21 750**	27 999
Share capital and premium	19	**3 362**	4 945
Other reserves	20	**(8 508)**	(739)
Retained earnings	21	**26 896**	23 793
Non-controlling interests		**8 178**	132
TOTAL EQUITY		**29 928**	28 131
Non-current liabilities		**4 184**	3 973
Post-employment medical liability	22	**17**	21
Long-term liabilities	23	**3 759**	3 245
Other non-current liabilities	24	**160**	538
Cash-settled share-based payment liability	44	**40**	-
Provisions	25	**5**	6
Derivative financial instruments	42	**2**	33
Deferred taxation	13	**201**	130
Current liabilities		**2 207**	1 581
Current portion of long-term debt	23	**67**	23
Provisions	25	**10**	19
Trade payables		**322**	287
Accrued expenses and other current liabilities	26	**1 701**	1 219
Related party payables		**3**	6
Taxation payable		**7**	13
Dividends payable		**1**	1
Derivative financial instruments	42	**38**	3
Bank overdrafts	40	**32**	8
		2 181	1 579
Liabilities classified as held for sale	17	**26**	2
TOTAL EQUITY AND LIABILITIES		**36 319**	33 685

The accompanying notes are an integral part of these consolidated annual financial statements.

Consolidated income statement

for the year ended 31 March 2020

	Notes	31 March **2020** US$'m	2019 US$'m
Continuing operations			
Revenue from contracts with customers	28	**4 001**	3 291
Cost of providing services and sale of goods	29	**(2 692)**	(2 104)
Selling, general and administration expenses	29	**(1 960)**	(1 716)
Other gains/(losses) - net	30	**(69)**	(38)
Operating loss		**(720)**	(567)
Interest income	31	**245**	284
Interest expense	31	**(229)**	(205)
Other finance income/(cost) - net	31	**129**	130
Share of equity-accounted results	10, 11	**3 932**	3 410
Impairment of equity-accounted investments	10, 11	**(21)**	(88)
Dilution losses on equity-accounted investments	10, 11	**(52)**	(182)
Net gains on acquisitions and disposals	32	**351**	1 609
Profit before taxation		**3 635**	4 391
Taxation	33	**(231)**	(229)
Profit from continuing operations		**3 404**	4 162
Profit from discontinued operations	4	**-**	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
		3 404	6 921
Earnings per ordinary share (US cents) from continuing operations			
Basic	34	**718**	965
Diluted	34	**699**	950
Earnings per ordinary share (US cents) from discontinued operations			
Basic	34	**-**	614
Diluted	34	**-**	611

The accompanying notes are an integral part of these consolidated annual financial statements.

Consolidated statement of comprehensive income

for the year ended 31 March 2020

	Notes	31 March 2020 US$'m	31 March 2019 US$'m
Profit for the year		**3 404**	6 921
Other comprehensive income[1]			
Foreign currency translation reserve		**(1 321)**	(1 529)
Exchange loss arising on translating the net assets of foreign operations		**(1 321)**	(1 529)
Fair-value (losses)/gains	20	**(292)**	11
Fair-value (losses)/gains on financial assets at fair value through other comprehensive income		**(292)**	11
Hedging reserve	42	**-**	145
Net movement in hedging reserve		**-**	115
Hedging reserve reclassified to the income statement		**-**	54
Net tax effect of movements in hedging reserve		**-**	(24)
Share of equity-accounted investments' direct reserve movements		**241**	918
Share-based compensation reserve		**429**	395
Valuation reserve	20	**(310)**	344
Foreign currency translation reserve		**122**	179
Total other comprehensive income, net of tax, for the year		**(1 372)**	(455)
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.

The accompanying notes are an integral part of these consolidated annual financial statements.

Consolidated statement of changes in equity

for the year ended 31 March 2020

	Share capital and premium		Foreign currency trans-lation reserve	Hedging reserve	Valuation reserve	Existing control business combi-nation reserve	Share-based compen-sation reserve	Retained earnings	Share-holders' funds	Non-control-ling interest	Total
	A shares US$'m	N shares US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
Balance at 1 April 2018	2	4 963	(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 movements 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	2	4 943	(2 070)	-	760	(1 127)	1 698	23 793	27 999	132	28 131
Balance at 1 April 2019	**2**	**4 943**	**(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 loss 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[3]	**-**	**-**	**-**	**-**	**-**	**(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 (refer to note 21)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(218)**	**(218)**	**(2)**	**(220)**
Balance at 31 March 2020	**2**	**3 360**	**(2 974)**	**-**	**281**	**(7 691)**	**1 876**	**26 896**	**21 750**	**8 178**	**29 928**

[1]Retained earnings includes 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 (refer note 3).

[3]The current year 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 reserves to 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 (refer to note 3).

[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 to retained earnings of US$37.4m and in existing control business combination reserve of US$8.4m.

The accompanying notes are an integral part of these consolidated annual financial statements.

Consolidated statement of cash flows

for the year ended 31 March 2020

	Notes	31 March 2020 US$'m	31 March 2019 US$'m
Cash flows from operating activities			
Cash from operations	35	**(394)**	322
Dividends received from investments and equity-accounted companies		**387**	344
Cash generated from operating activities		**(7)**	666
Interest income received		**261**	244
Interest costs paid		**(235)**	(252)
Taxation paid		**(215)**	(248)
Net cash (utilised in)/generated from operating activities		**(196)**	410
Cash flows from investing activities			
Property, plant and equipment acquired		**(92)**	(136)
Proceeds from sale of property, plant and equipment		**4**	3
Intangible assets acquired		**(22)**	(19)
Proceeds from sale of intangible assets		**1**	-
Acquisitions of subsidiaries and businesses, net of cash acquired	36	**(468)**	(104)
Disposals of subsidiaries and businesses	37	**22**	(508)
Acquisition of associates	38	**(158)**	(547)
Disposal of associates	3	**87**	1 930
Partial disposals of associates		**-**	4
Additional investment in existing associates	38	**(218)**	(733)
Additional investments in existing joint ventures	38	**(23)**	(18)
Disposal of joint ventures		**-**	34
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	9	**1 568**	-
Payments for repurchase of shares	19	**(1 426)**	-
Proceeds from long- and short-term loans raised	23	**1 300**	62
Repayments of long- and short-term loans	23	**(1 047)**	(51)
Additional investments in existing subsidiaries[2]	3	**(68)**	(1 610)
Repayments of capitalised lease liabilities	23	**(34)**	(59)
Outflow from equity-settled share-based compensation transactions		**(195)**	(119)
Funding received from non-controlling shareholders		**127**	70
Dividends paid by subsidiaries to non-controlling shareholders		**(7)**	(118)
Dividend paid by holding company		**(204)**	(199)
Other movements resulting from financing activities		**(8)**	(19)
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		**(19)**	(1)
Cash and cash equivalents at the end of the year	40	**4 271**	2 276

[1] Relates to short-term cash investments with maturities of more than three months from the date of acquisition. Refer to note 39.

[2] Relates to transaction with non-controlling interest. The prior year includes the settlement of the group's put option liabilities. Refer to note 24.

Cash flow information is related to the 2019 financial year includes cash flows associated with discontinued operations (refer to note 4).
The accompanying notes are an integral part of these consolidated annual financial statements.

1. NATURE OF OPERATIONS

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, payment and fintech, education, health, etail 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.), comprising Naspers's internet interests outside South Africa and includes investments in online classifieds, food delivery, payments and fintech, etail, 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. In total, 56 065 A ordinary shares were also issued to existing A ordinary shareholders. These shares were issued for no consideration.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below. These accounting policies have been consistently applied to all years presented, unless otherwise stated.

The consolidated and separate annual financial statements of the group are presented in accordance with, and comply with International Financial Reporting Standards (IFRS) and interpretations of those standards as issued by the International Accounting Standards Board (IASB) and effective at the time of preparing these financial statements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act No 71 of 2008. The consolidated and separate annual financial statements are prepared using the historic cost convention apart from certain financial instruments (including derivative instruments) and cash-settled share-based payment schemes stated at fair value.

Going concern

The consolidated and company annual financial statements are prepared on the going concern basis. Based on forecasts and available cash resources, the group and company have adequate resources to continue operations as a going concern in the foreseeable future. As at 31 March 2020, the group recorded US$8.33billion 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. Refer to note 19 “Share capital and premium – capital management” for details of how the group manages its capital to safeguard its ability to continue as a going concern.

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 on the company and the group's going concern that could result from the Covid-19 impact on the group's businesses in the year subsequent to the date of these financial statements.

Discontinued operations presentation

Prior-period financial information as contained in the income statement has been restated to reflect the results of the group's video-entertainment segment as a discontinued operation (refer to note 3 for further details regarding the distribution of the MultiChoice Group to shareholders during the current period). Amounts reported in the statement of comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity however reflect items from both continuing and discontinued operations.

From the date on which disposal groups are classified as held for sale/distribution, the group applies the measurement provisions of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* which includes, amongst other requirements, the cessation of the recognition of depreciation and amortisation. Where disposal groups are classified as held for distribution and qualify for presentation as discontinued operations, the group presents those disposal groups as discontinued operations only after the distribution has been carried out.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Accounting judgements and sources of estimation uncertainty

The preparation of the consolidated and separate annual financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates and assumptions affect the reported amounts of assets, liabilities and contingent assets and liabilities at the statement of financial position date as well as the reported income and expenses for the year. Although estimates are based on management's best knowledge and judgement of current facts as at the statement of financial position date, the actual outcome may differ from these estimates.

Estimates are made regarding the fair value of intangible assets recognised in business combinations; impairment of property, plant and equipment (refer to note 5), impairment of goodwill (refer to note 6); recognition and impairment of other intangible assets (refer to note 7); impairment of financial assets carried at amortised cost and other assets (refer to note 15); the remeasurements required in business combinations and disposals of associates, joint ventures and subsidiaries (refer to note 32); the valuation and remeasurement of written put option liabilities (refer to note 24); and equity compensation benefits (refer to note 44). Where relevant, the group has provided sensitivity analyses demonstrating the impact of changes in key estimates and assumptions on reported results. The following accounting judgements had the most significant impact on the consolidated annual financial statements:

Lag periods applied when reporting results of equity-accounted investments

Where the reporting periods of associates and joint ventures (equity-accounted investments) are not coterminous with that of the group and/or it is impracticable for the relevant equity-accounted investee to prepare financial statements as of 31 March (for instance due to the availability of the results of the equity-accounted investee relative to the group's reporting period), the group applies an appropriate lag period of not more than three months in reporting the results of the equity-accounted investees. Significant transactions and events that occur between the non-coterminous reporting periods are adjusted for. The group exercises significant judgement when determining the transactions and events for which adjustments are made.

Accounting for equity-accounted investments share of other comprehensive income and changes in net asset value

The group recognises its share of other comprehensive income and other changes in net assets of associates and joint ventures in the statement of comprehensive income.

Accounting for written put option liabilities

The group accounts for all written put options as liabilities equal to the present value of the expected redemption amount payable in the statement of financial position. This applies regardless of whether the group has the discretion to settle in its own equity instruments or cash. Written put option liabilities that are linked to a committed employment period are accounted for as cash-settled share-based compensation benefits. The expected redemption amounts payable for these written put options is dependent on the completion of an employment service period.

Accounting for share-based payment transactions

The group recognises cash- and equity-settled share-based payment expenses arising from its various share incentive schemes and exercises significant judgement when calculating these expenses. Expenses are generally based on the fair values of awards granted to employees. Fair value is measured using appropriate valuation and option pricing models, where applicable. The values assigned to the key assumptions used in the valuation models for the group's most significant share incentive schemes are disclosed in note 44.

(a) Basis of consolidation

The consolidated annual financial statements include the results of Naspers Limited and its subsidiaries, associated companies and joint ventures.

Subsidiaries

Subsidiaries are entities over which the group has control. The existence and effect of potential voting rights are considered when assessing whether the group controls another entity to the extent that those rights are substantive. Subsidiaries are consolidated from the date on which control is obtained (acquisition date) up to the date control ceases. For certain entities, the group has entered into contractual arrangements which allow the group to control such entities. Because the group controls such entities, they are consolidated in the consolidated annual financial statements.

Intergroup transactions, balances and unrealised gains and losses are eliminated on consolidation.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in an acquisition of a business (acquiree) comprises the fair values of the assets transferred, the liabilities assumed, the equity interests issued by the group and the fair value of contingent consideration arrangements where applicable. If the contingent consideration is classified as equity, it is not subsequently remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of contingent consideration are recognised in the income statement.

For each business combination, the group measures the non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Where a business combination is achieved in stages, the group's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through the income statement. The fair value of the group's previously held equity interest forms part of the consideration transferred in the business combination at the acquisition date.

When a selling shareholder is required to remain in the group's employment subsequent to a business combination, retention agreements are recognised as employee benefit arrangements and dealt with in terms of the accounting policy for employee or equity compensation benefits.

Goodwill

Goodwill in a business combination is recognised at the acquisition date when the consideration transferred, and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. If the consideration transferred is lower than the fair value of the identifiable net assets of the acquiree (a bargain purchase), the difference is recognised in the income statement. The gain or loss arising on the disposal of an entity is calculated after consideration of attributable goodwill.

Transactions with non-controlling shareholders

Non-controlling shareholders are equity participants of the group and all transactions with non-controlling shareholders are therefore accounted for as equity transactions and included in the statement of changes in equity. In transactions with non-controlling shareholders, the excess of the cost/proceeds of the transaction over the group's proportionate share of the net asset value acquired/disposed is allocated to the "Existing control business combination reserve" in equity. Refer to section (c) for the group's accounting policy regarding written put options over non-controlling interests.

Common control transactions

Business combinations in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination (and where that control is not transitory) are referred to as common control transactions. The accounting policy for the acquiring entity would be to account for the transaction at book value in its consolidated financial statements. The book value of the acquired entity is the consolidated book value as reflected in the consolidated financial statements of the selling entity. The excess of the cost of the transaction over the acquirer's proportionate share of the net asset value acquired in common control transactions, will be allocated to the existing control business combination reserve in equity.

The group applies the above common control accounting policy to distributions of non-cash assets that is ultimately controlled by the same party or parties both before and after the distribution.

Associates and joint ventures

Investments in associated companies (associates) and joint ventures are accounted for in terms of the equity method.

Associates are entities over which the group exercises significant influence, but which it does not control or jointly control. Joint ventures are arrangements in which the group contractually shares control over an activity with others and in which the parties have rights to the net assets of the arrangement.

Most major foreign associates and joint ventures do not have year-ends that are coterminous with that of the group, and the group's accounting policy is to account for an appropriate lag period in reporting their results where it is impractical for the associates and joint ventures to provide relevant information in time. Significant transactions and events occurring between the investees' and the group's March year-end are taken into account.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

Associates and joint ventures (continued)

Unrealised gains or losses on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in the relevant associate or joint venture, except where the loss is indicative of impairment of assets transferred.

The group's share of other comprehensive income and other changes in net assets of associates and joint ventures is recognised in the statement of comprehensive income.

For acquisitions of associates and joint ventures achieved in stages, the group measures the cost of its investment as the sum of the consideration paid for each purchase plus a share of the investee's profits and other equity movements. Other comprehensive income recognised in prior periods in relation to the previously held stake in investee is reversed through equity and a share of profits and other equity movements is also recorded in equity. Acquisition-related costs form part of the investment in the associate or joint venture.

When the group increases its shareholding in an associate or joint venture and continues to exercise significant influence or to exert joint control over the investee, the cost of the additional investment is added to the carrying value of the investee. The acquired share in the investee's identifiable net assets, as well as goodwill arising, is calculated using fair-value information at the date of acquiring the additional interest. Goodwill is included in the carrying value of the investment in the associate or joint venture.

Partial disposals of associates and joint ventures that do not result in a loss of significant influence or joint control are accounted for as dilutions. Dilution gains and losses are recognised in the income statement. The group's proportionate share of gains or losses previously recognised in other comprehensive income by associates and joint ventures are reclassified to the income statement when a dilution occurs if the gains or losses are required to be reclassified to the income statement in terms of the applicable accounting standard.

Where an associate or joint venture holds equity in the group, the carrying amount of the investment in the associate or joint venture is adjusted by an amount representing the group's indirect holding in its own equity because of the cross holding. The amount of the group's share of the associate's or joint venture's results is determined after eliminating, from the associate's or joint venture's results, any income or dividends received by the associate or joint venture from the group.

Each associate and joint venture is assessed for impairment on an annual basis as a single asset. If impaired, the carrying value of the group's investment in the associate or joint venture is adjusted to its recoverable amount and the resulting impairment loss is included in "Impairment of equity-accounted investments" in the income statement.

Disposals

When the group ceases to have control (subsidiaries), exercise significant influence (associates) or exert joint control (joint ventures), the retained interest is remeasured to its fair value, with the change in the carrying value recognised in the income statement. This fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest. In addition, the amounts previously recognised in other comprehensive income in respect of the entity disposed are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

Where the group contributes a non-monetary asset (including a business) to an investee in exchange for an interest in that investee that is equity-accounted, the gain or loss arising on the remeasurement of the contributed non-monetary asset to fair value is recognised in the income statement only to the extent of other parties' interests in the investee. The gain or loss is eliminated against the carrying value of the investment in the associate or joint venture to the extent of the group's interest.

(b) Financial assets

Classification, initial recognition and measurement

Financial assets are initially recognised when the group becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are classified as financial assets measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification is based on the objectives of the business model within which the financial asset is held and the characteristics of its contractual cash flows.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Financial assets (continue)

Classification, initial recognition and measurement (continued)

The group assesses the objective of the business model in which a financial asset is held based on all relevant evidence that is available at the date of assessment including how the performance of the financial asset is evaluated and reported to management and the risks affecting the performance of the financial asset as well as how those risks are managed.

In evaluating the contractual cash flows of a financial asset, the group considers its contractual terms, including assessing whether the financial asset is subject to contractual terms that change (or could potentially change) the timing or amount of associated future cash flows.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual cash flows represent solely payments of principal and interest on the amount outstanding. In making this assessment, the group considers the effect of terms (including conversion, prepayment and extension features) that may affect the timing and/or amounts of cash flows.

Financial assets classified as at amortised cost include trade and other receivables, related party receivables and cash and cash equivalents.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the fair value of such investments in other comprehensive income. This election is made on an investment-by-investment basis. These investments are classified as financial assets at fair value through other comprehensive income. The group has classified all equity investments that do not represent investments in subsidiaries, associates or joint ventures in this category.

All financial assets not classified as at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets other than those forming part of effective hedging relationships to which hedge accounting is applied. A financial asset is classified in this category at initial recognition if it is acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit making, or, if it is designated in this category to eliminate or significantly reduce an accounting mismatch that would otherwise arise.

Purchases and sales of financial assets are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. Financial assets (excluding trade receivables that are not subject to a significant financing component) are initially measured at fair value plus, for an instrument not at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue. Trade receivables that are not subject to significant financing components are initially measured at the relevant transaction prices.

Financial assets are presented as non-current assets, except for those with maturities within 12 months from the statement of financial position date, which are classified as current assets.

Subsequent measurement

Amortised cost financial assets are subsequently measured using the effective interest method, reduced by relevant impairment allowances. Interest income, foreign exchange gains and losses and impairment losses on amortised cost financial assets are recognised in the income statement.

Changes in the fair value of equity investments classified as financial assets at fair value through other comprehensive income are recognised in other comprehensive income and are accumulated in the valuation reserve in the statement of changes in equity. Dividends received on equity investments at fair value through other comprehensive income are recognised in the income statement. On derecognition of financial assets at fair value through other comprehensive income, fair value changes accumulated in the valuation reserve are transferred to retained earnings.

Financial assets at fair value through profit or loss are subsequently carried at fair value with changes in fair value recognised in the income statement.

Refer to note 43 for the group's fair-value measurement methodology regarding financial assets.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Financial assets (continued)

***Subsequent measurement** (continued)*

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where they have been transferred and the group has also transferred substantially all risks and rewards of ownership.

Financial assets are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to realise the asset and settle a related financial liability simultaneously.

Impairment

The group recognises expected credit losses (impairment allowances) on financial assets measured at amortised cost and accrued income balances. The group assesses, on a forward-looking basis, the impairment allowances associated with these financial assets and makes use of provision matrices relevant to its various operations in establishing impairment allowances, specifically for trade receivables.

For financial assets at amortised cost (including primarily trade receivables) and accrued income balances, the group measures impairment allowances at an amount equal to the lifetime expected credit losses on these financial assets. Lifetime expected credit losses are those losses that result from all possible default events over the expected life of the financial instrument.

The group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full or the outstanding amount exceeds its contractual payment terms.

At each reporting date the group assesses whether financial assets at amortised cost and/or accrued income balances are credit impaired. Financial assets are considered credit impaired when one or more events that have a detrimental impact on expected future cash flows have occurred. Evidence that a financial asset is credit impaired includes but not limited to significant financial difficulty experienced by the borrower, a breach of contract such as defaulting on contractually due repayments or the probability of the borrower entering bankruptcy.

Impairment allowances for financial assets measured at amortised cost and accrued income balances are recognised in the income statement and in an impairment allowance account. The gross carrying amount of the financial asset is reduced by the impairment loss allowance and is written off when the group has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof.

Refer to note 42 for further details regarding the group’s credit risk management.

(c) Financial liabilities

Financial liabilities are recognised when the group becomes party to the contractual provisions of the relevant instrument. The group classifies financial liabilities at amortised cost or at fair value through profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses on these financial liabilities are recognised in the income statement. Other financial liabilities comprise primarily trade and other payables, borrowings and written put option liabilities. These financial liabilities are initially recognised at fair value, net of transaction costs.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Financial liabilities (continued)

Written put option liabilities represent contracts that impose (or may potentially impose) an obligation on the group to purchase its own equity instruments (including the shares of a subsidiary) for cash or another financial asset. Written put option liabilities are initially raised from the "Existing control business combination reserve" in equity at the present value of the expected redemption amount payable. Simultaneously, the group may still recognise non-controlling interest where the risks and rewards of ownership are not deemed to have been transferred to the group on initial recognition of the put option liability. Subsequent revisions to the expected redemption amount payable as well as the unwinding of the discount related to the measurement of the present value of the written put option liability, are recognised in "Other finance (costs)/income – net" in the income statement. Where a written put option liability expires unexercised or is cancelled, the carrying value of the financial liability is reclassified to the "Existing control business combination reserve" in equity.

Written put options that provide the group with the discretion to settle its obligations in the group's own equity instruments (including the shares of a subsidiary) are also accounted for as outlined above. Written put option liabilities are presented within "Other liabilities" in the statement of financial position. Written put option liabilities that are linked to a committed employment period are accounted for as share-based compensation benefits. The expected redemption amounts payable for these written put options is dependent on the completion of an employment service period (refer to share-based compensation accounting policy below).

Financial liabilities are presented as current liabilities if payment is due or could be demanded within 12 months (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis. Financial liabilities are derecognised when the contractual obligation is discharged, cancelled or when it expires.

(d) Financial instruments used for hedge accounting

The group uses derivative financial instruments (derivatives) to reduce exposure to fluctuations in foreign currency exchange rates and interest rates. These instruments mainly comprise forward exchange contracts and interest rate (including cross currency) swap agreements. Forward exchange contracts protect the group from movements in exchange rates by fixing the rate at which a foreign currency asset or liability will be settled. Cross-currency interest rate swap agreements protect the group from movements in foreign exchange risk on a net investment in a foreign operation.

The group documents, at inception of hedging transactions, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives used in hedging transactions are expected to be and have been highly effective in offsetting changes in fair values or cash flows of hedged items. Hedging instruments are included in "derivative financial instruments" in the statement of financial position. The group designates derivatives as hedging instruments either in their entirety or elements thereof, as appropriate. The fair values of derivatives used for hedging purposes are disclosed in note 43.

The method of recognising the resulting gain or loss arising from the remeasurement of derivatives used for hedging is dependent on the nature of the item being hedged. The group designates a derivative as either a hedge of the fair value of a recognised asset, liability or firm commitment (fair value hedge), or a hedge of a forecast transaction or of the foreign currency risk of a firm commitment (cash flow hedge). The group also designates certain derivatives as hedges of the group's net investments in its foreign operations (cash flow hedges).

Fair value hedges

When a derivative is designated as a fair value hedge, changes in the fair value of the derivative are recorded in the income statement, along with changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The ineffective portion of the change in the fair value of the derivative is recognised in the income statement.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Financial instruments used for hedge accounting (continued)

***Cash flow hedges** (continued)*

When the hedged forecast transaction or firm commitment subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to the income statement in the same period during which the hedged expected future cash flow affects in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. The amount accumulated in the hedging reserve at that time remains in equity until, for a hedge resulting in the recognition of a non-financial item, it is included in the initial cost on initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period as the expected cash flows affect the income statement.

When a committed or forecast transaction is no longer expected to occur, the amounts accumulated in the hedging reserve are reclassified to the income statement.

Net investment hedges

When a derivative is designated as a hedging instrument in a hedge of the group's net investment in a foreign operation, the effective portion of the change in fair value of the hedging instrument is recognised in other comprehensive income and presented in the foreign currency translation reserve within equity. The ineffective portion of the change in fair value of the derivative is recognised in the income statement. The amount accumulated in the foreign currency translation reserve is reclassified to the income statement on disposal of the relevant foreign operation.

Certain derivative transactions, while providing effective economic hedges under the group's risk management policies, do not qualify for hedge accounting. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised immediately in the income statement.

(e) Leased assets

At inception of a contract, the group assesses whether a contract is, or contains a lease. A contract is or contains a lease if it conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The group's leasing arrangements relate primarily to office buildings, warehouse space, equipment and 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.

Lessee accounting

The group recognises all leases (with limited exceptions) as right-of-use assets and obligations to make lease payments (lease liabilities) from the lease commencement date.

The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. The cost includes the initial amount of the respective lease liability adjusted for lease payments made before the commencement date of the lease, plus initial direct costs incurred and estimated costs to dismantle or destroy the underlying asset, less lease incentives received where applicable. The right-of-use asset is subsequently depreciated using the straight-line method over the earlier of the useful life of the underlying asset or the period of the lease term. In addition, the right-of-use asset is reduced by impairment losses if any and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease and where that rate cannot be readily determined the group entity uses the incremental borrowing rate. This is the rate of interest that the group entity would have to pay to borrow the funds necessary to obtain an asset of a similar value to the respective right-of-use asset in a similar economic environment.

2. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(e) Leased assets (continued)

Lessee accounting (continued)

Lease payments included in the measurement of the lease liability comprise of the following:

- fixed payments;
- variable lease payments that depend on an index or rate;
- amounts expected to be payable under residual value guarantees;
- amounts in an optional renewal lease period if the group is reasonably certain to exercise an extension option
- the exercise price of a purchase option that the group is reasonably certain to exercise; and
- penalties for early termination of the lease unless the group is reasonably certain not to terminate the lease early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured where there is a change in future lease payments, a change in the group's estimate of amounts expected to be payable under a residual value guarantee or if the group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in the income statement if the carrying amount of the right-of-use asset has been reduced to zero. The group presents right-of-use assets in "property, plant and equipment" and capitalised lease liabilities in "long-term liabilities' in the statement of financial position."

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The group has applied the 'integrally linked' approach in respect of the tax consequences of lease contracts. At inception of a lease and on the transition date no deferred taxes are recognised as no temporary differences arise between the tax base and carrying amount of the net lease asset or liability (without taking into account advance payments). Subsequent to initial recognition, deferred taxes are recognised when temporary differences arise.

The group's leases do not impose covenants, but leased assets may not be used as security for borrowing purposes.

Previous accounting policy for leases

In the previous financial year, the group classified all of its leases as finance or operating leases based on the criteria described below.

Finance leases

Leases of property, plant and equipment are classified as finance leases where substantially all risks and rewards associated with ownership are transferred to the group as lessee. Assets under finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments, with the related lease obligation recognised at an equivalent amount. The interest rate implicit in the lease or, where this cannot be reliably determined, the group's incremental borrowing rate is used to calculate the present values of minimum lease payments. Capitalised leased assets are depreciated over their estimated useful lives, limited to the duration of the lease agreement. Each lease payment is allocated between the lease obligation and finance charges. The corresponding lease obligations, net of finance charges, are included in long-term liabilities or current portion of long-term debt. The interest element of the minimum lease payments is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating leases

Leases of assets under which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals (net of incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(f) Property, plant and equipment

Property, plant and equipment comprises of owned and leased assets.

Property, plant and equipment are stated at cost, being the purchase cost plus the cost to prepare the assets for their intended use, less accumulated depreciation and accumulated impairment losses.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment (continued)

Cost includes transfers from equity of gains/losses on qualifying cash flow hedges relating to foreign currency property, plant and equipment acquisitions. Property, plant and equipment, with the exception of land, are depreciated in equal annual amounts over each asset's estimated useful life to their residual values. Land is not depreciated as it is deemed to have an indefinite life. Depreciation periods vary in accordance with the conditions in the relevant industries, but are subject to the following range of useful lives:

Class of asset	Owned	Leased
Buildings	5 to 50 years	2 to 10 years
Computer equipment	1 to 10 years	2 to 3 years
Manufacturing equipment	2 to 15 years	2 to 4 years
Improvements to buildings	2 to 12 years	3 to 5 years
Office equipment	2 to 25 years	2 to 4 years
Vehicles	2 to 10 years	2 to 5 years

Where parts of property, plant and equipment require replacement at regular intervals, the carrying value of an item of property, plant and equipment includes the cost of replacing the part when that cost is incurred, if it is probable that future economic benefits will flow to the group and the cost can be reliably measured.

The carrying values of the parts replaced are derecognised on capitalisation of the cost of the replacement part. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately where it has an estimated useful life that differs from that of the item as a whole.

Major leasehold improvements are amortised over the shorter of the respective lease terms and estimated useful lives.

Subsequent costs, including major renovations, are included in an asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each statement of financial position date. Gains and losses on disposals are determined by comparing the proceeds to the asset's carrying value and are recognised in "Other (losses)/gains – net" in the income statement.

Work in progress are assets still in the construction phase and not yet available for use. These assets are carried at cost and are not depreciated. Depreciation commences once the assets are available for use as intended by management.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of those assets. All other borrowing costs are expensed as incurred. A qualifying asset is an asset that takes more than a year to get ready for its intended use.

(g) Intangible assets

Intangible assets acquired are capitalised at cost. Intangible assets with finite useful lives are amortised using the straight-line method over their estimated useful lives. The useful lives and residual values of intangible assets are reassessed on an annual basis.

Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Class of asset	Useful life
Patents	5 years
Title rights	10 years
Brand names and trademarks	25 years
Software	10 years
Intellectual property rights	10 years
Customer-related assets	11 years

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(g) Intangible assets

No value is attributed to internally developed trademarks or similar rights and assets. The costs incurred to develop these items are charged to the income statement as incurred.

Costs that are directly associated with the production of identifiable and unique software products controlled by the group, and which will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overheads. All other costs associated with developing or maintaining software programmes are expensed as incurred.

Web and application (app) development costs are capitalised as intangible assets if it is probable that the expected future economic benefits attributable to the asset will flow to the group and its cost can be measured reliably, otherwise these costs are expensed as incurred.

Research expenditure is expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets if the costs can be measured reliably, the products or processes are technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. Development costs that do not meet these criteria are expensed as incurred.

Work in progress are assets still in the development phase and not yet available for use. These assets are carried at cost and are not amortised but are tested for impairment at each reporting date. Amortisation commences once the assets are available for use as intended by management.

(h) Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill and intangible assets with indefinite useful lives are allocated to cash-generating units for purposes of impairment testing. An impairment test is performed by determining the recoverable amount of the cash-generating unit to which the goodwill or intangible assets with indefinite useful lives relates. The recoverable amount of a cash-generating unit or individual asset is the higher of its value in use and its fair value less costs of disposal.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in "Other gains/(losses) – net" in the income statement. Impairment losses recognised on goodwill are not reversed in subsequent periods.

Other intangible assets and property, plant and equipment

Other intangible assets (with finite useful lives) and items of property, plant and equipment are reviewed for indicators of impairment at least annually. Indicators of impairment include, but are not limited to: significant underperformance relative to expectations based on historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the group's overall business and significant negative industry or economic trends.

Intangible assets still in the development phase, and not yet available for use (work in progress), are tested for impairment on an annual basis. An impairment loss is recognised in "Other (losses)/gains – net" in the income statement when the carrying amount of an asset exceeds its recoverable amount.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less costs of disposal is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date less the incremental costs directly attributable to the disposal of an asset or cash-generating unit, excluding finance costs and income tax expense.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Impairment of non-financial assets (continued)

Other intangible assets and property, plant and equipment *(continued)*
For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash inflows of other assets or groups of assets (a cash generating unit level).

An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the revised recoverable amount exceeds the carrying amount. The reversal of such an impairment loss is recognised in "Other (losses)/gains – net" in the income statement.

(i) Inventory

Inventory is stated at the lower of cost and net realisable value. The cost of inventory is determined by means of the weighted average method.

The cost of finished products and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes finance costs. Costs of inventories include the transfer from other comprehensive income of gains/losses on qualifying cash flow hedges relating to foreign currency denominated inventory purchases. Net realisable value is the estimate of the selling price, less the costs of completion and selling expenses. Allowances are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

(j) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost which equals the cost or face value of the asset. Cash and cash equivalents comprise cash on hand and deposits held at call with banks. Certain cash balances are restricted from immediate use according to terms with banks or other financial institutions. For purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(k) Short-term investments

Short-term investments are cash investments with maturities of more than three months from the date of acquisition. On initial recognition, short-term investments are recognised at fair value plus directly attributable transaction costs and are subsequently measured at amortised cost.

(l) Provisions

Provisions are obligations of the group where the timing or amount (or both) of the obligation is uncertain.

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The group recognises a provision relating to its estimated exposure on all products still under warranty at the statement of financial position date. A provision for onerous contracts is established when the expected benefits to be derived under a contract are less than the unavoidable costs of fulfilling the contract. Restructuring provisions are recognised in the period in which the group becomes legally or constructively committed to a formal restructuring plan.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is determined by discounting the anticipated future cash flows expected to be required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in the income statement.

(m) Taxation

Tax expense
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such cases, the related tax is also recognised in other comprehensive income or directly in equity, respectively.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(m) Taxation (continued)

Current income tax

The normal South African company tax rate applied for the year ending 31 March 2020 is 28% (2019: 28%). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It accounts for uncertain tax positions where appropriate, on the basis of amounts expected to be paid to the tax authorities. International tax rates vary from jurisdiction to jurisdiction.

Deferred taxation

Deferred tax assets and liabilities have been calculated using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date, being the rates the group expects to apply to the periods in which the assets are realised or the liabilities are settled.

Deferred taxation is provided on the taxable or deductible temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction, other than a business combination, that, at the time of the transaction, affects neither the accounting nor the taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences and unused tax losses can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Withholding tax on dividends

Dividends paid by Naspers Limited to shareholders that are not exempted from dividends withholding tax under South African tax law are subject to dividend withholding tax at a rate of 20%.

(n) Foreign currencies

The consolidated annual financial statements are presented in US dollar (US$) which is the group's presentation currency. The company's functional currency is the South African rand (R). However, the group measures the transactions of its operations using the functional currency determined for that specific operating entity which is the currency of the primary economic environment in which the operation conducts its business.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of the valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as part of qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair-value gain or loss recognised in the income statement. Translation differences on non-monetary equity investments classified at fair value through other comprehensive income are recognised in other comprehensive income and accumulated in the valuation reserve as part of the fair-value remeasurement of such items.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(n) Foreign currencies (continued)

The results and financial position of all foreign operations (none of which operates in a hyperinflationary economy) that have a functional currency that is different from the group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date.
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the spot rate on the dates of the transactions).
- Components of equity are translated at the historic rate. Exchange differences on translation of equity are recognised directly in retained earnings.
- All other resulting exchange differences except equity are recognised in other comprehensive income and accumulated in the "Foreign currency translation reserve" in the statement of changes in equity.

The group recognises foreign exchange differences relating to monetary items that form part of its net investment in its foreign operations in other comprehensive income where settlement of the item is neither planned nor likely to take place in the foreseeable future.

When a foreign operation is disposed of, the accumulated foreign exchange differences are reclassified to the income statement, as part of the gain or loss on sale.

(o) Revenue recognition

Revenue from contracts with customers is derived from the sale of goods and rendering of services. Revenue is measured based on the transaction price specified in the contract with the customer. The group recognises revenue when (or as) it transfers control of goods and/or services to its customers, which is when specific criteria have been met for each of the group's activities as described below. Revenue is recognised at the amount the group expects to be entitled to in exchange for the goods and/or services transferred to customers.

Revenue is shown net of value-added tax (VAT), returns, rebates and discounts. For contracts that permit returns, rebates or discounts, revenue is recognised only to the extent that it is highly probable that a significant reversal of revenue will not occur as a result of such items. The amount of revenue recognised is adjusted for expected returns, rebates or discounts which are estimated based on the group's historical experience and taking into consideration the type of customer, the type of transaction and the specific terms of each arrangement. The right to return goods is measured at the former carrying amount of the inventory less expected costs to recover goods.

Where contracts include multiple goods and/or services, the transaction price is allocated to each distinct good or service (or performance obligation) based on respective stand-alone selling prices. Where stand-alone selling prices are not directly observable, they are estimated.

The group identifies all parties that are integral to it generating revenue on its online platforms as its customers and, accordingly, incentives (including cash discounts and discount vouchers/coupons) provided to any party transacting on the platform are treated as a reduction of revenue.

The group considers, for each contract with a customer, whether it is a principal or an agent. The group regards itself as the principal in a transaction where it controls a promised good or service before the good or service is transferred to a customer. Where the group is the principal in a transaction, it recognises revenue in the gross amount of consideration to which it expects to be entitled. The group is the principal in the majority of transactions that it enters into.

Revenue earned, but for which the group's right to the consideration payment is not yet unconditional is presented as accrued income as part of other receivables in the statement of financial position. Payments received in advance from contracts with customers represent an obligation to transfer future goods and/or services and are presented as part of accrued expenses and other liabilities in the statement of financial position.

The group is not party to contracts where the period between the transfer of goods and/or services and payment exceeds one year. Consequently, the group does not adjust its transaction prices for financing components.

Revenue recognition for the group's major revenue streams is outlined below in the following paragraphs.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(o) Revenue recognition(continued)

Ecommerce revenue

Revenue represents amounts received or receivable from customers relating to online goods sold on the group's etail and other internet platforms and from services rendered. Services rendered include advertising, travel package revenue and commissions, classifieds listings revenue, payment transaction commissions and fees, food delivery revenue, mobile and other content revenue and comparison-shopping commissions and fees.

Revenue from goods sold is recognised when the goods are delivered and accepted by customer. The group recognises classifieds listings and related fees on listing of an item for sale and success fees and other relevant commissions when a transaction is completed on the group's websites. Payments and fintech, food delivery, mobile content and comparison-shopping revenues are recognised once a transaction is completed and is based on the applicable fee for each transaction performed.

Advertising revenues

The group mainly derives advertising revenues from advertisements published in its newspapers and magazines and shown online on its websites and instant-messaging windows. Advertising revenues from print media products are recognised upon publication over the period of the advertising contract. Publication is regarded to be when the print media product has been delivered to the retailer and is available to be purchased by the general public. Online advertising revenues are recognised over the period in which the advertisements are displayed using a time-based measure.

Printing, distribution, circulation and publishing revenue

Revenues from print and distribution services are recognised upon completion of the services and delivery of the related product and customer acceptance. The recognition of print services revenue is based upon delivery of the product to the distribution depot and acceptance by the distributor of the customer, or, where the customer is responsible for the transport of the customers' products, acceptance by the customer or its nominated transport company. Revenues from distribution services are recognised upon delivery of the product to the retailer and acceptance thereof.

Print and distribution services are separately provided by different entities within the group and separately contracted for by customers. Where these services are provided to the same client, the terms of each separate contract are consistent with contracts where an unrelated party provides one of the services. Revenue is recognised separately for print and distribution services as the contracts are separately negotiated based on fair value for each service.

Circulation revenue is recognised in the month in which the magazine or newspaper is sold.

Book sales are recognised upon delivery of products and customer acceptance. Revenue relating to any particular publication is brought into account in the month that it is published.

(p) Employee benefits

Retirement benefits

The group provides retirement benefits to its full-time employees, primarily by means of monthly contributions to a number of defined contribution pension and provident funds. The assets of these funds are generally held in separate trustee administered funds. The group's contributions to retirement funds are recognised as an expense in the period in which employees render the related service.

Medical aid benefits

The group's contributions to medical aid benefit funds for employees are recognised as an expense in the period in which the employees render services to the group.

Post-employment medical aid benefits

Some group companies provide post-employment healthcare benefits to their retirees. The entitlement to post-employment healthcare benefits is subject to the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the minimum service period.

Independent actuaries carry out annual valuations of these obligations. All remeasurements resulting from experience adjustments and changes in actuarial assumptions are recognised immediately in other comprehensive income. These obligations are unfunded.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(p) Employee benefits

Termination benefits

The group recognises termination benefits when it is demonstrably committed to either terminate the employment of employees before the normal retirement date or provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Where termination benefits fall due more than 12 months after the reporting period, they are discounted. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Termination benefits are immediately recognised as an expense in the income statement.

(q) Equity compensation benefits

The group grants share options, share appreciation rights (SARs), performance stock units (PSUs) and restricted stock units (RSUs) to its employees under a number of equity compensation plans. The group recognises an employee benefit expense in the income statement, representing the fair value of share options, SARs and RSUs granted. A corresponding credit to equity is raised for equity-settled plans, whereas a corresponding credit to liabilities is raised for cash-settled plans.

The fair value of the options, SARs, PSUs and RSUs at the date of grant under equity-settled plans is charged to the income statement over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. For cash-settled plans, the group remeasures the fair value of the recognised liability at each reporting date and at the date of settlement, with changes in fair value recognised in the income statement.

A share option, SAR, PSU or RSU scheme is considered equity-settled when the transaction is settled through the issue of equity instruments of Naspers Limited or its subsidiaries or where the group has no obligation to settle awards with participants. They are considered cash-settled when there is an obligation to settle in cash or any other asset.

On the final vesting date of equity-settled plans, the group transfers the accumulated balance relating to vested share options, SARs, PSUs and RSUs from the share-based compensation reserve to retained earnings.

(r) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the group by the weighted average ordinary shares outstanding during the financial year excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The group discloses headline earnings per share as 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. Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined separately identifiable remeasurements relating to, amongst others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains and losses on acquisitions and disposals of investments as well as assets, dilution gains and losses on equity-accounted investments, remeasurement gains and 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.

Basic headline earnings per share are determined by dividing the headline earnings described above by the weighted average ordinary shares outstanding during the financial year excluding treasury shares. Diluted headline earnings per share are determined by dividing the headline earnings by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

In the event that the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation without consideration, the calculation of the basic and diluted earnings per share for the comparative period are adjusted retrospectively.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(s) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction against share premium.

Where subsidiaries hold Naspers N ordinary shares, the consideration paid to acquire those shares, including attributable incremental costs, is deducted from shareholders' equity as treasury shares. Such shares are predominantly held for equity compensation plans. Where such shares are subsequently sold or reissued, the cost of those shares is released, and the realised gains or losses are recorded as treasury shares in equity. Shares issued to or held by share incentive plans within the group are treated as treasury shares until such time when participants pay for and take delivery of such shares.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decisionmaker. The chief operating decisionmaker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions. The group proportionately consolidates its share of the results of its associates and joint ventures in the various reportable segments. This is considered more reflective of the economic value of these investments.

(u) Disposal groups held for sale and discontinued operations

Non-current assets and liabilities (disposal groups) are classified as held for sale and presented as current assets and liabilities in the statement of financial position, when their carrying values will be recovered principally through a sale transaction and when such sale is considered highly probable. The assets and liabilities of disposal groups held for sale are stated at the lower of carrying value and fair value less costs of disposal. From the date on which disposal groups are classified as held for sale, the group applies the measurement provisions of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations which includes, amongst other requirements, the cessation of the recognition of depreciation and amortisation.

Discontinued operations comprise those activities of the group that were disposed of during a reporting period or which were classified as held for sale at the end of the period, and represent a separate major line of business or geographical area that can be clearly distinguished for operational and financial reporting purposes. The results of discontinued operations are presented separately in the income statement.

(v) Accounting Developments

(i) 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 consolidated financial statements.

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 liabilities. 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.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(v) Accounting developments (continued)

The group has applied IFRS 16 on a prospective basis with effect from 1 April 2019 and has therefore not restated the comparative information contained in these 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 prepaid or accrued lease payments and onerous contracts provision. 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 (i.e. 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 (i.e. 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 (i.e. lease payments continue to be expensed on a straight-line basis for these leases);
- the group excluded 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 (i.e. as at 31 March 2019); and
- the group applied hindsight in determining the lease terms for contracts that contain extension and termination options.

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 applied to the lease liabilities was 4.8%.

The group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'long-term 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.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(v) Accounting developments (continued)

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.

(ii) The following new standards, interpretations and amendments to existing standards, that are considered relevant to the group, are not yet effective as at 31 March 2020. The group is currently evaluating the effects of these standards and interpretations, which have not been early adopted:

Standard/Interpretation	Title	Effective for year ending
IAS 1/IAS 8	*Presentation of financial statements*	March 2021
IFRS 3	*Business combinations*	March 2021
IFRS 9/IAS 39/IFRS7	*Financial Instruments*	March 2021
IFRS 10/IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined by the IASB

Other new standards, interpretations and amendments to existing standards not yet effective

None of the other new standards, interpretations and amendments to existing standards that are not yet effective as at 31 March 2020 are expected to have a significant impact on the group.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES

Financial year ended 31 March 2020

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.

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 Felelősségű Társaság (eMAG Hungary), its Hungarian operations with operations of Ed Group Vagyonkezelő Korlátolt Felelősségű 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.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2020 (continued)

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 İyzi 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$41m; cash and deposits US$ 98m, fixed assets 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 noncontrolling 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.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2020 (continued)

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. (IUCG) 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 IUCG 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, were US$833m and US$125m respectively.

During the reporting period the group disposed of its 100% effective interest in its subsidiary BuscaPé Company Informaçao e Technologia 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.

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 groups 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.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

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 Limited 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.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2019

In August 2018 the group invested US$60m for a 100% effective and fully diluted interest in the issued share capital of Zooz Mobile Limited (Zooz), a management and optimisation payment provider based in Israel. The transaction was accounted for as a business combination with an effective date of August 2018. The purchase price allocation: cash and deposits US$2m; trade and other receivables US$1m; intangible assets US$22m; trade and other payables US$1m; loan liabilities US$1m; deferred tax liability US$5m and the balance of US$42m to goodwill. The main intangible assets recognised in the business combination were technology and customer relationships.

In December 2018 the group invested US$36m for a 69% effective interest (65% fully diluted) in the issued share capital of Aasaanjobs Private Limited (Aasaanjobs), an online recruitment marketplace based in India. The transaction was accounted for as a business combination with an effective date of December 2018. The purchase price allocation: cash and deposits US$23m; trade and other receivables US$1m; intangible assets US$5m; trade and other payables US$3m; deferred tax liability US$2m and the balance of US$13m to goodwill. The main intangible assets recognised in the business combination were customer relationships and tradenames.

Since the acquisition dates of the above business combinations, revenue of US$1m and net losses of US$9m have been included in the income statement. Had the revenue and net losses of the above business combinations been included from 1 April 2018 group revenue from continuing operations and group net profit from continuing operations would have amounted to US$3.29bn and US$4.15bn respectively.

The main factor contributing to the goodwill recognised in these acquisitions was the acquirees' market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US$2m were recorded in "(Losses)/gains on acquisitions and disposals" in the income statement regarding the abovementioned acquisitions.

In April 2018 the group acquired the share capital held by non-controlling shareholders of its subsidiary Dubizzle Limited (Dubizzle) for US$190m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Dubizzle and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective and fully diluted interest in Dubizzle.

In August 2018 the group's subsidiary Letgo Global B.V. (previously named Ambatana Holdings B.V.) acquired the share capital held by non-controlling shareholders of Letgo USA B.V. for US$189m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in the business and the derecognition of the related non-controlling interest. Following a US$150m funding round in June 2018, the group's shareholding in Letgo Global B.V. increased from an effective 73.4% at 31 March 2018 to 80% (77% fully diluted) at 31 March 2019.

In January 2019, the group acquired the share capital held by non-controlling shareholders of its subsidiary Avito AB (Avito) for US$1.16bn. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Avito and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective interest (99.5% fully diluted) in Avito.

In March 2019, the group acquired an additional interest in its subsidiary Silver Indonesia JVCo B.V. (Silver Indonesia) from non-controlling shareholders for US$46m. Following the acquisition, the group holds a 66% effective interest in Silver Indonesia.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2019 (continued)

The following relates to the group's investments in its equity-accounted investees:

In May 2018 the group invested US$35m for a 16% effective interest (15% fully diluted) in Honor Technology, Inc. (Honor) a comprehensive home-care company for older adults in the US. The group accounts for its interest as an investment in an associate.

In May 2018 the group invested US$89m in Frontier Car Group, Inc. (Frontier Car Group), an online car marketplace headquartered in Berlin and currently operating in eight countries, for a 36% effective (35% fully diluted) shareholding. The group accounts for its interest as an investment in an associate. The group also entered into a collaboration with FCG in India during February 2019 through an investment of US$25m in the group's subsidiary India Used Car Group B.V.

In July 2018 the group invested an additional US$12m in PaySense Private Limited (PaySense), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. Following this investment, the group holds a 19% effective interest (17% fully diluted) in PaySense. The group accounted for its interest in PaySense as an investment in an associate.

The group invested an additional US$79m in Bundl Technologies Private Limited (Swiggy), a leading online food ordering and delivery platform in India, during July 2018, followed by a further investment of US$637m in January 2019. Following these investments, the group holds a 39% effective interest (35% fully diluted) in Swiggy. The group continues to account for its interest as an investment in an associate.

In December 2018 the group invested US$383m in Think & Learn Private Limited (BYJU's) for a 12% effective (12% fully diluted) shareholding in India's largest education company and the creator of India's largest personalised learning app. The group accounts for its interest as an investment in an associate.

The following relates to significant disposals by the group during the reporting period:

During May 2018 the group announced the disposal of its 12% effective interest (11% fully diluted) in Flipkart Limited – its equity-accounted etail investment in India – to US-based retailer Wal-Mart International Holdings, Inc. for US$2.2bn (inclusive of applicable withholding taxes and amounts held in escrow). Amounts held in escrow following the disposal have been included as part of "Other receivables" in the statement of financial position. The transaction was concluded in August 2018 following regulatory approval. A gain on disposal of US$1.6bn has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement. This gain includes the reclassification of a foreign currency translation reserve of US$97m to the income statement. Related income tax expenses of US$177m have been included as part of "Taxation" in the income statement.

In September 2018 the group concluded the sale of its 52% interest in Tek Travels Private Limited, its online B2B travel distribution business, for US$37m. A gain on disposal of US$6m has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement.

Following its listing on the JSE in February 2019, the group distributed its shares in its video-entertainment business, MultiChoice Group Limited (the MultiChoice Group), to shareholders as a pro rata distribution in specie (the distribution). The MultiChoice Group and, accordingly, the group's video-entertainment segment, have been presented as a discontinued operation in these consolidated annual financial statements (refer to note 4). The group recorded a gain of US$2.49bn as part of "Profit from discontinued operations" in the income statement following the distribution, being the difference between the fair value of the MultiChoice Group shares distributed, measured using its listed share price, and the book value of the net assets derecognised. The gain recognised is presented net of the reclassification of reserves (primarily foreign currency translation and hedging reserves) of US$546m (losses) to the income statement following the distribution. The distribution reduced retained earnings by US$3.83bn being the fair value of the distributed MultiChoice Group shares. The group calculated the gain on distribution based on the fair value of the MultiChoice Group as at the date of distribution. In calculating the fair value, the group determined that the share price of the MultiChoice Group for the first 15 days of trading did not represent an orderly transaction on account of the trading volumes during this period and the fact that there was no exposure to the market before the measurement date. Consequently, the group used the 15-day volume-weighted average share price of the MultiChoice Group and excluded the first 15 days of trading as this was considered more representative of the fair value of the Multichoice Group in an orderly transaction. This is consequently a level-2 fair value measurement.

4. PROFIT FROM DISCONTINUED OPERATIONS

The group concluded the disposal of its subsidiary MultiChoice Group Limited (MultiChoice Group) in February 2019 (refer to note 3). The assets and liabilities of MultiChoice Group were classified as held for sale in September 2018. The results and cash flows of the group's video-entertainment segment have been presented as discontinued operations in these consolidated annual financial statements. Discontinued operations also include the group's subscription video-on-demand service in Poland which was closed at the end of January 2019.

Income statement information of discontinued operations

	31 March 2019 US$'m
Revenue from contracts with customers	3 321
Expenses	(2 851)
Profit before tax	470
Taxation	(200)
Profit for the period	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 interest	76
	2 759
Revenue from contracts with customers	
Revenue from discontinued operations comprised the following:	
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

5. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings US$'m	Computer and office equip-ment US$'m	Furniture and fittings US$'m	Other US$'m	Total US$'m
1 April 2019					
Cost	141	70	63	15	289
Accumulated depreciation and impairment	(33)	(39)	(26)	(8)	(106)
Carrying value at 1 April 2019	108	31	37	7	183
Change in accounting policy[1]	228	7	-	7	242
Restated carrying value at 1 April 2019	336	38	37	14	425
Foreign currency translation effects	(51)	(3)	(4)	(3)	(61)
Transferred to assets classified as held for sale	(9)	(1)	-	-	(10)
Reclassifications	-	2	(2)	-	-
Acquisitions of subsidiaries and businesses	23	2	2	1	28
Disposals of subsidiaries and businesses	(2)	(2)	-	-	(4)
Acquisitions of assets	32	24	20	1	77
Acquisitions of right-of-use assets	96	7	-	2	105
Disposals/scrappings	(11)	(1)	-	-	(12)
Depreciation	(62)	(19)	(12)	(3)	(96)
31 March 2020					
Cost	425	86	68	20	599
Accumulated depreciation and impairment	(73)	(39)	(27)	(8)	(147)
Carrying value at 31 March 2020	352	47	41	12	452
Work in progress at 31 March 2020					5
Total carrying value at 31 March 2020					457

[1] The group adopted IFRS 16 Leases from 1 April 2019 and accordingly the capitalised lease assets as at 31 March 2020 relate to all leases including those previously classified as operating leases in terms of IAS 17 which were not recognised on the statement of financial position. Refer to note 2 for details of the group's adoption of new accounting pronouncements during the year.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings US$'m	Computer and office equip-ment US$'m	Furniture and fittings US$'m	Trans-mission equip-ment US$'m	Other US$'m	Total US$'m
1 April 2018						
Cost	315	230	85	2 059	48	2 737
Accumulated depreciation and impairment	(84)	(160)	(36)	(822)	(30)	(1 132)
Carrying value at 1 April 2018	231	70	49	1 237	18	1 605
Foreign currency translation effects	(34)	(4)	(7)	(125)	(4)	(174)
Transferred to assets classified as held for sale[1]	(144)	(40)	(12)	(1 051)	(12)	(1 259)
Acquisitions of subsidiaries and businesses	1	1	-	-	1	3
Acquisitions	69	30	18	13	9	139
Disposals/scrappings	-	(2)	(1)	(1)	(1)	(5)
Impairment	-	-	-	-	(1)	(1)
Depreciation[2]	(15)	(24)	(10)	(73)	(3)	(125)
31 March 2019						
Cost	141	70	63	-	15	289
Accumulated depreciation and impairment	(33)	(39)	(26)	-	(8)	(106)
Carrying value at 31 March 2019	108	31	37	-	7	183
Work in progress at 31 March 2019						8
Total carrying value at 31 March 2019						191

[1] Assets classified as held for sale include those assets of the MultiChoice Group that were classified as held for sale in September 2018 and were subsequently distributed to shareholders (refer to note 3).

[2] Includes depreciation of US$89.7m associated with discontinued operations (refer to note 4).

5. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying value of work in progress mainly comprises buildings and equipment.

The group recognised impairment losses of US$nil (2019: US$1.0m) on property, plant and equipment related to the media segment. No impairment losses (2019:US$nil) are presented within work in progress. US$nil (2019:US$1.0m) of the impairment losses have been included in "Other (losses)/gains – net" in the income statement.

The carrying values and depreciation of right-of-use assets are as follows[1]:

	31 March 2020	
	Carrying value US$'m	Depreciatio charge for the year[2] US$'m
Vehicles	**8**	**(3)**
Buildings	**240**	**(52)**
Computers, furniture and office equipment	**19**	**(4)**
	267	**(59)**

[1] The group adopted IFRS 16 from 1 April 2019 and accordingly the capitalised lease assets as at 31 March 2020 relate to all leases including those previously classified as operating leases in terms of IAS 17 which were not recognised on the statement of financial position. Refer to note 2 for details of the group's adoption of new accounting pronouncements during the year.

[2] Relates to the depreciation expense for right-of-use assets during the current year.

Included in the acquisition of property, plant and equipment is an amount of US$89.9m (2019: US$1.8m) relating to leased assets, which are non-cash in nature. Refer to note 27 for details of the group's assets pledged as collateral.

6. GOODWILL

	31 March 2020 US$'m	31 March 2019 US$'m
Cost		
Opening balance	**2 360**	2 961
Foreign currency translation effects	**(306)**	(338)
Acquisitions of subsidiaries and businesses	**566**	105
Disposals of subsidiaries and businesses	**(144)**	(8)
Transferred to assets classified as held for sale	**(152)**	(360)
Closing balance	**2 324**	2 360
Accumulated impairment		
Opening balance	**240**	354
Foreign currency translation effects	**(28)**	(46)
Impairment	**12**	6
Disposals of subsidiaries and businesses	**(137)**	(1)
Transferred to assets classified as held for sale	**-**	(73)
Closing balance	**87**	240
Carrying value	**2 237**	2 120

The group recognised impairment losses on goodwill of US$11.8m (2019: US$6.4m) related to various smaller ecommerce investments as well as US$2.2m (2019:US$nil) in the media segment.

Management used up to 10-year projected cash flow models, terminal growth rates ranging between 2% and 5% and post-tax discount rates ranging between 11% and 21% in performing the impairment tests. The group uses up to 10-year projected cash flow models as many businesses have monetisation timelines longer than five years as further explained below.

Impairment testing of goodwill

The group has allocated goodwill to various cash-generating units (CGUs). The recoverable amounts of these cash-generating units have been determined based on the higher of the value in use calculations and the fair value less costs of disposal. Fair value less costs of disposal of these cash generating units takes into account the transaction value for the group's recent acquisitions or upcoming disposal where applicable or is determined using option pricing methodology. Value in use is based on discounted cash flow calculations. The group based its cash flow calculations on 10-year budgeted and forecast information approved by senior management and/or the various boards of directors of group companies. Long-term average growth rates for the respective countries in which the entities operate or, where more appropriate, the growth rate of the cash-generating units, were used to extrapolate cash flows into the future. The discount rates used reflect specific risks relating to the relevant cash-generating units and the countries in which they operate while maximising the use of market observable data. Other assumptions included in cash flow projections vary widely between cash-generating units due to the group’s diverse range of business models and are closely linked to entity-specific key performance indicators.

Goodwill is tested annually as at 31 December or more frequently if there is a change in circumstance that indicates that it might be impaired. At 31 March 2020 the group reassessed its goodwill impairment calculations as well as the appropriateness of the recoverable amounts used as a result of the Covid-19 pandemic. For the CGUs that were recently acquired, management performed an assessment of whether there was any reason to adjust the transaction price as the basis for the fair value less costs of disposal and concluded that this was not the case. The updated value in use amounts used were considered appropriate based on the updated budgets and forecasts and the reasonable expectation that the businesses will recover from the impact of the pandemic. 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.

6. GOODWILL (continued)

Impairment testing of goodwill (continued)

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. The impairment loss recognised as at 31 March 2020, therefore, takes into account the impact of the pandemic on the group and its cash-generating units which is the group's best estimate amidst this current uncertain economic environment. The goodwill impairment relates to the group's ecommerce classifieds business. 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 group's impairment testing of goodwill takes into account that, in most instances, longer forecast periods are required for many ecommerce businesses. These longer forecast periods are required as the group's ecommerce businesses generally only reach maturity once sufficient market share has been gained, the businesses have reached the appropriate scale and have become revenue generative/profitable. The forecast period is assessed annually to ensure it remains appropriate for the relevant businesses. Key assumptions in estimating these future cash flows over the forecast period include the cash generating unit's ability to capture the required market share and the additional investment required in order for it to reach the appropriate scale. The group uses look-back analysis to assess past performance of its cash generating units and uses it to validate past judgements and predict future performance. For certain cash generating units risk adjustments are made to the discount rates used (generally being the weighted average cost of capital) when calculating the value in use.

For certain cash generating units risk adjustments are made to discount rates used when calculating the value in use. Value in use calculations are performed using the appropriate operational cash flows, and accordingly, discount rates take into account country risk premiums and inflation differentials as appropriate.

Where the group has committed to the sale of a cash generating unit or has determined that an impairment loss should be recognised on a cash generating unit based on its value in use, the group also calculates that cash generating unit's fair value less costs of disposal to ensure that the recognition of an impairment loss is appropriate.

Post-tax discount rates have been applied as value in use was determined using post-tax cash flows. Impairment testing is performed using the appropriate currency cash flows, and accordingly, discount rates take into account country risk premiums and inflation differentials as appropriate.

The calculation of value in use is most sensitive to the following assumptions:

- projected revenue and EBITDA growth rates;
- growth rates used to extrapolate cash flows beyond the budget and forecast period, including the terminal growth rate applied in the final projection year; and
- discount rates.

When determining cash flows over the forecast periods, EBITDA margin assumptions vary between the group's diverse range of businesses.

The group's classifieds segment accounts for over 78% of the overall balance of goodwill and, accordingly, assumptions made in determining the cash flows of the classifieds cash generating units have a significant impact on the annual impairment assessment. Key assumptions underlying revenue forecasts for cash generating units in the classifieds segment include the cash generating unit's anticipated market share, the number of listings expected over the forecast period and the revenue and EBITDA contribution of each such listing. EBITDA margins assumed range between 30% and 63%, depending on the stage of maturity of the relevant business. Terminal growth rates and discount rates used in performing impairment tests are detailed in the table below.

If either the pre- or post-tax discount rate applied to cash flows were to increased relatively by 5% or the growth rate used to extrapolate cash flows were to decrease relatively by 5%, or if both the discount rate and the growth rate were to increase and decrease relatively by 5% respectively, there would be no further significant impairments that would have to be recognised.

6. GOODWILL (continued)

Impairment testing of goodwill (continued)

The group allocated goodwill to the following groups of cash-generating units:

	Carrying value of goodwill at 31 March 2020 US$'m	Basis of determi-nation of recoverable amount	Pre-tax discount rates at 31 March[1] 2020 %	Post-tax discount rate applied to cash flows at 31 March[1] 2020 %	Growth rate used to extrapolate cash flows at 31 March[1] 2020 %
Groups of cash-generating units[2]					
Avito AB	1 057	Value in use	19.2	16.5	3.5
Frontier Car Group Inc. (FCG)[2]	287	FVLCoD[3]			
Payment Solutions Private Limited (Citrus Pay)	90	Value in use	17.0	14.5	4.0
iyzi Ödeme ve Elektronik Para Hizmetleri Anonim irketi (Iyzico)[2]	88	FVLCoD[3]			
Paysense Private Limited[2]	85	FVLCoD[3]			
OLX B.V.	77	Value in use	15.6	13.4	4.0
Dubizzle Limited (BVI)	75	FVLCoD[3]			
Letgo Global B.V.	55	FVLCoD[3]			
Silver Indonesia JVCo B.V. (OLX Indonesia)	48	Value in use	17.7	17.5	4.0
Movile Internet Movel S.A.	46	Value in use	24.7	19.0	4.0
Dante International S.A. (eMAG)	46	Value in use	17.5	16.0	4.5
Zooz Mobile Limited	40	Value in use	12.0	11.0	4.0
Wibmo Inc.[2]	40	FVLCoD[3]			
Red Dot Payment Private Limited (RDP)[2]	36	FVLCoD[3]			
The Car Trader Proprietary Limited (AutoTrader)	20	Value in use	28.7	21.0	5.0
OLX Portugal S.A.	22	Value in use	33.6	18.0	2.0
Aasaanjobs Private Limited	13	FVLCoD[3]			
Takealot Online (RF) Proprietary Limited	52	Value in use	23.4	19.5	5.0
Various other units	60	Value in use	Various	Various	Various
	2 237				

[1] Goodwill is tested annually as at 31 December or more frequently if a change in circumstance indicates that it might be impaired.

[2] These cash-generating units includes goodwill from acquisitions that were made during the current year based on the value of the recent transactions. Refer to note 3 for details.

[3] Recoverable amount was based on the fair value less costs of disposal of these cash generating units taking into account the transaction value for the group's recent acquisitions and in the case of Letgo Global B.V. and Dubizzle Limited (BVI) the group's recent transaction for disposal pending regulatory approval (Refer to note 45).The fair value for these cash-generating units are level 3 measurements.

Post-tax discount rates have been applied in calculations as value in use was determined using post-tax cash flows.

6. GOODWILL (continued)

Impairment testing of goodwill (continued)

	Carrying value of goodwill at 31 March 2019 US$'m	Basis of determination of recoverable amount	Pre-tax discount rates at 31 March[1] 2019 %	Post-tax discount rate applied to cash flows at 31 March[1] 2019	Growth rate used to extrapolate cash flows at 31 March[1] 2019
Groups of cash-generating units[2]					
Avito AB	1 262	Value in use	17.3	15.0	5.0
Letgo Global B.V. (previously Ambatana Holdings B.V.)	200	Value in use	20	17.5	5.0
Payment Solutions Private Limited (Citrus Pay)[2]	98	Value in use	16.6	14.0	4.0
OLX B.V.	77	Value in use	15.4	13.5	5.0
Dubizzle Limited (BVI)	75	Value in use	15.9	15.5	4.0
Takealot Online (RF) Proprietary Limited[2]	72	Value in use	21.2	18.0	5.0
Movile Internet Movel S.A.	69	Value in use	23.5	18.0	5.0
Silver Indonesia JVCo B.V. (OLX Indonesia)	59	Value in use	19.3	17.0	4.0
Dante International S.A. (eMAG)	48	Value in use	17.3	16.0	3.0
Zooz Mobile Limited	40	Value in use	13.1	12.0	4.0
The Car Trader Proprietary Limited (AutoTrader)	29	Value in use	26.5	21.0	4.0
OLX Portugal S.A.	22	Value in use	17.5	16.0	1.5
Aasaanjobs Private Limited[3]	14	FVLCoD[3]			
Various other units	55	Value in use	Various	Various	Various
	2 120				

[1] Goodwill is tested annually as at 31 December or more frequently if a change in circumstance indicates that it might be impaired.

[2] This cash-generating unit includes goodwill from acquisitions that were made during the prior year based on the value of the recent transactions.

[3] Recoverable amount was based on the fair value less costs of disposal of these cash generating units taking into account the transaction value of the group's acquisition. The fair value for these cash generating units is a level 3 measurement.

Post-tax discount rates have been applied in calculations as value in use was determined using post-tax cash flows.

7. OTHER INTANGIBLE ASSETS

	Intellectual property rights and patents US$'m	Customer related assets US$'m	Brand names and title rights US$'m	Software US$'m	Total US$'m
1 April 2019					
Cost	**6**	**543**	**760**	**122**	**1 431**
Accumulated amortisation and impairment	**(2)**	**(176)**	**(303)**	**(74)**	**(555)**
Carrying value at 1 April 2019	**4**	**367**	**457**	**48**	**876**
Foreign currency translation effects	**(1)**	**(40)**	**(82)**	**(5)**	**(128)**
Acquisitions of subsidiaries and businesses	-	**105**	**91**	**59**	**255**
Disposals of subsidiaries and businesses	**(1)**	**(3)**	-	**(2)**	**(6)**
Acquisitions	-	**8**	-	**7**	**15**
Disposals	**(1)**	-	-	-	**(1)**
Impairment	-	-	-	**(1)**	**(1)**
Amortisation	**(1)**	**(43)**	**(49)**	**(29)**	**(122)**
Carrying value at 31 March 2020					
Cost	-	**583**	**705**	**156**	**1 444**
Accumulated amortisation and impairment	-	**(189)**	**(288)**	**(79)**	**(556)**
Carrying value at 31 March 2020	-	**394**	**417**	**77**	**888**
Work in progress at 31 March 2020[1]					**10**
Total carrying value at 31 March 2020					**898**

[1] Includes acquisitions of US$10.0m.

7. OTHER INTANGIBLE ASSETS (continued)

	Intellectual property rights and patents US$'m	Customer related assets US$'m	Brand names and title rights US$'m	Software US$'m	Total US$'m
1 April 2018					
Cost	99	764	906	251	2 020
Accumulated amortisation and impairment	(84)	(328)	(315)	(155)	(882)
Carrying value at 1 April 2018	15	436	591	96	1 138
Foreign currency translation effects	(1)	(53)	(94)	(12)	(160)
Acquisitions of subsidiaries and businesses	1	24	9	24	58
Disposals of subsidiaries and businesses	(3)	-	(1)	-	(4)
Acquisitions	-	5	-	15	20
Transferred to assets classified as held for sale[1]	(5)	(6)	-	(36)	(47)
Disposals	-	-	-	-	-
Impairment[2]	(1)	-	-	(4)	(5)
Amortisation[3]	(2)	(39)	(48)	(35)	(124)
31 March 2019					
Cost	6	543	760	122	1 431
Accumulated amortisation and impairment	(2)	(176)	(303)	(74)	(555)
Carrying value at 31 March 2019	4	367	457	48	876
Work in progress at 31 March 2019					1
Total carrying value at 31 March 2019					877

[1] *Assets classified as held for sale include those assets of the MultiChoice Group that were classified as held for sale in September 2018 and were subsequently distributed to shareholders (refer to note 3).*

[2] *Includes impairment of US$3.6m associated with discontinued operations (refer to note 4).*

[3] *Includes amortisation of US$13.2m associated with discontinued operations (refer to note 4).*

The group recognised impairment losses on other intangible assets of US$1.1m (2019: US$4.9m). The recoverable amounts of the intangible assets impaired was US$nil in 2019. The intangible assets impaired were written off in full as no future cash inflows are associated with them.

The impairment losses have been included in "Other (losses)/gains – net" in the income statement, of which US$nil (2019: US$0.6m) has been included in the ecommerce segment and US$1.1m (2019: US$0.6m) has been included in the media segment.

8. INVESTMENTS IN SUBSIDIARIES

The following information relates to the group's interest in its significant subsidiaries at 31 March:

Name of subsidiary	Effective percentage interest[1]		Nature of business	Country of incorporation	Functional currency
	2020 %	2019 %			
Listed companies					
Corporate companies					
Prosus N.V.	**72.63**	100.00	Investment holding	Netherlands	US$
Unlisted companies					
Corporate companies					
MIH Holdings Proprietary Limited	**100.00**	100.00	Investment holding	South Africa	ZAR
MIH Internet Holdings Limited B.V.	**72.63**	100.00	Investment holding	The Netherlands	US$
MIH B2C Holdings B.V.	**72.63**	100.00	Investment holding	The Netherlands	US$
			Investment	The	
Classifieds					
Aasaanjobs Private Limited	**49.79**	68.55	Classifieds	India	IN
Avito AB	**72.63**	100.00	Classifieds	Sweden	SEK
Brocante Lab SAS (Selency)	**39.79**	54.79	Classifieds	France	EUR
Dubizzle Limited (BVI)[2]	**72.63**	100.00	Classifieds	UAE	AED
Frontier Car Group Inc (FCG)[3][4]	**61.28**	-	Classifieds	Germany	EUR
Letgo Global B.V.	**58.06**	79.94	Classifieds	The Netherlands	US$
Letgo USA B.V. (merged with Letgo Global B.V.)	**-**	79.94	Classifieds	The Netherlands	US$
Netrepreneur Connections Enterprises Inc. (Sulit)[5]	**-**	100.00	Classifieds	Phillippines	PHP
OLX B.V.	**72.63**	100.00	Classifieds	The Netherlands	US$
OLX Portugal S.A.	**72.63**	100.00	Classifieds	Portugal	EUR
Silver Indonesia JVCo B.V. (OLX Indonesia)	**47.77**	65.78	Classifieds	The Netherlands	US$
The Car Trader Proprietary Limited (AutoTrader)	**72.63**	100.00	Classifieds	South Africa	ZAR
321sprzedane.pl Sp. z.o.o. (Poland Used Car)[4]	**61.28**	-	Classifieds	Poland	PLN

[1] The percentage interest shown is the financial effective interest, after disregarding the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies including Prosus N.V. which was listed on Euronext Amsterdam during the current year.

[2] Refer to note 45 for the disposal of the group's interest subsequent to the current year.
[3] The group acquired an additional interest in the current year and now accounts for its interest as a subsidiary.
[4] Refer to note 3 for the acquisition of the group's interest during the current year.
[5] The subsidiary was contributed in exchange for an interest in Carousell Private Limited during the current reporting period (refer to note 3). The group classified Sulit as held for sale during the prior year.

8. INVESTMENTS IN SUBSIDIARIES (continued)

The following information relates to the group's interest in its significant subsidiaries as at 31 March:

Name of subsidiary	Effective percentage interest[1] 2020 %	2019 %	Nature of business	Country of incorporation	Functional currency
Etail					
Dante International S.A. (eMAG)	**58.16**	80.11	Retail and ecommerce	Romania	RON
Takealot Online (RF) Proprietary Limited	**96.39**	96.05	Retail and ecommerce	South Africa	ZAR
Extreme Digital Zrt[2]	**30.24**	-	Retail and ecommerce	Hungary	HUF
Payments and Fintech					
iyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (Iyzico)[2]	**64.39**	-	Payments platform	Turkey	TRY
PayU Global B.V.	**71.74**	98.77	Payments platform	The Netherlands	US$
PayU Payments Private Limited	**71.74**	98.80	Payments platform	India	INR
PaySense Private Limited[3]	**57.52**	-	Credit platform	India	INR
Red Dot Payment Private Ltd[2]	**52.60**	-	Payments platform	Singapore	SGD
Wibmo Inc[2]	**71.74**	-	Payments platform	United States of America	US$
Zooz Mobile Limited	**71.74**	98.80	Payments platform	Israel	US$
Food Delivery					
iFood.com Agência de Restaurantes Online S.A. (iFood)	**39.71**	53.77	Food delivery	Brazil	BRL
Other Ecommerce					
Movile Internet Movel S.A.	**59.57**	80.65	Mobile value added	Brazil	BRL
Sympla Internet Soluções SA	**47.53**	62.84	Mobile value added	Brazil	BRL
Media					
Media24 Holdings Proprietary Limited	**85.00**	85.00	Investment holding	South Africa	ZAR
Media24 Proprietary Limited	**85.00**	85.00	Publishing	South Africa	ZAR

[1] The percentage interest shown is the financial effective interest, after disregarding the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies including Prosus N.V. which was listed on Euronext Amsterdam during the current year.

[2] Refer to note 3 for the acquisition of the group's interest during the current year.

[3] The group acquired an additional interest in the current year and now accounts for its interest as a subsidiary.

8. INVESTMENTS IN SUBSIDIARIES (continued)

The summarised financial information contained below relates to subsidiaries of the group that are considered to have significant non-controlling interests:

	Prosus N.V.		Media24 Holdings Proprietary Limited	
	31 March 2020 US$'m	31 March 2019 US$'m	**31 March 2020 US$'m**	31 March 2019 US$'m
Summarised statement of financial position				
Non-current assets	**26 655**	23 021	**42**	75
Current assets	**9 109**	9 970	**121**	154
Total assets	**35 764**	32 991	**163**	229
Non-current liabilities	**4 303**	4 034	**21**	27
Current liabilities	**2 147**	1 575	**66**	126
Total liabilities	**6 450**	5 609	**87**	153
Accumulated non-controlling interests	**8 178**	132	**(9)**	(14)
Summarised income statement				
Revenue	**3 330**	2 655	**321**	341
Net profit/(loss) for the year	**3 715**	3 510	**(9)**	(22)
Other comprehensive loss	**(1 440)**	(105)	**(13)**	-
Total comprehensive income/(loss)	**2 275**	3 405	**(22)**	(22)
Profit/(losses) attributable to non-controlling interests	**268**	(71)	**(1)**	(2)
Dividends paid to non-controlling interests	**-**	-	**3**	1
Summarised statement of cash flows				
Cash flows utilised in operating activities	**(209)**	(145)	**8**	(20)
Cash flows generated from/(utilised in) investing activities	**2 270**	(6 653)	**(4)**	(2)
Cash flows generated from/(utilised in) financing activities	**17**	(1 955)	**(5)**	15

9. CHANGES IN NON-CONTROLLING INTEREST

Pursuant to the listing of Prosus N.V.(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 EUR67.50, resulting in gross proceeds of US$1.64bn (EUR1.49bn) 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. The 27.37% interest in Prosus represents a significant non-controlling interest. 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 results, 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 https://www.prosus.com.

10. INVESTMENTS IN ASSOCIATES

The following information relates to the group's financial interest in its significant associates at 31 March:

Name of associated company	Effective percentage interest[(1)] 2020 %	2019 %	Nature of business	Country of incorporation	Functional currency	Year-end
Listed companies						
Delivery Hero SE	**15.37**	**22.30**	Food delivery	Germany	EUR	December
Mail.ru Group Limited	**20.26**	**28.00**	Internet-related services	British Virgin Islands	RUB	December
MakeMyTrip Limited[(2)]	**-**	**42.60**	Online travel	Mauritius	INR	March
Tencent Holdings Limited	**22.52**	**31.10**	Internet-related services	Cayman Islands	RMB	December
Unlisted companies						
Classifieds						
Frontier Car Group, Inc. (FCG)[(3)]	**-**	**35.70**	Classifieds	Germany	EUR	December
Payments and fintech						
Kreditech Holding SSL GmbH [(4)]	**-**	**34.90**	Consumer lending	Germany	EUR	December
Primrose Hill Ventures Private Limited (ZestMoney)[(5)]	**14.12**	**21.40**	Consumer lending	India	INR	December
PaySense Private Limited [(3)]	**-**	**18.80**	Consumer lending	India	INR	March
Remitly, Inc.	**15.22**	**22.60**	Digital money transfer	USA	US$	December
Food delivery						
Bundl Technologies Private Limited (Swiggy)[(6)]	**29.07**	**38.80**	Food delivery	India	INR	March
Other ecommerce						
Brainly, Inc.[(6)]	**31.82**	**34.00**	Educational technology	USA	US$	December
emTransit B.V.(Dott)[(5)]	**14.31**	**13.00**	Travel	The Netherlands	EUR	December

[(1)] *The percentage interest shown is the financial effective interest, after disregarding the interests of equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies including Prosus N.V. which was listed on Euronext Amsterdam during the current year.*

[(2)] *The group exchanged its interest in MakeMyTrip for an investment in Trip.com Group Limited (formerly Ctrip.com International Limited) (Trip.com) during the current year. The group accounts for its investment in Trip.com as an investment at fair value through other comprehensive income (refer note 12).*

[(3)] *The group acquired an additional interest in the current year and accounts for its investment as a subsidiary (refer to note 3 and 8).*

[(4)] *During the current year the group's effective interest was diluted. The group accounts for its investment in Kreditech as an investment at fair value through other comprehensive income (refer note 12).*

[(5)] *The group accounts for its interest as an investment in an associate on account of its board representation.*

[(6)] *Refer to note 3 for the group's additional investment during the current year.*

10. INVESTMENTS IN ASSOCIATES (continued)

The following information relates to the group's financial interest in its significant associates at 31 March:

Name of associated company	Effective percentage interest[1] 2020 %	2019 %	Nature of business	Country of incorporation	Functional currency	Year-end
Unlisted companies (continued)						
Other ecommerce (continued)						
Honor Technology Inc. (Honor)[2]	**11.96**	16.40	Home care	USA	US$	December
Meesho, Inc.[2][3]	**8.83**	-	Online marketplace	USA	US$	December
NTEx Transportation Services Private Limited (ElasticRun)[3]	**14.94**	-	Logistics	India	INR	March
Ryzac, Inc. (Codecademy)	**15.27**	21.10	Educational technology	USA	US$	December
SimilarWeb Limited	**17.38**	24.50	Internet metrics	Israel	NIS	December
Sololearn, Inc.[3]	**11.07**	15.30	Educational technology	USA	US$	March
Think & Learn Private Limited (BYJU'S)[2]	**8.21**	12.20	Educational technology	India	INR	March
Udemy, Inc.[2]	**10.76**	11.80	Educational technology	USA	US$	March
Corporate						
Naspers Beleggings (RF) Limited[4]	**49.00**	49.00	Investment holding	South Africa	ZAR	March

(1) *The percentage interest shown is the financial effective interest, after disregarding the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies including Prosus N.V. which was listed on Euronext Amsterdam during the current year.*

(2) *The group accounts for its interest as an investment in an associate on account of its board representation.*

(3) *The group acquired its interest in these entities during the current period. Refer to note 3 for further information.*

(4) *The group has concluded that it does not control Naspers Beleggings (RF) Limited as it does not have the ability to unilaterally direct its substantive decisions.*

Adjustments are made for significant transactions and events that take place where lag periods are applied. These adjustments routinely include impairments and fair-value adjustments related to the underlying financial instruments of associates measured at fair value through profit or loss or at fair value through other comprehensive income.

10. INVESTMENTS IN ASSOCIATES (continued)

The fair values of the group's investments in its listed associates are detailed below:

	31 March 2020 US$'m	31 March 2019 US$'m
Listed investments		
Tencent Holdings Limited	**145 249**	136 180
Mail.ru Group Limited	**985**	1 501
MakeMyTrip Limited	**-**	1 208
Delivery Hero SE	**3 134**	1 506

The above fair values have been measured using quoted prices in active markets and the disclosed amounts therefore represent level 1 fair-value measurements.

	31 March 2020 US$'m	31 March 2019 US$'m
Opening balance	**19 746**	16 666
Associates acquired - gross consideration[(1)]	**437**	1 279
net assets acquired	**132**	517
goodwill and other intangibles recognised	**328**	821
deferred taxation recognised	**(23)**	(59)
Associates disposed of[(2)]	**(575)**	(458)
Share of current year other reserve movements	**129**	482
other reserve movements recognised in other comprehensive income	**228**	919
direct equity movements	**(99)**	(437)
Share of equity-accounted results	**3 974**	3 418
Equity-accounted results due to purchase accounting	**(21)**	(11)
amortisation of other intangible assets	**(31)**	(19)
realisation of deferred taxation	**10**	8
Impairment	**(21)**	(88)
Dividends received	**(377)**	(342)
Foreign currency translation effects	**(999)**	(1 027)
Dilution losses	**(58)**	(173)
Closing balance	**22 235**	19 746
Investments in associates		
Listed	**20 728**	18 175
Unlisted	**1 507**	1 571
Total investments in associates	**22 235**	19 746

[(1)] *Includes the contribution of Netrepreneur Connections Enterprises Inc. for an interest in Carousell Private Limited. Refer to note 3.*

[(2)] *This relates to the deemed disposal of Frontier Car Group (FCG), PaySense and Make My Trip.*

10. INVESTMENTS IN ASSOCIATES (continued)

The group recognised US$3.9bn (2019: US$3.41bn) from associates as its share of equity-accounted results in the income statement. Cumulative unrecognised losses relating to associates that have been fully impaired, amounted to US$nil (2019: US$4.6m) as at 31 March 2020.

The group recognised total dilution losses of US$52.2m (2019: US$181.7m) as part of "Dilution gains/(losses) on equity-accounted investments" in the income statement. The aggregate net dilution losses include US$57.8m (2019: US$173.8m) related to dilutions in the group's shareholding in Tencent, Delivery Hero, MakeMyTrip, Mail.ru and other unlisted investments.

The total dilution loss presented in the income statement also includes US$5.4m (2019: US$7.9m) relating to the reclassification of a portion of the group's foreign currency translation reserves from other comprehensive income to the income statement following shareholding dilutions.

Impairment losses related mainly to equity-accounted investments focussed on the provision of consumer goods in the other ecommerce business (March 2019: equity-accounted investment focussed on the provision of consumer lending and financial services in the payments business). The group impaired this investment as performance and the opportunity to leverage the investment in some of the group's core markets fell below expectations.

The group's share of equity-accounted investments' other comprehensive income and reserves relates mainly to the revaluation of the associates' investments at fair value through other comprehensive income.

The group recognised no deferred tax on its investments in associates.

10. INVESTMENTS IN ASSOCIATES (continued)

Material associates' summarised financial information

	31 March[1] Tencent Holdings Limited		31 March[1] Mail.ru Group Limited	
	2020 US$'m	2019 US$'m	**2020 US$'m**	2019 US$'m
Dividends received	**377**	342	**-**	-
Non-current assets	**98 321**	77 637	**2 853**	2 763
Current assets	**35 491**	32 341	**326**	381
Total assets	**133 812**	109 978	**3 179**	3 144
Non-current liabilities	**31 805**	24 564	**320**	228
Current liabilities	**33 908**	30 160	**562**	381
Total liabilities	**65 713**	54 724	**882**	609
Revenue	**54 045**	46 443	**1 464**	1 013
Net profit/(loss) from continuing operations	**13 454**	11 872	**172**	(125)
Other comprehensive income/(loss)	**310**	286	**6**	(5)
Total comprehensive income/(loss)	**13 764**	12 158	**178**	(130)

Reconciliation of summarised financial information to carrying value of investment

	31 March[1] Tencent Holdings Limited		31 March[1] Mail.ru Group Limited	
	2020 US$'m	2019 US$'m	**2020 US$'m**	2019 US$'m
Opening net assets	**55 254**	43 961	**2 535**	2 939
Profit/(loss) for the year	**13 454**	11 872	**172**	(125)
Other comprehensive income/(loss)	**310**	286	**6**	(5)
Transactions with equity holders	**3 514**	2 515	**10**	111
Dividends	**(1 217)**	(1 100)	**-**	-
Foreign currency translation effects	**(3 216)**	(2 280)	**(440)**	(385)
Other	**-**	-	**14**	-
Closing net assets	**68 099**	55 254	**2 297**	2 535
Non-controlling interests	**(7 924)**	(4 871)	**(10)**	(6)
	60 175	50 383	**2 287**	2 529
Group's direct interest in associate (at year-end)	**18 654**	15 669	**638**	709
Goodwill	**11**	11	**101**	121
Carrying value of investment	**18 665**	15 680	**739**	830

[1] *Reflects the summarised financial information of the above associates as at 31 December, adjusted for significant transactions and events that take place during the lag period applied for accounting purposes.*

10. INVESTMENTS IN ASSOCIATES (continued)

Material associates' summarised financial information

	31 March[1] MakeMyTrip Limited[2]		31 March[1] Delivery Hero SE	
	2020 US$'m	2019 US$'m	**2020 US$'m**	2019 US$'m
Non-current assets		187	1 456	746
Current assets		502	1 678	982
Total assets		689	3 134	1 728
Non-current liabilities		60	319	168
Current liabilities		183	682	367
Total liabilities		243	1 001	535
Revenue		481	1 372	769
Profit/(loss) from continuing operations for the year		(170)	78	(130)
Profit from discontinuing operations for the year		-	249	61
Other comprehensive loss		(94)	(31)	(107)
Total comprehensive income/(loss)		(264)	296	(176)

Reconciliation of summarised financial information to carrying value of investment

	31 March[1] MakeMyTrip Limited[2]		31 March[1] Delivery Hero SE	
	2020 US$'m	2019 US$'m	**2020 US$'m**	2019 US$'m
Opening net assets		668	**1 193**	1 478
Profit/(loss) from for the year		(170)	**327**	(69)
Other comprehensive loss		(94)	**(31)**	(107)
Transactions with equity holders		42	**685**	20
Foreign currency translation effects		-	**(41)**	(130)
Other		-	**-**	1
Closing net assets		446	**2 133**	1 193
Non-controlling interests		-	**2**	3
		446	**2 135**	1 196
Group's direct interest in associate (at year-end)		190	**452**	267
Goodwill		274	**872**	934
Carrying value of investment		464	**1 324**	1 201

[1] Reflects the summarised financial information of the above associates as at 31 December, adjusted for significant transactions and events that take place during the lag period applied for accounting purposes.

[2] The Group exchanged its interest in MakeMyTrip for an investment in Trip.com Group Limited (formerly Ctrip.com International Limited) (Trip.com) during the current year. The group accounts for its investment in Trip.com as an investment at fair value through other comprehensive income (refer to note 12).

10. INVESTMENTS IN ASSOCIATES (continued)

Other associates' summarised financial information

	31 March 2020 US$'m	31 March 2019 US$'m
Net loss from continuing operations	**(327)**	(166)
Other comprehensive income	**42**	32
Total comprehensive loss	**(285)**	(134)
Carrying value of investments	**1 507**	1 571
Total carrying value of investments in associates	**22 235**	19 746

The group had no capital commitments or contingent liabilities at 31 March 2020 or 2019 in respect of its investments in associates.

11. INVESTMENTS IN JOINT VENTURES

The following information relates to the group's financial interest in its significant joint ventures at 31 March:

Name of joint venture	Effective percentage interest[1] 2020 %	Effective percentage interest[1] 2019 %	Nature of business	Country of incorporation	Functional currency	Year-end
Unlisted companies						
Silver Brazil JVCo B.V. (OLX Brazil)	**36.32**	50.00	Classifieds	The Netherlands	US$	December
El Cocinero a Cuerda S.L. (SinDelantal)	**19.46**	26.35	Food delivery	Spain	EUR	December

[1] *The percentage interest shown is the financial effective interest, after disregarding for the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies including Prosus N.V. which was listed on Euronext Amsterdam during the current year.*

Adjustments are made for significant transactions and events that take place where lag periods are applied.

11. INVESTMENTS IN JOINT VENTURES (continued)

	31 March 2020 US$'m	31 March 2019 US$'m
Opening balance	**96**	78
Joint ventures acquired - gross consideration	**23**	19
Joint ventures disposed of[1]	**-**	(5)
Share of equity-accounted results[2]	**(20)**	3
Equity-accounted results due to acquisition accounting	**(1)**	(1)
Dividends received	**(1)**	(2)
Foreign currency translation effects	**(23)**	4
Closing balance	**74**	96

[1] *During the prior year, the group increased its interest in Sympla Internet Soluções SA resulting in the entity becoming a subsidiary.*
[2] *Includes share of equity-accounted losses of US$nil (2019:US$1.2m) associated with discontinued operations (refer to note 4).*

The group recognised losses of US$20.3m (2019 profits of: US$2.8m) as its share of equity-accounted results in the income statement. Cumulative unrecognised losses relating to joint ventures that have been fully impaired, amounted to US$nil (2019: US$nil) as at 31 March 2020.

No impairment losses (2019: US$nil) on investments in joint ventures have been recorded.

None of the group's interests in joint ventures are considered to be individually material.

In March 2020, Silver Brazil JVCo B.V. (OLX Brazil), the group's joint venture with Adevinta ASA, reached an agreement to acquire 100% of the shares of Grupo Zap for approximately US$650m. Grupo Zap is an online real estate market player. The transaction is subject to approval by the Brazilian competition authorities and other customary closing conditions. Closing is expected in the second half of 2020. The investment will be financed equally by the joint venture partners. Apart from the aforementioned transaction, the group had no other capital commitments or contingent liabilities in respect of its investments in joint ventures at 31 March 2020 and none for 31 March 2019.

The group recognised no deferred tax on its investments in joint ventures.

12. INVESTMENTS AND LOANS

	31 March	
	2020 US$'m	2019 US$'m
Investments at fair value through other comprehensive income	**804**	71
Investments at fair value through profit or loss	**13**	-
Other loans and receivables	**1**	3
Total investments and loans	**818**	74

Fair value gains or losses on investments held at fair value through other comprehensive income are not reclassified to the income statement. There is no current intention to dispose of these investments.

Significant equity investments at fair value through other comprehensive income include the following:

	31 March			
	Fair value		**Dividend income**	
	2020 US$'m	**2019 US$'m**	**2020 US$'m**	**2019 US$'m**
Listed investments				
Trip.com Group Limited (formerly Ctrip.com International Limited)[1]	**704**	-	**-**	-
Novus Holdings Limited	**6**	18	**1**	2
MultiChoice Group Limited[2]	**1**	4	**-**	-
	711	22	**1**	2
Unlisted investments				
Creditas Financial Solutions Limited	**24**	13	**-**	-
Carousell Private Limited (Carousell)	**23**	-	**-**	-
Grishin Robotics Fund, L.P.	**7**	8	**-**	-
SV Angel Funds	**6**	9	**1**	1
Bakkt Holdings LLC	**8**	5	**-**	-
Kreditech Holding SSL Gmbh	**7**	-	**-**	-
Other	**18**	14	**4**	-
	93	49	**5**	1
Total	**804**	71	**6**	3

[1] The group exchanged its interest in MakeMyTrip for an investment in Trip.com Group Limited (formerly Ctrip.com International Limited) (Trip.com) during the current year. (refer to note 3)

[2] Shares held in MultiChoice Group Limited (MCG) relate to MCG shares received by equity compensation plans and other group entities that held Naspers Limited N ordinary shares (as treasury shares) at the time of distribution of the group's interest in MCG to its shareholders (refer to note 3). These shares are held by the group's equity compensation plans and will be utilised when relevant awards are settled with participants.

13. DEFERRED TAXATION

The deferred tax assets and liabilities and movements thereon were attributable to the following items:

	1 April 2019 US$'m	Charged to income US$'m	Charged to other compre-hensive income US$'m	Acquisition of subsi-diaries and businesses US$'m	Disposals of sub-sidiaries and businesses US$'m	Foreign exchange effects US$'m	31 March 2020 US$'m
Deferred tax assets							
Provisions and other current liabilities	15	1	-	1	-	(2)	15
Capitalised lease liabilities	1	2	-	-	-	-	3
Tax losses carried forward	11	(11)	-	-	-	-	-
Other	78	(56)	-	1	1	(22)	2
Total deferred tax assets	105	(64)	-	2	1	(24)	20
Offsetting of deferred tax liabilities	(84)						-
Net deferred tax assets	21						20
Deferred tax liabilities							
Property, plant and equipment	1	-	-	-	-	-	1
Intangible assets	195	(34)	-	61	(1)	(28)	193
Receivables and other current assets	3	-	-	-	-	-	3
Translation reserve							
Other	15	(4)	-	-	-	(7)	4
Total deferred tax liabilities	214	(38)	-	61	(1)	(35)	201
Offsetting of deferred tax liabilities	(84)						-
Net deferred tax liabilities	130						201
Net deferred taxation	(109)	(26)	-	(59)	2	11	(181)

13. DEFERRED TAXATION (continued)

	1 April 2018 US$'m	Charged to income(1) US$'m	Charged to other comprehensive income US$'m	Acquisition of subsidiaries and businesses US$'m	Disposals of subsidiaries and businesses US$'m	Foreign exchange effects US$'m	Transferred to held for sale(2) US$'m	31 March 2019 US$'m
Deferred taxation assets								
Provisions and other current liabilities	48	6	-	-	-	(2)	(37)	15
Capitalised finance leases	213	22	-	-	-	(2)	(232)	1
Income received in advance	36	(1)	-	-	-	-	(35)	-
Tax losses carried forward	33	(10)	(1)	-	-	-	(11)	11
Other	57	4	30	1	-	(3)	(11)	78
Total deferred tax assets	387	21	29	1	-	(7)	(326)	105
Offsetting of deferred tax liabilities	(270)							(84)
Net deferred tax assets	117							21
Deferred taxation liabilities								
Property, plant and equipment	8	-	-	-	-	(1)	(6)	1
Intangible assets	234	(17)	(1)	9	(1)	(26)	(3)	195
Receivables and other current assets	33	20	-	-	-	-	(50)	3
Capitalised finance leases	192	(9)	-	-	-	13	(196)	-
Programme and film rights	28	(20)	-	-	-	(3)	(5)	-
Other	34	(20)	(14)	-	-	-	15	15
Total deferred tax liabilities	529	(46)	(15)	9	(1)	(17)	(245)	214
Offsetting of deferred tax liabilities	(270)							(84)
Net deferred tax liabilities	259							130
Net deferred taxation	(142)	67	44	(8)	1	10	(81)	(109)

(1) Includes taxation of US$26.4m associated with discontinued operations (refer to note 4).

(2) Relates to the MultiChoice Group which was distributed to shareholders .

The ultimate outcome of additional taxation assessments may vary from the amounts accrued. However, management believes that any additional taxation liability over and above the amounts accrued would not have a material adverse impact on the group's income statement and statement of financial position.

13. DEFERRED TAXATION (continued)

The group has tax losses carried forward of approximately US$2.9bn (2019: US$2.8bn). A summary of the tax losses carried forward at 31 March 2020 by tax jurisdiction and the expected expiry dates are set out below:

	South Africa US$'m	Asia US$'m	Europe US$'m	Latin America and USA US$'m	Other US$'m	Total US$'m
Expires in year one	-	19	147	-	-	166
Expires in year two	-	21	109	2	6	138
Expires in year three	-	24	121	-	6	151
Expires in year four	-	28	322	1	7	358
Expires in year five	-	46	244	1	8	299
Non-expiring/expires after year five	323	141	961	336	-	1 761
	323	279	1 904	340	27	2 873

The group recognised a deferred income tax expense of US$nil (2019: US$23.8m) in other comprehensive income as a result of changes in the fair value of derivative financial instruments that relate to cash flow hedges of foreign currency forecast transactions or firm commitments.

Total deferred taxation assets amount to US$19.6m (2019: US$20.8m), of which US$10.6m (2019: US$9.4m) are expected to be utilised within the next 12 months and US$9.0m (2019: US$11.4m) after 12 months. Total deferred taxation liabilities amount to US$201.4m (2019: US$129.9m), of which US$74.5m (2019: US$41.8m) are expected to be settled within the next 12 months and US$126.9m (2019: US$88.1m) after 12 months.

Included in the group's recognised deferred tax assets is an amount of US$nil (2019: US$nil), of which the utilisation depends on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences, and the relevant group entity from which the deferred tax asset arises has suffered a loss in either the current or a preceding period. These entities are expected to return to profitability in the foreseeable future.

14. INVENTORY

	31 March	
	2020 US$'m	2019 US$'m
Carrying value		
Finished products, trading inventory and consumables	**277**	223
Work in progress	**1**	1
Gross inventory	**278**	224
Allowance for slow-moving and obsolete inventories	**(18)**	(15)
Net inventory	**260**	209

The total allowance charged to the income statement to write inventory down to net realisable value amounted to US$6.7m (2019: US$30.7m), and reversals of these allowances amounted to US$1.3m (2019: US$2.6m). Net realisable value write-downs relate primarily to general inventory write-downs in the etail and media segment.

The group's inventory allowance takes into account the impact of trading restrictions as a result of the global Covid-19 pandemic. As at 31 March 2020, the impact of Covid-19 on the inventory allowance was not material as the inventory held had not aged significantly and it is expected that the inventory will be marketable and sold once trading restrictions are eased.

There were no net realisable value write-downs or reversals associated with discontinued operations (refer to note 4).

15. TRADE RECEIVABLES

	31 March	
	2020 US$'m	2019 US$'m
Carrying value		
Trade accounts receivable, gross	**166**	196
Less: Allowance for impairment of trade receivables	**(27)**	(24)
	139	172
The movement in the allowance for impairment of trade receivables during the year was as follows:		
Opening balance	**(24)**	(79)
Change in accounting policy[(1)]	-	(14)
Restated opening balance	**(24)**	(93)
Additional allowances charged to income statement	**(19)**	(14)
Allowances reversed through the income statement	**10**	21
Allowances utilised	-	5
Acquisition of subsidiaries	**(1)**	-
Disposal of subsidiaries	**2**	1
Transferred to assets classified as held for sale	**2**	46
Foreign currency translation effects	**3**	10
Closing balance	**(27)**	(24)

[(1)]Represents the impact of adopting IFRS 9 in prior year.

The group's maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables mentioned above. The group does not hold any form of collateral as security relating to trade receivables. Refer to note 42 for the group's credit risk management.

15. TRADE RECEIVABLES (continued)

At 31 March 2020 and 2019 the total allowance for impairment of trade receivables comprised both portfolio allowances and specific allowances. The majority of the allowance related to a portfolio allowance, which cannot be identified with specific receivables.

In determining the group's allowance for the impairment of trade receivables the impact of the Covid-19 pandemic on the collectability of the trade receivables was considered. The impairment assessment considered trade restrictions imposed on the group's businesses and the resultant economic uncertainty that may impact the debtors' ability to settle the amounts owing. As at 31 March 2020 the impact of the Covid-19 pandemic was not material.

The ageing of trade receivables as well as the amount of the impairment allowance per age class is presented below:

	31 March 2020			31 March 2019	
	Carrying value US$'m	**Impairment US$'m**	**Expected loss rate**	Carrying value US$'m	Impairment US$'m
Current	**104**	**(1)**	**1%**	129	(1)
Past due 30 to 59 days	**22**	**(4)**	**18%**	25	(2)
Past due 60 to 89 days	**8**	**(2)**	**25%**	6	(1)
Past due 90 to 119 days	**7**	**(2)**	**29%**	7	(2)
Past due 120 days and older	**25**	**(18)**	**72%**	29	(18)
	166	**(27)**		196	(24)

16. OTHER RECEIVABLES

	31 March	
	2020 US$'m	2019 US$'m
Prepayments	93	98
Accrued income[1]	22	24
Staff debtors*	5	4
VAT and related taxes receivable	77	96
Merchant and bank receivables*[2]	188	156
Sundry deposits	8	8
Interest receivable on cross-currency interest rate swap*	8	8
Disposal proceeds receivable*	14	97
Other receivables**	33	31
Total other receivables	**448**	522
Less: non-current portion of other receivables[3]	**(5)**	(7)
Current portion of other receivables	**443**	515

[1] Relates to revenue from contracts with customers. Refer to note 28 for movements in accrued income balances.

[2] Merchant and bank receivables are presented net of an allowance for expected impairment (credit) losses of US$6.6m (2019:US$6.5m). Refer to note 42 for details of the group's credit risk management policy.

[3] Relates to non-current prepaid rental deposits and employment linked prepayments.

** Financial assets*

*** Includes financial assets of US$21.5m (2019: US$15.9m)*

17. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

The group distributed its shareholding in the MultiChoice Group Limited to shareholders during the prior year (refer to note 3). 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 current reporting period. The portion of MultiChoice Group shares not classified as held for sale are presented in note 12.

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 3 for further details regarding the disposal.

In October 2019 the group concluded the sale of its 100% effective interest in its subsidiary BuscaPé Company Informaçao e Technologia Limitada (BuscaPé). The assets and liabilities of BuscaPé were classified as held for sale as at 30 September 2019. Refer to note 3 for further details regarding the disposal.

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 45).

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 45).

The assets and liabilities classified as held for sale as at 31 March 2020 and 2019 are detailed in the table below:

	31 March	
	2020 US$'m	2019 US$'m
Assets classified as held for sale		
Property, plant and equipment	**10**	-
Goodwill and other intangible assets	**152**	13
Investments at fair value through other comprehensive income	**-**	51
Trade and other receivables	**27**	2
Cash and cash equivalents	**19**	1
	208	67
Liabilities classified as held for sale		
Long-term liabilities	**3**	-
Provisions	**1**	-
Trade payables	**4**	-
Accrued expenses and other current liabilities	**18**	2
	26	2

18. RELATED PARTY TRANSACTIONS AND BALANCES

The group entered into transactions and has balances with a number of related parties, including associates, joint ventures, directors (key management personnel), and shareholders. 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:

	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 are that of associates and joint ventures.*

[(2)] *Revenue earned from MakeMyTrip Limited, relates to payment services provided by PayU, when MakeMyTrip was an associate of the group.*

The balances of advances, deposits, receivables and payables between the group and related parties are as follows:

	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 Ltda (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 are 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.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' remuneration

	31 March	
	2020 US$'000	2019 US$'000
Non-executive directors		
fees for services as directors	2 967	4 557
fees for services as directors of subsidiary companies	2 285	508
	5 252	5 065

No executive director has a notice period of more than one year.

The company directors' service contracts do not include predetermined compensation as a result of termination that would exceed one year's salary and benefits and none are linked to any restraint payments.

The individual directors received the following remuneration and emoluments:

	Salary US$'000	**Annual short-term incentive payments US$'000**	**Pension contributions and other benefits paid on behalf of director US$'000**	**Total US$'000**
Executive directors				
2020				
V Sgourdos	**950**	**1 207**	**120**	**2 277**
Paid by other companies in the group				
B van Dijk	**1 362**	**1 180**	**151**	**2 693**
Paid by other companies in the group				
	2 312	**2 387**	**271**	**4 970**
2019				
V Sgourdos	897	1 006	112	2 015
Paid by other companies in the group				
B van Dijk				
Paid by other companies in the group	1 259	1 108	151	2 518
	2156	2114	263	4533

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' remuneration (continued)

Annual performance-related short-term incentive (STI) payments made in respect of the 2019/2020 performance year for Basil Sgourdos and Bob van Dijk were based on a combination of group financial, strategic and operational objectives, approved by the human resources and remuneration committee. These group financial objectives had a weighting of 50% of maximum annual STI.

The individual directors received the following remuneration and emoluments during the current financial year:

	2020[1]						
	Directors' fees		Committee and and trustee fees fees		Other fees[2]		
Non-executive directors	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Total US$'000
J P Bekker[3]	370	241	-	8	-	-	619
E M Choi	180	103	39	25	-	-	347
H J du Toit[4]	-	-	-	-	-	-	-
C L Enenstein	185	102	64	40	-	50	441
D G Eriksson	160	92	159	100	-	-	511
M Girotra[5]	36	84	7	17	-	-	144
R C C Jafta	167	159	101	73	-	-	500
F L N Letele	150	92	16	10	-	-	268
D Meyer	164	92	16	10	-	-	282
R Oliveira de Lima	183	103	33	21	-	50	390
S J Z Pacak	162	87	18	11	-	-	278
T M F Phaswana[6]	171	99	33	21	-	-	324
M R Sorour[7]	167	242	-	-	-	120	529
J D T Stofberg	162	101	16	10	-	-	289
B J van der Ross	160	92	48	30	-	-	330
	2 417	1 689	550	376	-	220	5 252

[1] In September 2019 Prosus listed on the Euronext Amsterdam. Non-executive directors serve on the boards of both Naspers and Prosus. As a result of the non-executive directors assuming dual responsibilities the fees were split between Naspers and Prosus on a 30/70 basis, prorated from the date of listing of Prosus.

[2] Compensation for assignments.

[3] Koos Bekker elected to donate the Rand equivalent of his Naspers director's fees, being R2.1m, to education. This year the recipient was the high school Volkskool in Heidelberg, Mpumalanga, South Africa..

[4] Hendrik Du Toit elected not to receive directors' fees.

[5] Appointed 1 October 2019 as a director and member of the audit committee.

[6] Retired with effect from 1 April 2020.

[7] Mark Sorour received US$11.88 from MIH Holdings Proprietary Limited for the period 1 January 2020 to 31 March 2020. This payment relates to the increased cost of medical aid for retired members of the MMED medical aid scheme as a result of the distribution to shareholders of the MultiChoice Group. The company will provide an annual allowance to cover the difference in cost for retired scheme members during FY20 and FY21 only. This is not disclosed in the above table.

General notes

Directors' fees include fees for services as directors, where appropriate, of Media24 Proprietary Limited. An additional fee may be paid to directors for work done as directors with specific expertise.

Committee fees include fees for attending meetings of the audit committee, risk committee, human resources and remuneration committee, nomination committee and social, ethics and sustainability committee. Committee and trustee fees include, where appropriate, fees to be considered by shareholders at the Annual General Meeting on 21 August 2020 for services as trustees of the group's share-incentive schemes. Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the South African Companies Act.

Non-executive directors are subject to regulations on appointment and rotation in terms of the company's memorandum of incorporation and the South African Companies Act.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' remuneration (continued)

	2019						
	Directors' fees		Committee and trustee fees		Other fees[4]		
Non-executive directors	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Paid by company US$'000	Paid by subsidiary US$'000	Total US$'000
J P Bekker	552	23	-	-	-	-	575
E M Choi	260	-	61	-	-	-	321
H J du Toit[1]	-	-	-	-	-	-	-
C L Enenstein	260	-	100	-	-	50	410
D G Eriksson	235	-	247	-	-	-	482
G Liu[2]	235	-	-	-	-	-	235
R C C Jafta	239	69	157	10	-	-	475
F L N Letele	235	-	24	-	-	-	259
D Meyer	228	23	24	13	-	-	288
R Oliveira de Lima	253	-	51	-	-	50	354
S J Z Pacak	256	-	28	-	-	-	284
T M F Phaswana	253	-	51	-	-	-	304
M R Sorour[3]	232	150	-	-	-	120	502
J D T Stofberg	249	-	24	-	-	-	273
B J van der Ross	228	-	75	-	-	-	303
	3 715	265	842	23	-	220	5 065

(1) Hendrik du Toit elected not to receive directors' fees.

(2) Resigned 25 February 2019.

(3) Mark Sorour received US$3 800 from MIH Holdings Proprietary Limited for the period 1 January 2019 to 31 March 2019. This payment relates to the increased cost of medical aid for retired members of the MMED medical aid scheme as a result of the distribution to shareholders of the MultiChoice Group. The company will provide an annual allowance to cover the difference in cost for retired scheme members during the 2020 and 2021 financial years only. This is not disclosed in the above table.

(4) Compensation for assignments.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in Naspers scheme shares in the group's equity compensation plans

The executive directors of Naspers are allowed to participate in Naspers group share-based incentive schemes (including those of associate companies and joint ventures). Details as at 31 March 2020 in respect of the executive directors' participation in such scheme shares not yet released, are as follows:

Name	Incentive scheme	Offer date	Number of shares	Purchase price	Release period	Value of option[1]
V Sgourdos	MIH Services FZ LLC	18/09/2015	2 247	R1 634.84	18/09/2020	R913.19
	MIH Services FZ LLC	25/09/2015	460	R1 594.52	25/09/2020	R893.55
	MIH Services FZ LLC	29/08/2016	6 461	R2 323.52	29/08/2020 to 29/08/2021	R1 029.27 to R1 134.33
	MIH Services FZ LLC	08/09/2017	2 888	R2 755.72	08/09/2020 to 08/09/2021	R950.17 to R1 083.79
	MIH Services FZ LLC	25/06/2018	24 831	R3 100.99	26/06/2020 to 26/06/2022	R1 022.84 to R1 351.31
	MIH Services FZ LLC	16/07/2019	8 211	R3 494.00	16/07/2020 to 16/07/2023	R883.91 to R1 456.05
	Naspers Global Ecommerce SAR	17/09/2015	9 685	US$18.59	17/09/2020	US$6.84
	Naspers Global Ecommerce SAR	29/08/2016	65 202	US$20.45	29/08/2019 to 29/08/2021	US$6.70 to US$7.07
	Naspers Global Ecommerce SAR	15/08/2017	76 060	US$27.25	15/08/2019 to 15/08/2022	US$6.86 to US$7.91
	Naspers Global Ecommerce SAR	08/09/2017	63 054	US$27.60	08/09/2019 to 08/09/2022	US$6.77 to US$7.80
	Naspers Global Ecommerce SAR	25/06/2018	161 070	US$33.57	25/06/2019 to 25/06/2022	US$12.58 to US$14.61
	Naspers Global Ecommerce SAR	16/07/2019	226 505	US$36.70	07/16/2020 to 07/16/2023	US$12.11 to US$15.51
	Naspers PSU	09/09/2019	12 718	R3 528.34	30/06/2022	R3 528.34

[1] *The value of the option represents the fair value on grant date in accordance with IFRS in the respective scheme currency.*

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in Naspers scheme shares in the group's share incentive schemes (continued)

Name	Incentive scheme	Offer date	Number of shares	Purchase price	Release period	Value of option[1]
B van Dijk	MIH Services FZ LLC	05/07/2016	98 604	R2 056.88	05/07/2020 to 05/07/2021	R947.48 to R1 040.60
	MIH Services FZ LLC	08/09/2017	25 864	R2 755.72	08/09/2020 to 08/09/2021	R950.17 to R1 083.79
	MIH Services FZ LLC	25/06/2018	45 857	R3 100.99	26/06/2020 to 26/06/2022	R1 022.84 to R1 351.31
	MIH Services FZ LLC	16/07/2019	15 835	R3 494.00	16/07/2020 to 16/07/2023	R883.91 to R1 456.05
	Naspers Global Ecommerce SAR	15/08/2017	440 367	US$27.25	15/08/2020 to 15/08/2022	US$6.86 to US$7.91
	Naspers Global Ecommerce SAR	08/09/2017	105 157	US$27.60	08/09/2020 to 08/09/2022	US$6.77 to US$7.80
	Naspers Global Ecommerce SAR	25/06/2018	313 826	US$33.57	25/06/2020 to 25/06/2022	US$12.58 to US$14.61
	Naspers Global Ecommerce SAR	16/07/2019	436 832	US$36.70	16/07/2020 to 16/07/2023	US$12.11 to US$15.51
	Naspers PSU	09/09/2019	24 527	R3 528.34	30/06/2022	R3 528.34

[1] *The value of the option represents the fair value on grant date in accordance with IFRS in the respective scheme currency.*

Directors' interests in Naspers shares

The directors of Naspers have the following interests in Naspers A ordinary shares at 31 March:

	2020			2019		
	Naspers A ordinary shares			Naspers A ordinary shares		
	Beneficial			Beneficial		
Name	Direct	Indirect	Total	Direct	Indirect	Total
J D T Stofberg[1]	-	175	175	-	166	166
S J Z Pacak[1]	-	105	105	-	83	83
	-	280	280	-	249	249

[1] *Additional Naspers A shares received as part of the Naspers A share capitalisation award approved by shareholders at the extraordinary general meeting on 23 August 2019.*

Koos Bekker and Cobus Stofberg each have an indirect 25% interest in Wheatfields 221 Proprietary Limited, which controls 168 605 Naspers Beleggings (RF) Beperk ordinary shares, 16 860 500 Keeromstraat 30 Beleggings (RF) Beperk ordinary shares and 133 350 Naspers A shares.

No other director of Naspers had any direct interest in Naspers A ordinary shares at 31 March 2020 or 31 March 2019.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interests in Naspers shares (continued)

The directors of Naspers (and their associates) had the following interests in Naspers N ordinary shares as at 31 March:

	2020			2019		
	Naspers N ordinary shares			Naspers N ordinary shares		
	Beneficial			Beneficial		
Name	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total
J P Bekker	**-**	**4 688 691**	**4 688 691**	-	4 688 691	4 688 691
C L Enenstein	**-**	**415**	**415**	-	415	415
F L N Letele	**1 474**	**-**	**1 474**	1 474	-	1 474
S J Z Pacak[1]	**376 635**	**111 548**	**488 183**	376 635	291 548	668 183
T M F Phaswana[2]	**-**	**830**	**830**	-	3 530	3 530
V Sgourdos	**32 483**	**87 367**	**119 850**	32 483	64 239	96 722
M R Sorour[3]	**2 145**	**165 024**	**167 169**	2 145	101 713	103 858
J D T Stofberg[4]	**183 317**	**291 888**	**475 205**	183 317	291 888	475 205
B J van der Ross	**2 550**	**820**	**3 370**	2 550	820	3 370
B van Dijk[5]	**51 809**	**922 451**	**974 260**	51 809	844 932	896 741
	650 413	**6 269 034**	**6 919 447**	650 413	6 287 776	6 938 189

(1) *On 16 September 2019, a total of 180 000 Naspers N ordinary shares were sold by Steve Pacak and 20 000 Naspers N ordinary shares, 200 000 Prosus N.V. N ordinary shares and 200 000 MultiChoice Group Limited ordinary shares were delivered to Mr Pacak upon payment of the amount of R30 378 633.89 (being the listed market value on the date of the offers) from the proceeds of the sale of the 180 000 Naspers N ordinary shares (distributed to Steve), to settle the amount due to the Trust.*

(2) *On 27 September 2019, Fred Phaswana, through his family trust, disposed on market 2 700 Naspers N shares at an average price per share of R2 338.24. Fred retired from the board and committees on 1 April 2020.*

(3) *On 19 September 2019, Mark Sorour received 9 237 Naspers N ordinary shares in settlement of the MIH China/MIH TC 2008 share appreciation rights plan. Mark immediately sold these shares at an average price per share of R2 417.22. On 14 August 2019, Mark Sorour's spouse acquired 123 Naspers N ordinary shares at average market prices ranging between R3 402.85 and R3 405.99 per share.*

(4) *On the listing of Prosus and on interrogation of the Naspers certificated register, the direct holding has been restated. The comparative has also been restated.*

(5) *On 14 January 2020, Bob van Dijk received 414 932 Naspers N ordinary shares in settlement of the Naspers Global ecommerce share appreciation rights plan. Bob immediately disposed of these shares at an average price per share of R2 400.00.*

There have been no further changes to the directors' interests in the table above between the end of the financial year and 29 June 2020.

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Key management remuneration

Comparatives have not been restated to account for the change in the composition of key management.

	2020 US$'000	2019 US$'000
Short-term employee benefits[1]	**16 000**	15 000
Post-employment benefits	**1 000**	1 000
Share-based payment expense	**37 000**	33 000
	54 000	49 000

[1] *Short-term employee benefits consist of base salary, short-term incentives and other short-term benefits.*

No other remuneration is paid to executive directors. Remuneration is earned for services rendered in conducting the business of the group.

19. SHARE CAPITAL AND PREMIUM

	31 March	
	2020 US$'m	2019 US$'m
Authorised		
1 250 000 A ordinary shares of R20 each	**2**	2
500 000 000 N ordinary shares of 2 SA cents each	**2**	2
	4	4
Issued		
961 193 A ordinary shares of R20 each (2019: 907 128)	**2**	2
435 511 058 N ordinary shares of 2 SA cents each (2019: 438 656 059)	**2**	2
	4	4
Share premium	**4 607**	6 154
	4 611	6 158
Cumulative effect of treasury shares used in equity compensation plans[1]	**(1 249)**	(1 213)
	3 362	4 945

[1] *Refers to the cumulative net effect on share premium of treasury shares held at cost and the gains and losses arising on vesting of equity compensation awards.*

19. SHARE CAPITAL AND PREMIUM (continued)

Treasury shares

The group holds a total of 7 533 095 N ordinary shares (2019: 6 455 824), or 1.7% (2019: 1.5%), of the gross number of N ordinary shares in issue at 31 March 2020 as treasury shares. Equity compensation plans hold 2 831 289 (2019: 3 023 498) of the ordinary shares and the remaining 4 701 806 (2019: 3 432 326) N ordinary shares are held by various group companies.

Share repurchase programme

In January 2020 Naspers sold 22 000 000 N ordinary shares in Prosus N.V. (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 (R 22.4bn) inclusive of transaction costs from share premium. These shares were cancelled on the repurchase date and delisted. As a result, Naspers now has 435 511 058 N ordinary shares in issue.

Voting and dividend rights

The company's issued share capital at 31 March 2020 consisted of 961 193 A ordinary shares and 435 511 058 N ordinary shares. The N ordinary shares are listed on the JSE, the A2X Exchange and has an ADR listing on the London stock exchange (LSE). The N ordinary shares on a poll carry one vote per share. The A ordinary shares are not listed on a stock exchange and on a poll carry 1 000 votes per share.

In terms of the Naspers memorandum of incorporation, both N and A ordinary shareholders are entitled to dividends. However, the dividends declared to A ordinary shareholders are equal to one-fifth of the dividends to which N ordinary shareholders are entitled.

Naspers Limited, through Heemstede Beleggings Proprietary Limited, a wholly owned subsidiary of the company, holds 49% of Naspers Beleggings (RF) Limited. Naspers Beleggings (RF) Limited, in turn, holds 472 411 (2019: 445 839) A ordinary shares (49.1% of the total A ordinary shares in issue), which carry approximately 33.82% of the total voting rights in respect of the company's ordinary shares. Keeromstraat 30 Beleggings (RF) Limited holds 296 058 (2019: 279 406) A ordinary shares (30.7% of the total A ordinary shares in issue), which represents 21.20% of the total voting rights in respect of the company's ordinary shares. Some of the company's directors are on the boards of Keeromstraat Beleggings (RF) Limited and Naspers Beleggings (RF) Limited, but do not represent the majority of board members. Each of these boards operates independently. Naspers Beleggings (RF) Limited and Keeromstraat Beleggings (RF) Limited collectively hold 55.02% of the voting rights in respect of the company, exercise their voting rights in consultation with one another in terms of a voting pool agreement and constitute the control structure of Naspers Limited. If they vote together, they can vote the majority of the total voting rights in the company, including in respect of any takeover offer. Under the voting pool agreement, if Naspers Beleggings (RF) Limited and Keeromstraat Beleggings (RF) Limited cannot agree on how to vote then they are required to vote against resolutions that would materially change the control, directorate or senior management of Naspers or the nature, scope or size of Naspers's businesses.

If the company is liquidated, holders of A ordinary shares will be paid the nominal value of such shares before any payment is made to holders of N ordinary shares. This amounted to approximately R19 223 860 as at 31 March 2020 (2019: R18 142 560).

Unissued share capital

The directors of the company have unrestricted authority, until the next annual general meeting, to allot and issue the unissued 288 807 A ordinary shares and 64 488 942 N ordinary shares of the company. This authority was granted subject to the provisions of the Companies Act No 71 of 2008, the JSE Limited Listings Requirements and any other exchange on which the shares of the company may be quoted or listed from time to time.

19. SHARE CAPITAL AND PREMIUM (continued)

	2020 Number of shares	2019 Number of shares
Movement in ordinary shares in issue during the year		
Ordinary shares in issue at 1 April	**439 563 187**	439 563 187
N ordinary shares issued(1)	**6 011 704**	-
A ordinary shares issued(1)	**54 065**	-
Shares issued to raise funds	**-**	-
Shares acquired as part of the share repurchase programme	**(9 156 705)**	-
Shares in issue at 31 March	**436 472 251**	439 563 187
Movement in ordinary shares held as treasury shares during the year		
Shares held as treasury shares at 1 April	**6 455 824**	6 530 202
Additional shares received persuant to the Prosus N.V. listing	**1 428 573**	-
Shares issued to share incentive trusts and companies(2)	**343 391**	338 114
Shares acquired by participants from equity compensation plans	**(694 693)**	(412 492)
Shares held as treasury shares at 31 March	**7 533 095**	6 455 824
Net number of ordinary shares in issue at 31 March	**428 939 156**	433 107 363

(1) Shares issued to shareholders holding Naspers N ordinary shares at the time of the Prosus N.V. listing who elected to receive additional Naspers ordinary shares. The Naspers N share capitalisation issue was accompanied by a pro rata capitalisation issue of 54 065 Naspers A ordinary shares to Naspers A shareholders.

(2) Includes shares issued to share incentive trusts and group companies as well as shares purchased on the open market by share incentive trusts and group companies. In line with the group's commitment to avoid shareholder dilution, shares required to settle equity-compensation benefits are purchased on the open market.

	31 March	
	2020 US$'m	2019 US$'m
Share premium		
Balance at 1 April	**6 154**	6 154
Share premium on share repurchase programme	**(1 547)**	-
Balance at 31 March	**4 607**	6 154

Capital management

The group’s objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits for other stakeholders by pricing products and services commensurately with the level of risk.

Naspers relies upon distributions, including dividends, from its subsidiaries, associates and joint ventures to generate the funds necessary to meet the obligations and other cash flow requirements of the combined group. The operations of the group have historically been funded in a number of ways. The internet development activities were primarily funded by cash generated from the video-entertainment businesses (refer to note 3 for details of the group’s distribution of the MultiChoice Group to its shareholders during the prior year) as well as debt and equity financing. Recent acquisitions of ecommerce businesses were primarily funded by cash retained following disposals, including that of the group’s interest in Flipkart during the prior year and the disposal of 6% of the group’s investment in Tencent in March 2018.

The ecommerce businesses are also scaling and accordingly, they are expected to become cash generative over time and able to sustain their operating capital requirements. The group received US$377.3m (2019: US$342.0m) in dividends from Tencent during the year and US$458.0m after the year-end – an increase of 21% compared to the 2020 financial year.

19. SHARE CAPITAL AND PREMIUM (continued)

Capital management (continued)

The group's cash resources (including short-term cash investments) will be invested over time to accelerate growth in classifieds, online-food delivery services as well as in payments and fintech and to pursue growth opportunities when they arise.

The group's general business strategy is to acquire developing businesses and to provide funding to meet the cash needs of those businesses until they can, within a reasonable period of time, become self-funding. Funding is provided through a combination of loans and share capital, depending on the country-specific regulatory requirements. From a subsidiary's perspective, intergroup loan funding is generally considered to be part of the capital structure. The focus on increased profitability and cash flow generation will continue into the foreseeable future, although the group will continue to actively evaluate potential growth opportunities within its areas of expertise.

The group will also grow its business in the future by making equity investments in growth companies. The group anticipates that it may fund future acquisitions and investments through the issue of debt and equity instruments and utilisation of available cash resources.

The group follows a risk-based approach to the determination of the optimal capital structure. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or modify the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group issued a seven-year US$1bn bond in July 2013. The bond had a maturity date of July 2020 and carried a fixed interest rate of 6% per annum. Following the issuance of a 10-year bond in January 2020 (refer below), the group repaid the principal and accrued interest up to the maturity date of the bond in February 2020.

The group issued a 10-year US$1.2bn bond in July 2015. The bond matures in July 2025 and carries a fixed interest rate of 5.5% per annum. The group issued a 10-year US$1.0bn bond in July 2017. The bond matures in July 2027 and carries a fixed interest rate of 4.85% per annum.

The group issued a 10-year US$1.2bn bond in July 2017. The bond matures in July 2027 and carries a fixed interest rate of 4.85% per annum.

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 of the current year and otherwise for general corporate purposes.

The group has an undrawn revolving credit facility (RCF) of US$2.5bn of which US$2.33bn matures in April 2025 and US$0.17bn in April 2023 and bears interest at one-month US LIBOR plus 1.25%, before commitment and utilisation fees.

The borrower under the bonds and the undrawn US$2.5bn (2019: undrawn balance of US$2.5bn) RCF (refer to the group's unutilised banking facilities disclosed in note 42) is Prosus N.V. (formerly Myriad International Holdings N.V.) and the facilities are guaranteed by Naspers Limited. The borrower is obligated to pay a commitment fee equal to 35% of the applicable margin under the RCF. The undrawn balance of the RCF is available to fund future investments and development expenditure by the group as part of its growth strategy. From 2 April 2020 the RCF agreement was amended to remove Naspers Limited as the guarantor of the facility.

As of 31 March 2020, the group had total interest-bearing debt (including capitalised lease liabilities) of US$3.79bn (2019: US$3.25bn) and net cash balance including short-term cash investments of US$8.33bn (2019: US$9.57bn). The net interest-bearing debt-to-equity ratio was negative at 31 March 2020 and 31 March 2019 due to the group's net cash position. The group excludes capitalised lease liabilities from total interest-bearing debt when evaluating and managing capital. These items are considered to be operating in nature. The adjusted total interest-bearing debt (excluding capitalised lease liabilities) was US$3.52bn (2019: US$3.23bn) and the adjusted net interest-bearing debt-to-equity ratio was negative due to the group's net cash position of US$8.33bn (2019: US$9.57bn) at 31 March 2020.

19. SHARE CAPITAL AND PREMIUM (continued)

Capital management (continued)

The group does not have a formally targeted debt-equity ratio. The group has specific financial covenants in place with various financial institutions to govern its debt, all of which were complied with during the reporting period. These financial covenants are linked to various financial metrics including the net-debt-to-adjusted-EBITDA ratio and interest cover.

The group's listed bonds are rated by Moody's and Standard & Poor's (S&P) as Baa3 and BBB-, respectively, and both with a stable outlook.

South African exchange control regulations provide for a common monetary area consisting of the Republic of South Africa, the Kingdom of Lesotho, the Kingdom of eSwatini (formerly Swaziland) and the Republic of Namibia, and restrict the export of capital from the common monetary area. Approval by the South African Reserve Bank is required for any acquisitions outside of the common monetary area if the acquisition is funded from within the common monetary area.

20. OTHER RESERVES

	31 March	
	2020 US$'m	2019 US$'m
Other reserves in the statement of financial position comprise:		
Foreign currency translation reserve	**(2 974)**	(2 070)
Valuation reserve	**281**	760
Existing control business combination reserve	**(7 691)**	(1 127)
Share-based compensation reserve	**1 876**	1 698
	(8 508)	(739)

The foreign currency translation reserve relates to exchange differences arising on the translation of foreign operations' income statements and statements of comprehensive income at average exchange rates for the year and their statements of financial position at the ruling exchange rates at the reporting date if the functional currency differs from the group's presentation currency. The movement on the foreign currency translation reserve for the year relates primarily to the effects of foreign exchange rate fluctuations related to the group's net investments in its subsidiaries.

The valuation reserve relates to fair-value changes in financial assets at fair value through other comprehensive income, differences between the fair value and the contractually stipulated value of shares issued in business combinations and other acquisitions as well as the group's share of equity-accounted investees' revaluations of their investments at fair value through other comprehensive income. No amounts contained in the valuation reserve will be reclassified to the income statement in future periods.

The existing control business combination reserve is used to account for transactions with non-controlling shareholders, whereby the excess of the cost of the transactions over the acquirer's proportionate share of the net asset value acquired/sold is allocated to this reserve in equity. Written put option liabilities and other obligations that may require the group to purchase its own equity instruments by delivering cash or another financial asset are also initially recognised from this reserve. Similarly, written put option liabilities and other similar obligations are reclassified to this reserve in the event of cancellation or expiry. On disposal of a business, any amounts accumulated in the existing control business combination reserve in respect of that business are transferred to retained earnings.

The grant date fair value of share incentives issued to employees in equity-settled share-based payment transactions is accounted for in the share-based compensation reserve over the vesting period, if any. The reserve is adjusted at each reporting period when the entity revises its estimates of the number of share incentives that are expected to vest. The impact of revisions of original estimates, if any, is recognised in the income statement, with a corresponding adjustment to this reserve in equity.

20. OTHER RESERVES (continued)

A significant proportion of the group's foreign currency translation, valuation and share-based compensation reserves relates to the group's interests in its equity-accounted investments, particularly Tencent.

Movements in the valuation reserve during the year, after the effects of non-controlling interests, are detailed below:

	31 March	
	2020 US$'m	2019 US$'m
Opening balance	**760**	1 679
Fair-value (losses)/gains on investments at fair value through other comprehensive income	**(266)**	11
Foreign currency translation reserve movements on equity reserves	**-**	3
Valuation reserve reclassified to retained earnings	**-**	(1 277)
Share of valuation reserve of equity-accounted investments	**(213)**	344
Closing balance	**281**	760

21. RETAINED EARNINGS

Distributions made by Naspers Limited to shareholders that are not exempt from dividend tax are subject to dividend tax at a rate of 20%. Although the group's presentation currency is the US dollar, dividends are declared and paid in South African rand, with the relevant exchange rate announced at the time of the dividend payment.

The board of directors has proposed that a dividend of 580 SA cents (2019: 715 SA cents) per N ordinary share and 116 SA cents (2019: 143 SA cents) per A ordinary share be paid to shareholders on 17 September 2020. 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 payments, 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 approved by the shareholders of the company at its annual general meeting, the company will pay a total dividend of approximately R2.53bn based on the number of shares in issue at 31 March 2020.

22. POST-EMPLOYMENT LIABILITIES

22.1 Medical liability

The group operates a number of post-employment medical benefit schemes. The obligation of the group to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners and current employees, however, remain entitled to this benefit. The entitlement to this benefit for current employees is dependent upon the employees remaining in service until retirement age and completing a minimum service period. The group determines its obligations for post-employment medical aid benefits by way of an annual valuation. The key assumptions and valuation method are described below.

Key assumptions and valuation method

The actuarial valuation method used to value the obligations is the projected unit credit method. Future benefits are projected using actuarial assumptions and the obligations for in-service members are accrued over the expected working lifetimes.

The significant actuarial assumptions used in the current and prior period valuations are outlined below:

22. POST-EMPLOYMENT LIABILITIES (continued)

22.1 Medical liability (continued)

	31 March	
	2020	2019
Discount rates	**11.6%**	10.0%
Healthcare cost inflation	**8.8%**	8.3%
Average retirement age	**60**	60
Membership discontinued at retirement	**0%**	0%

The group assumes that current in-service members would retire on their current medical scheme option and that there would be no change in medical scheme options at retirement.

Actuarial assumptions are generally more suited to the estimation of the future experience of larger groups of individuals. The overall experience of larger groups is less variable and is more likely to tend to the expected value of the underlying statistical distribution. The smaller the group size, the less likely it is that the actual future experience will be close to that which is expected. Furthermore, assumptions that are appropriate for the group overall, may not be appropriate at an individual entity level.

Post-employment medical liability

	31 March	
	2020 US$'m	2019 US$'m
Opening balance	**25**	34
Current service cost	**-**	-
Interest cost	**2**	2
Employer benefit payments	**(2)**	(2)
Remeasurements	**-**	(2)
Disposal of subsidiary	**-**	(1)
Transferred to liabilities classified as held for sale	**-**	(1)
Foreign currency translation effects	**(4)**	(5)
Total post-employment medical liability	**21**	25
Current portion of post-employment medical liability	**4**	4
Non-current portion of post-employment medical liability	**17**	21

22. POST-EMPLOYMENT LIABILITIES (continued)

22.1 Medical liability (continued)

As the value of the liability is based on a number of assumptions, a sensitivity analysis is presented below to show the effect of a one-percentage point decrease or increase in the rate of healthcare cost inflation:

Healthcare cost inflation	Assumption 8.8%	-1%	+1%
Accrued liability 31 March 2020 (US$'m)	21	20	23
% change		-8.4%	9.5%
Current service cost plus interest cost 2020 and 2021 (US$'m)	2	2	2
% change		-8.6%	9.7%

22.2 Pension and provident benefits

The group provides retirement benefits for its full-time employees by way of various separate defined contribution pension and provident funds. All full-time employees have access to these funds. Contributions to these funds are paid on a fixed scale. Substantially all the group's full-time employees are members of either one of the group's retirement benefit plans or a third-party plan. Certain of these funds are related parties to the group and as at 31 March 2020 and 2019 there were no outstanding amounts between the group and these funds. The group has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

An amount of US$3.5m (2019: US$3.1m) was recognised as an expense during the period in relation to the group's defined contribution funds.

23. LONG-TERM LIABILITIES

	Long-term liabilities	Current portion	Total liabilities	Long-term liabilitities	Current portion	Total liabilities
	31 March					
	2020			2019		
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
Interest-bearing	**3 739**	**53**	**3 792**	3 242	13	3 255
Capitalised lease liabilities	**231**	**46**	**277**	5	3	8
Loans and other liabilities	**3 508**	**7**	**3 515**	3 237	10	3 247
Non-interest-bearing	**20**	**14**	**34**	3	10	13
Loans and other liabilities	**20**	**14**	**34**	3	10	13
Total liabilities	**3 759**	**67**	**3 826**	3 245	23	3 268

23. LONG-TERM LIABILITIES (continued)

Interest-bearing: Capitalised leases liabilities

Type of lease	Currency of year-end balance	Year of final repayment	Weighted average interest rate	31 March 2020 US$'m	2019 US$'m
Buildings	Various	2020 - 2035	1.49% - 13.00%	**250**	-
Computers, furniture and office equipment	Various	2020 - 2026	3.08% - 13.50%	**19**	6
Vehicles	Various	2020 - 2024	1.54% - 10.25%	**8**	2
				277	**8**

Maturity profile		
Minimum instalments		
Payable within year one	**53**	3
Payable within year two	**58**	2
Payable within year three	**45**	2
Payable within year four	**34**	2
Payable within year five	**28**	-
Payable after year five	**105**	-
	323	9
Future finance costs on capitalised lease liabilities	**(46)**	(1)
Present value of capitalised lease liabilities	**277**	8
Present value		
Payable within year one	**46**	3
Payable within year two	**52**	2
Payable within year three	**40**	2
Payable within year four	**30**	1
Payable within year five	**24**	-
Payable after year five	**85**	-
Present value of capitalised lease liabilities	**277**	8

23. LONG-TERM LIABILITIES (continued)

Interest-bearing: Loans and other liabilities

	Asset secured	Currency of year-end balance	Year of final repay-ment	Weighted average year-end interest rate	31 March 2020 US$'m	31 March 2019 US$'m
Unsecured						
Publicly traded bond[1]		US$	2020	6.00%	**-**	1 000
Publicly traded bond[1]		US$	2025	5.50%	**1 200**	1 200
Publicly traded bond[1]		US$	2027	4.85%	**1 000**	1 000
Publicly traded bond[1]		US$	2030	3.68%	**1 250**	-
Various institutions		Various	Various	Various	**8**	22
Secured						
Exim Bank S.A.	Building	EUR	2021 -2029	Euribor 1M + (1.44% - 1.47%)	**37**	19
Raiffeisen Bank S.A.	Building	EUR	2021 -2028	Euribor 1M + 1.47%	**21**	19
Various institutions	Various	Vatious	Various	Various	**17**	-
Total facilities					**3 533**	3 260
Unamortised loan costs					**(18)**	(13)
					3 515	3 247

[1] The publicly traded bonds are listed on the Irish Stock Exchange (Euronext Dublin). Refer to note 19

23. LONG-TERM LIABILITIES (continued)

Non-interest-bearing: Loans and other liabilities (continued)

Loans	Asset secured	Currency of year-end balance	Year of final repayment	31 March 2020 US$'m	31 March 2019 US$'m
Secured					
Automotive Finance Corporation	Various	US$	2020	**8**	-
Unsecured					
Earn-out obligations		Various	Conditional	**22**	7
Other		Various	Various	**4**	6
				34	13
Total long-term liabilities					
Repayment terms of long-term liabilities (excluding capitalised lease liabilities)					
Payable within year one				**21**	20
Payable within year two				**23**	1 011
Payable within year three				**15**	6
Payable within year four				**14**	4
Payable within year five				**10**	6
Payable after year five				**3 484**	2 226
				3 567	3 273
Unamortised loan costs				**(18)**	(13)
				3 549	3 260
Interest rate profile of long-term liabilities (long- and short-term portion, including capitalised lease liabilities)					
Liabilities at fixed rates: 1 to 12 months				**53**	6
Liabilities at fixed rates: more than 12 months				**3 673**	3 201
Interest-free loans				**34**	13
Liabilities linked to variable rates				**66**	48
				3 826	3 268

23. LONG-TERM LIABILITIES (continued)

Reconciliation of liabilities arising from financing activities

	Capitalised lease liabilities[1]	Interest bearing liabilities	Non-interest bearing liabilities
		31 March	
	2020 US$'m	2020 US$'m	2020 US$'m
Balance at 1 April 2019	8	3 247	13
Change in accounting policy[1]	242	-	-
Additional liabilities recognised	58	1 285	13
Additional earnout obligations	-	-	2
Repayments of long- and short-term debt	(34)	(1 032)	(15)
Repayments of interest on capitalised lease liabilities	(15)	-	-
Interest accrued	14	1	-
Acquisition of subsidiary	12	33	20
Disposal of subsidiary	(2)	(5)	-
Disposal of a business	(1)	-	-
Amortisation of transaction costs	-	3	-
Capitalisation of transaction costs	-	(8)	-
Foreign exchange translation	(13)	(5)	-
Transfer to held for sale	(2)	(1)	-
Other	10	(3)	1
Balance at 31 March 2020	277	3 515	34
Less: Current portion	(46)	(7)	(14)
Non-current liabilities	231	3 508	20

(1) Capitalised lease liabilities relate to all leases including those previously classified as operating leases in terms of IAS 17 which were not recognised on the statement of financial position. Refer to note 2 for details of the group's adoption of new accounting pronouncements during thereporting period.

23. LONG-TERM LIABILITIES (continued)

Reconciliation of liabilities arising from financing activities

	Finance lease liabilities[1]	Interest bearing liabilities	Non-interest bearing liabilities
		31 March	
	2019 US$'m	2019 US$'m	2019 US$'m
Balance at 1 April 2018	1 158	3 216	64
Additional liabilities recognised	-	60	2
Repayments of long- and short-term debt	(102)	(26)	(2)
Settlements of earnout obligations	-	-	(23)
Settlement of obligations relating to investing activities	-	-	(17)
Interest accrued	43	2	-
Remeasurement of contingent consideration	-	-	(3)
Acquisition of subsidiary	-	1	-
Disposal of subsidiary	-	(1)	-
Transferred to assets classified as held for sale[2]	(1 091)	(1)	(7)
Amortisation of transaction costs	-	2	-
Foreign exchange translation	-	(6)	(1)
Other	-	-	-
Balance at 31 March 2019	8	3 247	13
Less: Current portion	(3)	(10)	(10)
Non-current liabilities	5	3 237	3

[1] Relates to previously classified finance leases in terms of IAS 17.

[2] Relates to the group's video-entertainment business which was distributed to shareholders during the prior year (refer to note 3).

24. OTHER NON-CURRENT LIABILITIES

	31 March	
	2020 US$'m	2019 US$'m
Written put option liabilities[1]	**869**	827
Less: Current portion of other liabilities included in accrued expenses and other current liabilities (refer to note 26)	**(709)**	(289)
Non-current portion of other liabilities	**160**	538

[1] Relates to put options written over the non-controlling interests in the group's letgo classifieds business, Frontier Car Group, Dante International S.A. (eMAG), Extreme Digital KfT, Movile Internet Movel S.A (Movile)., PaySense and various other smaller ecommerce units.

During the year, the group recognised an aggregate gain on the remeasurement of written put option liabilities of US$53.0m (2019: US$52.8m) as part of "Other finance (costs)/income - net" in the income statement (refer to note 31). The movement in the put option liability in the current year is predominantly as a result of the group's acquisition of Frontier Car Group, Extreme Digital and PaySense which increased the liability, as well the decrease in the put option liability related to letgo classifieds business. The group signed an agreement in March 2020 to contribute its US letgo classified business in exchange for an equity interest in OfferUp Inc., a US online marketplace. The put option liability related to this business was measured with reference to its transaction value as it will be settled upon closing of this transaction (refer to note 45). The net remeasurement gain recognised is predominantly as a result of the decrease in the put option liability arising from a decline in value of the letgo classifieds business and an increase in the put option liability from the increase in value of the eMag and Movile businesses.

The maturity profile of the group's written put option liabilities is detailed in the table below and reflects the first date on which the respective written put options can be contractually exercised:

	31 March	
	2020 US$'m	2019 US$'m
Exercisable within one year	**709**	289
Exercisable within one to two years	**29**	286
Exercisable after two to five years	**131**	252
Total other liabilities	**869**	827

The group has the contractual discretion to settle all written put option obligations either in cash or in Naspers N ordinary shares.

The majority of the group's written put option liabilities are exercisable when non-controlling shareholders request an initial public offering (IPO) of the relevant group subsidiary and the IPO is either declined by the group or is ultimately unsuccessful.

24. OTHER NON-CURRENT LIABILITIES (continued)

Sensitivity analysis

The measurement of written put option liabilities is based on the value of the underlying businesses, calculated either through a discounted cash flow analyses or through prices observed in orderly transactions. At 31 March 2020, 36% (2019: 27%) of the total balance of written put option liabilities has been measured using discounted cash flow analyses. The discounted cash flow analysis took into account adjusted cashflow projections and budgets as a result of Covid-19 pandemic. This adjustment 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 restrictions. Accordingly, the measurement of written put option liabilities is subject to significant estimation uncertainty. The following analysis illustrates the sensitivity of written put option liabilities to reasonabe changes in the most significant underlying variables used in their measurement for put options valued using a discounted cash flow analyses:

	31 March	
Increase/(decrease) in written put option liabilities and loss/(gain) in the income statement	**2020 US$'m**	2019 US$'m
1% increase in the discount rate and a 1% decrease in the terminal growth rate	**(53)**	(36)
1% decrease in the discount rate and a 1% increase the terminal growth rate	**62**	44

Other assumptions contained in the discounted cash flow analyses used by the group when valuing written put option liabilities vary widely between obligations due to the group’s diverse range of business models and are closely linked to entity-specific key performance indicators.

For put options valued using orderly transactions, the group assessed whether the transaction value as at 31 March 2020 was appropriate in light of the Covid-19 pandemic. This took into account the current operational performance, adjusted budget forecasts as well as broader market expectations. On 31 March 2020, the impact of the Covid-19 pandemic on the written put option liabilities based on transaction value was not considered to be significant, and the transaction value was therefore still considered to be appropriate.

Movements during the year on the group's written put option liabilities are detailed below. Cash flows arising from the settlement of written put option liabilities are presented as part of financing activities in the statement of cash flows.

	31 March	
	2020 US$'m	2019 US$'m
Opening balance	**827**	2 394
Additional obligations raised	**142**	83
Remeasurements recognised in the income statement	**(53)**	(53)
Settlements	**-**	(1 566)
Foreign currency translation effects	**(47)**	(31)
Closing balance	**869**	827

25. PROVISIONS

	31 March	
	2020 US$'m	2019 US$'m
Warranties	**-**	1
Pending litigation	**6**	10
Reorganisation	**1**	4
Long-service and retirement gratuity	**6**	9
Other	**2**	1
Total provisions	**15**	25
Less: Non-current portion of provisions	**(5)**	(6)
Current portion of provisions	**10**	19

Provisions relate to a variety of obligations for the group as follows:

The group is currently involved in various litigation matters. The litigation provision has been estimated based on management's assessment on likelihood of requirements on legal counsel and management's estimates of costs and possible claims relating to these after taking appropriate legal advice. Please refer to note 27(d) for contingent assets disclosed in respect of the group's litigation matters.

The provision for reorganisation relates to the relocation costs of certain of our operations.

The provision for long service and retirement gratuity relates to the estimated cost of these employee benefits.

Included in other provisions are estimated amounts related to other regulatory matters.

26. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 March	
	2020 US$'m	2019 US$'m
Deferred income(1)	**62**	58
Accrued expenses*(2)	**262**	223
Amounts owing in respect of investments acquired*	**5**	47
Taxes and other statutory liabilities	**62**	78
Bonus accrual	**65**	56
Accrual for leave	**21**	16
Other personnel accruals	**31**	35
Payments received in advance	**25**	17
Cash-settled share-based payment liability (refer to note 44)	**18**	16
Payables from reverse factoring arrangements*	**58**	58
Merchant payable*	**359**	290
Written put option liabilities (refer to note 24)*	**709**	289
Other current liabilities**	**24**	36
	1 701	1 219

(1) Relates to revenue from contracts with customers. Refer to note 28 for movements in deferred income balances.

(2) Includes US$84.1m of Covid-19 related donations pledged by the group which is not a financial liability.

** Financial liabilities*

*** Includes financial liabilities of US$17.8m (2019: US$16.7m).*

27. COMMITMENTS AND CONTINGENCIES

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

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2020 amount to US$28.9m (2019: US$18.8m).

(b) Other commitments

The group entered into contracts for the receipt of various services. These service contracts are for the receipt of information technology and computer support services, access to networks, consulting services and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amount to US$108.9m (2019: US$26.4m).

(c) Lease commitments

Lease commitments include the group's short-term lease arrangements as well as other contractual lease agreements whose commencement date is after 31 March 2020. Short-term lease commitments relate to leasing arrangements with lease terms of 12 months or less that are not recognised on the statement of financial position. Lease commitments as at 31 March 2019 relate to lease agreements previously classified as operating leases in terms of IAS 17 which were not recognised on the statement of financial position. The group has the following lease commitments at 31 March 2020:

	31 March	
	2020 US$'m	2019 US$'m
Minimum lease payments:[1]		
Payable in year one	**1**	48
Payable in year two	**1**	47
Payable in year three	**2**	42
Payable in year four	**2**	34
Payable in year five	**2**	25
Payable after five years	**5**	86
	13	282

[1] The significant decrease in the current year is due to the adoption of IFRS 16. Refer to note 2 for the adoption of new accounting pronouncements during the reporting period.

(d) Taxation matters

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.

(e) Assets pledged as collateral

The group pledged property, plant and equipment, investments, cash and cash equivalents, trade receivables and other working capital as collateral against its secured long-term liabilities with an outstanding balance of US$83.9m (2019: US$46.4m). Refer to note 23 for further details.

28. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Reportable segment(s) where revenue is included	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	Payment 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 (i.e. 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.

The group has recognised the following assets and liabilities in the statement of financial position that relate to revenue from contracts with customers:

Accrued income (refer to note 16)

	31 March 2020 US$'m	2019 US$'m
Accrued income	**22**	24
Accrued income net of impairment allowance[1]	**22**	24

[1] Refer to note 42 for the group's credit risk management policy. Impairment allowances recorded on accrued income balances were not significant.

Deferred income (refer to note 26)

	31 March 2020 US$'m	2019 US$'m
Deferred income	**62**	58

Revenue recognised in relation to deferred income liabilities

The following table depicts the amount of revenue recognised in each reporting period that related to amounts included within the opening balance of deferred income for that reporting period:

	31 March 2020 US$'m	2019 US$'m
Revenue recognised that was included in the deferred income balance at the beginning of the period	**36**	32

28. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

There were no significant changes in accrued income or deferred revenue during the current year. Accrued income and deferred income balances were significantly impacted by the distribution of the MultiChoice Group to shareholders during the prior year. At the date of distribution, the group derecognised accrued income of US$10.8m and deferred income of US$150.4m that was classified as held for sale. Refer to note 4 for further details.

Unsatisfied long-term contracts

The group has no unsatisfied long-term contracts as at 31 March 2020 (2019:US$nil).

29. EXPENSES BY NATURE

	31 March	
	2020 US$'m	2019 US$'m
Operating loss includes the following items:		
Depreciation classification		
Cost of providing services and sale of goods	**1**	1
Selling, general and administration expenses	**95**	34
	96	35
Amortisation classification		
Selling, general and administration expenses	**122**	111
Lease payments[1]		
Short-term lease payments	**3**	22
Auditor's remuneration		
Audit fees of the financial statements	**10**	6
Other non-audit services	**1**	1
	11	7
Staff costs		
As at 31 March 2020, the group had 25 527 (2019: 20 196) permanent employees. The total cost of employment of all employees, including executive directors, was as follows:		
Salaries, wages and bonuses	**967**	859
Retirement benefit costs	**7**	7
Medical aid fund contributions	**5**	7
Post-employment benefits	**3**	3
Cash settled share-based compensation expenses	**3**	6
Equity settled share-based compensation expenses	**119**	92
	1 104	974
Training costs	**9**	10
Retention option expense	**61**	11
Total staff costs	**1 174**	995
Advertising expenses	**325**	318
Cost of providing services and sale of goods	**2 359**	1 802
Other purchases and expenses	**562**	530
Total	**4 652**	3 820

[1] *Lease expenses recognised during 31 March 2019 relate to previously classified operating leases in terms of IAS 17. Refer to note 2 for details of the adoption of new accounting pronouncements during the reporting period.*

30. OTHER LOSSES - NET

	31 March 2020 US$'m	31 March 2019 US$'m
Loss on sale of assets	-	(2)
Fair-value adjustments on financial instruments	4	(27)
Impairment losses	**(13)**	(8)
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
Gains recognised on loss of significant influence	13	-
Covid-19 donation	(84)	-
Other	5	(5)
Total other losses - net	**(69)**	(38)

Refer to notes 5, 6 and 7 for further information on the above impairments.

31. FINANCE (COSTS)/INCOME

	31 March 2020 US$'m	31 March 2019 US$'m
Interest income		
Loans and bank accounts	241	283
Other	4	1
	245	284
Interest expense		
Loans and overdrafts	(209)	(201)
Capitalised lease liabilities	(14)	-
Other	(6)	(4)
	(229)	(205)
Net gain from foreign exchange translation and fair-value adjustments on derivative financial instruments		
On translation of assets and liabilities	47	45
On translation of forward exchange contracts and cross-currency interest rate swap	29	32
	76	77
Remeasurement of written put option liabilities	53	53
Other finance income - net	129	130
Total finance income/ (costs) - net	145	209

32. NET GAINS ON ACQUISITIONS AND DISPOSALS

	31 March 2020 US$'m	31 March 2019 US$'m
Gain on sale of investments - Net	**390**	1 618
Gains recognised on loss of control transactions	**17**	-
Remeasurement of contingent consideration	**-**	3
Transaction related costs[1]	**(113)**	(19)
Securities tax paid on internal restructuring	**(18)**	-
Remeasurement of previously held interest	**73**	7
Other gains	**2**	-
	351	1 609

[1] Includes transaction-related cost regarding the listing of the Prosus, as well as other acquisition and disposal transactions

33. TAXATION

	31 March 2020 US$'m	31 March 2019 US$'m
Current taxation	**205**	269
current year	**204**	266
prior year	**1**	3
Deferred taxation	**26**	(40)
current year	**26**	(49)
prior year	**-**	9
Total taxation per income statement	**231**	229
Reconciliation of taxation		
Taxation at statutory rates[1]	**1 018**	1 230
Adjusted for:		
non-deductible expenses[2]	**186**	94
non-taxable income[2]	**(210)**	(63)
temporary differences not provided for[3]	**292**	134
assessed losses unprovided	**(4)**	(1)
initial recognition of prior year tax losses	**1**	(33)
other taxes[4]	**97**	10
changes in taxation rates	**-**	-
tax attributable to equity-accounted earnings	**(1 101)**	(955)
tax adjustment for foreign taxation rates[5]	**(48)**	(187)
Taxation provided in income statement	**231**	229

[1] The reconciliation of taxation has been performed using the statutory tax rate of Naspers Limited of 28% (2019: 28%). The impact of different tax rates applied to profits earned in other jurisdictions is disclosed above as "Tax adjustment for foreign taxation rates".
[2] Non-deductible expenses relate primarily to impairment losses and dilutions of equity-accounted investments. Non-taxable income relates primarily to the gains on disposals of subsidiaries and associates.
[3] Temporary differences not provided for relate primarily to loss-making entities that did not recognise deferred tax assets.
[4] Other taxes include the taxation paid on the listing of Prosus N.V.
[5] Tax adjustment for foreign taxation rates relates mainly to a different capitals gain tax rate on disposal of associates.

34. EARNINGS PER SHARE

	31 March 2020			
	Gross US$'m	Taxation US$'m	Non-controlling interests US$'m	Net US$'m
Earnings				
Basic earnings attributable to shareholders				3 137
Impact of dilutive instruments of subsidiaries, associates and joint ventures				(71)
Diluted earnings attributable to shareholders				3 066
Headline adjustments[1]				
Adjustments for:	(1030)	11	88	(931)
Impairment of goodwill and other intangible assets	13	-	(2)	11
Gain on loss on of control transactions	(17)	-	-	(17)
Gains on loss on of significant influence	(13)	-	4	(9)
Gains on acquisitions and disposals of investments	(391)	4	-	(387)
Remeasurement of previously held interest	(73)	-	21	(52)
Dilution losses on equity-accounted investments	52	-	5	57
Remeasurements included in equity-accounted earnings[2]	(622)	7	60	(555)
Impairment of equity-accounted investments	21	-	-	21
Basic headline earnings				2 206
Diluted headline earnings				2 135

[1] Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined separately identifiable remeasurments. The headline earnings measure is pursuant of the JSE Listing Requirements.

[2] 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 impairments of assets recognised by associates.

34. EARNINGS PER SHARE (continued)

31 March 2019

	Continuing operations				Discontinued operations			
	Gross US$'m	Taxation US$'m	Non-controlling interests US$'m	Net US$'m	Gross US$'m	Taxation US$'m	Non-controlling interests US$'m	Net US$'m
Earnings								
Basic earnings attributable to shareholders (restated)				4 218				2 683
Impact of dilutive instruments of subsidiaries, associates and joint ventures				(47)				-
Diluted earnings attributable to shareholders (restated)				4 171				2 683
Headline adjustments[1]								
Adjustments for:	(653)	175	(21)	(499)	(2 465)	-	(2)	(2 467)
Impairment of property, plant and equipment and other assets	1	-	-	1	21	-	(1)	20
Impairment of goodwill and other intangible assets	7	-	(1)	6	-	-	-	-
(Gain)/loss on sale of assets	2	-	-	2	3	-	(1)	2
Losses/(gains) on acquisitions and disposals of investments	(1 621)	177	-	(1 444)	(2 489)	-	-	(2 489)
Remeasurement of previously held interest	(7)	-	2	(5)	-	-	-	-
Dilution gains on equity-accounted investments	182	-	-	182	-	-	-	-
Remeasurements included in equity-accounted earnings[2]	695	(2)	(22)	671	-	-	-	-
Impairment of equity-accounted investments	88	-	-	88	-	-	-	-
Basic headline earnings				3 719				216
Diluted headline earnings				3 672				216

[1] Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined sepprately identifieable remeasurments. The headline earnings measure is pusrsuant of the JSE Listing Requirements.
[2] Remeasurements included in equity-accounted earnings include US$126.4m relating to gains arising on acquisitions and disposals by associates and US$799.4m relating to impairments of assets recognised by associates.

34. EARNINGS PER SHARE (continued)

	2020 Number of shares	2019 Number of shares
Number of ordinary shares in issue at year-end (excluding treasury shares)[1]	**428 939 156**	436 975 604
Adjusted for movement in shares held by share trusts and share repurchase programme	**7 817 080**	1 277
Weighted average number of ordinary shares in issue during the year	**436 756 236**	436 976 881
Adjusted for effect of future share-based payment transactions	**1 725 158**	1 858 498
Diluted weighted average number of ordinary shares in issue during the year	**438 481 394**	438 835 379
Earnings per ordinary share (US cents) from continuing operations		
Basic	**718**	965
Diluted	**699**	950
Headline earnings per ordinary share (US cents) from continuing operations		
Basic	**505**	851
Diluted	**487**	837
Earnings per ordinary share (US cents) from discontinued operations		
Basic	**-**	614
Diluted	**-**	611
Headline earnings per ordinary share (US cents) from discontinued operations		
Basic	**-**	49
Diluted	**-**	49
Dividend paid per A ordinary share (SA cents)		
- South African	**143**	130
Dividend paid per N ordinary share (SA cents)		
- South African	**715**	650
Proposed dividend per A ordinary share (SA cents)		
- South African	**116**	143
Proposed dividend per N ordinary share (SA cents)		
- South African	**580**	715

[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 i.e. 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).*

35. CASH FROM OPERATIONS

	31 March 2020 US$'m	31 March 2019 US$'m
Profit before tax from continuing operations per income statement	**3 635**	4 391
Adjustments relating to continuing operations:		
Non-cash and other	**(3 997)**	(4 696)
Loss on sale of assets	**-**	2
Depreciation and amortisation	**218**	146
Retention option expense	**61**	11
Share-based compensation expenses	**122**	98
Net finance income	**(145)**	(209)
Share of equity-accounted results	**(3 932)**	(3 410)
Impairment of equity-accounted investments	**21**	88
Gains on acquisitions and disposals	**(464)**	(1 628)
Dilution losses on equity-accounted investments	**52**	182
Gains recognised on loss of significant influence	**(13)**	-
Net realisable value adjustments on inventory, net of reversals	**5**	7
Impairment losses	**13**	8
Covid-19 donation	**84**	-
Other	**(19)**	9
Operating cash flows of discontinued operations, net of adjustments for non-cash and other items	**-**	699
	(362)	394
Working capital	**(32)**	(72)
Cash movement in trade and other receivables	**14**	(16)
Cash movement in payables and accruals	**(20)**	52
Cash movement in programme and film rights	**-**	(24)
Cash movement in inventories	**(26)**	(84)
Total cash (utilised)/generated from operations	**(394)**	322

36. ACQUISITIONS OF SUBSIDIARIES AND BUSINESSES

	31 March	
	2020 US$'m	2019 US$'m
Fair value of assets and liabilities:		
property, plant and equipment	**28**	3
other intangible assets	**255**	58
net current assets	**253**	48
deferred taxation	**(59)**	(8)
long-term liabilities	**(65)**	(1)
Total fair value of assets and liabilities	**412**	100
Non-controlling interests	**(53)**	(13)
Derecognition of equity-accounted investments	**(78)**	(15)
Remeasurement of previously held interest	**(73)**	(7)
Goodwill recognised	**566**	105
Purchase consideration	**774**	170
Contribution of subsidiary	**(24)**	-
Amount to be settled in future	**(3)**	-
Net cash in subsidiaries and businesses acquired	**(279)**	(66)
Net cash outflow from acquisitions of subsidiaries and businesses	**468**	104

37. DISPOSALS OF SUBSIDIARIES AND BUSINESSES

	31 March	
	2020 US$'m	2019 US$'m
Carrying values of assets and liabilities:		
property, plant and equipment	**4**	1
disposal groups classified as held for sale	**-**	874
goodwill	**7**	8
other intangible assets	**6**	4
net current (liabilities)/assets	**(22)**	28
deferred taxation	**(2)**	(1)
long-term liabilities	**-**	(9)
foreign currency translation reserve realised	**191**	594
	184	1 499
Distribution to owners[1]	**-**	(3 771)
Non-controlling interests	**10**	145
Existing control business combination reserve	**(21)**	(274)
Fair value of investments at fair value through other comprehensive income retained following distribution to owners[1]	**-**	(58)
(Loss)/gain on disposal - net	**(153)**	2 513
Selling price	**20**	54
Net cash in subsidiaries and businesses disposed of	**2**	(562)
Net cash inflow/(outflow) from disposals of subsidiaries and businesses	**22**	(508)

[1] Relates to the group's video-entertainment business which was distributed to shareholders during the prior year (refer to note 3 and note 12).

38. ACQUISITION OF AND ADDITIONAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Included in acquisition of and additional investments in associates of US$376.0m (2019: US$1 280.0m) are the following: Swiggy US$100.1m, Meesho Inc US$79.7m, Udemy US$43.0m, NTEx Transportation services (ElasticRun) US$30.2m, Brainly Inc US$25.0m and other acquisitions of US$98.0m (2019: Swiggy US$716.4m, BYJU'S US$383.2m, Frontier Car Group US$89.4m, Honor US$35.0m, PaySense US$11.5m and other acquisitions of US$44.5m). These investments were classified as investments in associates.

Included in acquisition of and additional investments in joint ventures of US$23.0m (2019: US$18.8m) is El Cochinero US$23.0m (2019: El Cochinero US$8.8m and THL MIH Limited US$7.8m and other additional investments of US$1.2m). These investments were classified as investments in joint ventures.

39. SHORT-TERM INVESTMENTS

The group holds investments in money-market investments and fixed deposits. The carrying values of these investments as at 31 March are shown below.

		31 March	
		2020	2019
	Weighted average interest rate	**US$'m**	US$'m
Money-market and long-term deposits	2.1%	**3 839**	6 967
Fixed deposits	7.4%	**183**	259
Accrued interest income		**38**	72
Total short-term investments		**4 060**	7 298

Included in short-term investments are money-market and long-term deposits of US$3.8bn (2019: US$6.9bn) denominated in US dollar and fixed deposits of US$183.0m (2019: US$ 258.7m) that are denominated in South African rand.

The above investments have maturity dates (from the date of acquisition) of between three and 12 months and have accordingly not been disclosed as part of cash and cash equivalents.

Short-term investments are classified as financial assets at amortised cost. Due to their short-term nature, the carrying values of these investments are considered to be a reasonable approximation of their fair values. None of the group's short-term investments were past due or subject to significant impairment allowances as at 31 March 2020.

Short-term investments are held by entities that have the same functional currencies as the currencies in which the investments are denominated and accordingly do not give rise to foreign currency risk. Due to the nature of short-term investments, there is an insignificant exposure to price risk.

Refer to note 42 for further information regarding the credit risk of short-term investments.

40. CASH AND CASH EQUIVALENTS

	31 March	
	2020 US$'m	2019 US$'m
Cash at bank and on hand	**929**	1 334
Short-term bank deposits[1]	**3 374**	950
Bank overdrafts and call loans	**(32)**	(8)
	4 271	2 276
Restricted cash		
The following cash balances are restricted from immediate use according to agreements with banks and other financial institutions:		
Classifieds	**5**	4
Payments and Fintech	**166**	128
Other Ecommerce	**2**	1
Total restricted cash	**173**	133

[1] Included in short-term bank deposits is an amount of US$650.0m (2019: US$410.0m) which represents money-market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies.

Restricted cash is still included in cash and cash equivalents due to the fact that it mostly relates to cash held on behalf of customers.

41. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decisionmaker (CODM) in order to allocate resources to the segments and to assess their performance. The CODM has been identified as the group's executive directors who make strategic decisions.

The group proportionately consolidates its share of the results of its associated companies and joint ventures in its reportable segments. This is considered to be provide additional information on the economic reality of these investments and corresponds to the manner in which the CODM assesses segmental performance.

The group has identified its operating segments based on its business by service or product as follows: social and internet platforms, ecommerce, corporate and media. Below are the types of services and products from which each segment generates revenue:

Continuing operations

Ecommerce – the group operates internet platforms to provide various services and products. These platforms and communities offer ecommerce, communication, social networks, entertainment and mobile value-added services. The reportable segments within ecommerce include classifieds, payments and fintech, food delivery, etail, travel and other ecommerce.

- *Classifieds* – the group operates a number of leading online classifieds platforms comprising general classifieds (such as OLX and letgo) and verticals (automotive and real estate verticals) in more than 32 markets globally.
- *Payments and Fintech* – the group operates one of the largest mobile and online payment platforms in 20 markets through PayU, an online payment services provider. This segment also Includes the group' s fintech and credit interests via associates and subsidiaries.
- *Food Delivery* – the group invests in leading global online food ordering and delivery platforms operating in regions including India, Africa, Latin America and across Europe, Asia and the Middle East through its investments in Delivery Her, Swiggy and iFood.
- *Etail* – comprises the group's etail subsidiaries (including eMAG and Takealot) and, up to the first half of the financial year ended 31 March 2019, the group's associate Flipkart. The group's operations are spread across Central and Eastern Europe, South Africa and India.
- *Travel* – in the prior year, the group through its investment in MakeMyTrip in India operated a platform for online travel services including flight tickets and hotel reservations. The group included eight months of results for MakeMyTrip in our segmental results for the current period, representing our share of its earnings for the period up to disposal and a catch-up of the lag period applied in reporting its results. After the Trip.com transaction, our travel segment will cease to exist and will not be reported on after this financial year.
- *Other Ecommerce* – this segment comprises the group's online comparison shopping interests as well as its mobile and other content businesses.

Social and internet platforms – the group holds listed investments in social and internet platforms through Tencent, China's largest and most used internet services platform and Mail.ru, the leading internet company in Russian speaking markets.

Media – through Media24 in Africa, the group publishes newspapers, magazines and books. Its activities also include printing and distribution.

Corporate – this segment comprises entities providing various corporate functions and activities. These services include, but are not limited to, executive oversight, information management, legal, treasury, control and accounting, human resources, taxes and investor relations.

41. SEGMENT INFORMATION (continued)

Continuing operations *(continued)*

Sales between the segments are eliminated on consolidation and presented in the "Eliminations" column. The revenue from external parties and all other items of income, expenses, profits and losses reported in the segment report is measured in a manner consistent with that in the income statement. EBITDA, as presented in the segmental report, refers to earnings before interest, tax, depreciation and amortisation.

The revenues from external customers for each major group of products and services are disclosed in note 28. The group is not reliant on any one major customer as the group's products are consumed by the general public in a large number of countries.

Discontinued operations

Discontinued operations relate to the group's Video-Entertainment business which was distributed to its shareholders during the previous year (refer to note 3). This segment offered digital satellite and digital terrestrial television services to subscribers as well as mobile and internet services through MultiChoice South Africa in South Africa and through MultiChoice Africa in the rest of sub-Saharan Africa. Through Irdeto, the segment provided digital content management and protection systems to customers globally to protect, manage and monetise digital media on any platform. Through Showmax, the segment provided subscription video-on-demand services. These businesses represented a separate line of business and were classified as the Video-Entertainment segment.

41. SEGMENT INFORMATION (continued)

	Revenue Year ended 31 March					
	2020			2019		
	US$'m	**US$'m**	**US$'m**	US$'m	US$'m	US$'m
	External	**Inter-segmental**	**Total**	External	Inter-segmental	Total
Continuing operations						
Ecommerce	4 680	-	4 680	3 934	-	3 934
- Classifieds	1 299	-	1 299	875	-	875
- Payments and Fintech	422	6	428	354	6	360
- Food Delivery	751	-	751	377	-	377
- Etail	1 756	-	1 756	1 847	-	1 847
- Travel	146	-	146	233	1	234
- Other	306	(6)	300	248	(7)	241
Social and internet platforms	17 189	-	17 189	14 744	-	14 744
- Tencent	16 779	-	16 779	14 457	-	14 457
- Mail.ru	410	-	410	287	-	287
Media	267	5	272	312	14	326
Corporate	-	-	-	-	2	2
Eliminations	-	(5)	(5)	-	(16)	(16)
Total economic interest from continuing operations	22 136	-	22 136	18 990	-	18 990
Less: Equity-accounted investments	(18 135)	-	(18 135)	(15 699)	-	(15 699)
Total consolidated from continuing operations	4 001	-	4 001	3 291	-	3 291
Total consolidated from discontinued operations (refer to note 4)	-	-	-	3 321	-	3 321
Total consolidated[1]	4 001	-	4 001	6 612	-	6 612

[1] *Includes the results of the video-entertainment segment which has been classified as a discontinued operation (refer to note 4).*

41. SEGMENT INFORMATION (continued)

	Year ended 31 March 2020						
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
	Total revenue	COPS and SGA[1]	EBITDA	Depreciation	Amortisation of software	Interest on finance leases	Trading profit/(loss)
Ecommerce	4 680	(5 496)	(816)	(119)	(16)	(13)	(964)
- Classifieds	1 299	(1 207)	92	(40)	(3)	(5)	44
- Payments and Fintech	428	(488)	(60)	(6)	-	(1)	(67)
- Food Delivery	751	(1 347)	(596)	(24)	(3)	(1)	(624)
- Etail	1 756	(1 778)	(22)	(35)	(1)	(5)	(63)
- Travel	146	(165)	(19)	(3)	-	-	(22)
- Other	300	(511)	(211)	(11)	(9)	(1)	(232)
Social and internet platforms	17 189	(11 734)	5 455	(705)	(25)	(26)	4 699
- Tencent	16 779	(11 451)	5 328	(692)	(11)	(24)	4 601
- Mail.ru	410	(283)	127	(13)	(14)	(2)	98
Media	272	(257)	15	(6)	(1)	-	8
Corporate	-	(16)	(16)	-	(1)	(1)	(18)
Eliminations	(5)	5	-	-	-	-	-
Total economic interest	22 136	(17 498)	4 638	(830)	(43)	(40)	3 725
Less: Equity-accounted investments	(18 135)	13 148	(4 987)	734	27	26	(4 200)
Total consolidated	4 001	(4 350)	(349)	(96)	(16)	(14)	(475)

[1] *Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.*

for the year ended 31 March 2020

41. SEGMENT INFORMATION (continued)

	Year ended 31 March 2019						
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
	Total revenue	COPS and SGA[1]	EBITDA	Deprecia-tion	Amorti--sation of software	Interest on finance leases	Trading (loss)/profit
Continuing operations							
Ecommerce	3 934	(4 490)	(556)	(40)	(17)		(613)
- Classifieds	875	(856)	19	(14)	(3)	-	2
- Payments and Fintech	360	(399)	(39)	(4)	-	-	(43)
- Food Delivery	377	(539)	(162)	(4)	(5)	-	(171)
- Etail	1 847	(1 980)	(133)	(16)	(1)	-	(150)
- Travel	234	(270)	(36)	(1)	-	-	(37)
- Other	241	(446)	(205)	(1)	(8)	-	(214)
Social and internet platforms	14 744	(10 375)	4 369	(400)	(17)	-	3 952
- Tencent	14 457	(10 133)	4 324	(388)	(7)	-	3 929
- Mail.ru	287	(242)	45	(12)	(10)	-	23
Media	326	(333)	(7)	(5)	(2)	-	(14)
Corporate	2	(19)	(17)	(4)	-	-	(21)
Eliminations	(16)	16	-	-	-	-	-
Total economic interest from continuing operations	18 990	(15 201)	3 789	(449)	(36)	-	3 304
Less: Equity-accounted investments	(15 699)	11 579	(4 120)	413	21	-	(3 686)
Total consolidated from continuing operations	3 291	(3 622)	(331)	(36)	(15)	-	(382)
Total consolidated from discontinued operations (refer	3 321	(2 666)	655	(90)	(10)	(43)	512
Total consolidated[2]	6 612	(6 288)	324	(126)	(25)	(43)	130

[1] *Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.*
[2] *Includes the results of the video-entertainment segment which has been classified as a discontinued operation (refer to note 4).*

41. SEGMENT INFORMATION (continued)

Additional disclosure

	Year ended 31 March 2020			Year ended 31 March 2019		
	US$'m	**US$'m**	**US$'m**	US$'m	US$'m	US$'m
	Impairment of assets	**Remeasurement of written put option liabilities**	**Share of equity-accounted results**	Impairment of assets	Remeasurement of written put option liabilities	Share of equity-accounted results
Ecommerce	**-**	**53**	**(294)**	(7)	53	(252)
- Classifieds	**-**	**239**	**(22)**	-	86	5
- Payments and Fintech	**-**	**-**	**(23)**	-	3	(29)
- Food Delivery	**-**	**-**	**(166)**	-	-	(66)
- Etail	**-**	**(59)**	**-**	(2)	7	(43)
- Travel	**-**	**-**	**(27)**	(1)	-	(73)
- Other	**-**	**(127)**	**(56)**	(4)	(43)	(46)
Social and internet	**(201)**	**-**	**4 226**	(806)	-	3 661
- Tencent	**(175)**	**-**	**4 178**	(799)	-	3 696
- Mail.ru	**(26)**	**-**	**48**	(7)	-	(35)
Media	**(3)**	**-**	**1**	(1)	-	1
Total reportable	**(204)**	**53**	**3 933**	(814)	53	3 410
Less: Equity-accounted investments[(1)]	**201**	**-**	**-**	806	-	-
Continuing operations	**(3)**	**53**	**3 933**	(8)	53	3 410
Discontinued operations	**-**	**-**	**-**	(26)	-	(1)
Total	**(3)**	**53**	**3 933**	(34)	53	3 409

[(1)] *All associates' and joint ventures' results are accounted for using the equity accounting method.*

41. SEGMENT INFORMATION (continued)

Trading profit as presented in the segment disclosure is the CODM and management's measure of each segment's operational performance. A reconciliation of the segmental trading profit to operating profit and profit before tax as reported in the income statement is provided below:

	31 March	
	2020 **US$'m**	2019 Restated US$'m
Trading profit from continuing operations[1]	**(475)**	(398)
Interest on capitalised finance leases	**14**	1
Amortisation of other intangible assets	**(104)**	(94)
Other losses - net	**(69)**	(38)
Retention option expense	**(61)**	(11)
Share-based incentives settled in treasury shares	**(25)**	(27)
Operating loss per the income statement	**(720)**	(567)
Interest income	**245**	284
Interest expense	**(229)**	(205)
Other finance income/(costs) - net	**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 gains on acquisitions and disposals	**351**	1 609
Profit before taxation per the income statement	**3 635**	4 391

[1] *Includes the net profit impact of trading between continuing and discontinued operations of US$nil (2019: US$15.7m).*

41. SEGMENT INFORMATION (continued)

Geographical information

The group operates in five main geographical areas:

Africa - The group derives revenues from media activities, internet services (including payments and fintech and classifieds services and products) and technology products and services. In the prior period the revenues included Video-Entertainment platform services (refer note 3 for details of the distribution of the group's Video-Entertainment business)."

Asia - The group's activities comprise its interest in internet activities based in China, India, Thailand and Singapore.

Europe - The group's activities comprise its interest in internet activities based in Central and Eastern Europe and Russia. Furthermore, the group generates revenue from technology products and services provided by subsidiaries based in the Netherlands.

Latin America - The group's activities comprise its interest in internet activities based in Brazil and other Latin American countries.

Other - Includes the group's provision of various products through internet and technology activities located mainly in Australia and the United States of America.

	Africa						
	South Africa US$'m	**Rest of Africa US$'m**	**Latin America US$'m**	**Asia US$'m**	**Europe US$'m**	**Other US$'m**	**Total US$'m**
March 2020							
External consolidated revenue from continuing operations	**694**	**15**	**624**	**341**	**2 187**	**140**	**4 001**
External proportionately consolidated revenue from continuing operations[1]	**704**	**15**	**677**	**17 453**	**3069**	**218**	**22 136**
March 2019							
External consolidated revenue from continuing operations	663	4	423	215	1 896	90	3 291
External proportionately consolidated revenue from continuing operations[1]	677	4	469	15 270	2 431	139	18 990

[1] *Revenue includes the group's proportionate share of associates' and joint ventures' external revenue.*

Revenue is allocated to a country based on the location of subscribers or users/customers.

42. FINANCIAL RISK MANAGEMENT

Financial risk factors

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. These include the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. The group's overall risk management programme seeks to minimise the potential adverse effects of financial risks on its financial performance. The group uses derivative financial instruments, such as forward exchange contracts and interest rate swaps, to hedge certain risk exposures.

Risk management is carried out by management under policies approved by the board of directors and its risk management committee. Management identifies, evaluates and, where appropriate, hedges financial risks. The various boards of directors within the group provide written policies, in line with the overall group policies, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and the investment of excess liquidity.

42.1 Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk as a substantial portion of its revenue and expenses is denominated in the currencies of the countries in which it operates. A significant portion of cash obligations, including satellite transponder leases and contracts for video-entertainment programming, were denominated in US dollar prior to the group's distribution of its video-entertainment business to shareholders (refer to note 3). Where the group's revenue is denominated in local currency, depreciation of the local currency against the US dollar adversely affects the group's earnings and its ability to meet cash obligations. Some entities in the group use forward exchange contracts to hedge their exposure to foreign currency risk in connection with their obligations. Management may hedge the net position in the major foreign currencies by using forward exchange contracts. However, in many territories, forward cover is not available and accordingly, such exposures are not hedged. The group also uses forward exchange contracts to hedge foreign currency exposure in its media business where cover is generally taken for 50% to 100% of firm commitments in foreign currency for up to one year.

The group classified its forward exchange contracts relating to forecast transactions and firm commitments as either cash flow or fair value hedges and measures them at fair value. Hedged transactions historically related mainly to programming costs, transponder lease instalments and the acquisition of inventory items in the video-entertainment segment which has been presented as a discontinued operation in the prior year (refer to note 4).

In the current year the group entered into foreign exchange contracts at a notional value of US$1.56bn that were designated as cash flow hedge instruments for foreign currency cash and cash equivalents. Only the spot elements were designated as a hedge and the remaining portion was recognised in finance income. The purpose of this hedge was to manage the foreign currency risk associated with holding foreign currency cash and cash equivalents. The hedge ratio was 1:1. Cumulative losses of US$107.2m (2019:nil) have been recognised in other comprehensive income relating to this cash flow hedge since the inception of the hedging relationship and were reclassified to the income statement as the underlying cash and cash equivalent balances were revalued was recognised in the income statement. Net gains of US$6.5m (2019: nil) were recognised as part of "Other finance (costs)/income – net" in the income statement. This is the forward element of the forward exchange contract not designated as part of the hedging relationship. Ineffectiveness is negligible as all critical terms on the hedging instrument and hedged item match.

42. FINANCIAL RISK MANAGEMENT (continued)

42.1 Foreign exchange risk (continued)

Movements in the hedging reserve for the year are detailed below:

	31 March	
	2020 US$'m	2019 US$'m
Opening balance	**-**	(107)
Net fair value (losses)/gains	**-**	77
Foreign exchange movement	**(107)**	1
Derecognised and added to asset	**-**	4
Derecognised and reported in revenue	**-**	(1)
Derecognised and reported in cost of sales	**-**	38
Derecognised and reported in finance (income)/cost	**107**	(5)
Derecognised and reported in income when recognition criteria failed	**-**	1
Tax effects	**-**	(24)
Non-controlling interest in hedging reserve	**-**	(14)
Transfer to foreign currency translation reserve	**-**	(24)
Hedging reserve reclassified to the income statement on distribution of subsidiary [1]	**-**	54
Closing balance	**-**	-

[1]Relates to the MultiChoice Group which was distributed to shareholders during the current year (refer to note 3).

There were no forward exchange contracts designated as cash flow hedges at 31 March 2020 (2019: US$nil).

During the year ended 31 March 2020 the group recognised losses on cash flow hedging instruments of US$107.2m (2019: gains of US$4.9m) and gains of US$124.7m (2019: gains of US$101.6m) on the hedged items attributable to the hedged risks.

Following the distribution of its video-entertainment business to shareholders during the prior year (refer to note 3) the group is no longer party to significant forward exchange contracts. Forward exchange contracts in the statement of financial position as at 31 March 2019 related to agreements entered into by the group on behalf of its former subsidiary Irdeto B.V. (Irdeto). The group had offsetting buy and sell positions with respect to all forward exchange contracts entered into on behalf of Irdeto and accordingly, on a gross basis, the contractual cash flows arising under these agreements were zero.

In March 2020 the group entered into an agreement, maturing within the next 12 months, to exchange US$457.2m (2019: US$180m) for HKD3.55bn (2019: HKD1.41bn) (Hong Kong dollars) at an average exchange rate US$/HKD 7.76 (2019: 7.82).

The group does not apply hedge accounting with respect to any of its forward exchange contracts outstanding as at 31 March 2020.

42. FINANCIAL RISK MANAGEMENT (continued)

42.1 Foreign exchange risk (continued)

In certain instances, the group will hedge its foreign currency risks associated with certain of its net investments in foreign operations. The group will determine which investments to hedge based on the foreign currency risk arising on translation of its foreign operations.

Following the acquisition of the group's interests in Delivery Hero SE during the 2018 financial year, the group elected to hedge the foreign exchange risk resulting from the difference between the functional currency of Delivery Hero (Euro) and the currency of the funding incurred to acquire the investment (USD). The Group therefore entered into a cross-currency interest rate swap, and in order to best reflect the result of this risk management strategy, designated it as a hedge of its net investment in Delivery Hero.

The cross-currency interest rate swap matures in July 2025 and on maturity the group will exchange €700m for US$783.7m. As the investment in Delivery Hero SE is translated at the spot rate, the group has designated only the spot exchange rate element of the cross-currency interest rate swap as forming part of the hedging relationship. The hedge ratio is 1:1.

Cumulative gains of US$24.8m (2019: gains of US$11.7m) have been recognised in the foreign currency translation reserve relating to the net investment hedge since the inception of the hedging relationship. The increase in the value of the net investment in Delivery Hero used to determine hedge ineffectiveness for the period is US$123.0m (2019: decrease in value of US$173.2m).

During the current year, total gains of US$82.3m (2019: gain of US$89.9m) were recognised on the cross-currency interest rate swap. Gains of US$13.1m (2019: gains of US$77.3m) for the year have been recognised in the foreign currency translation reserve relating to the net investment hedge (and comprise the fair value movements used as a basis for recognising hedge effectiveness). Gains of US$69.2m (2019: gains of US$12.6m) were recognised as part of "Other finance (costs)/income – net" in the income statement. This is the element of the cross-currency interest rate swap not designated as part of the hedging relationship. Ineffectiveness may arise from credit risk on the cross-currency interest rate swap. Ineffectiveness is negligible as all critical terms on the hedging instrument and hedged item match.

Where the group has surplus funds offshore, the treasury policy is to spread the funds between more than one currency to limit the effect of foreign exchange rate fluctuations and to generate the highest possible interest income. As at 31 March 2020 the group had a net cash balance including short-term cash investments, of US$8.33bn (2019: US$9.57bn), of which US$302.1m (2019: US$421.0m) was held in South Africa. The US$8.03bn (2019: US$9.15bn) held offshore was largely denominated in US dollar which is also the functional currency of the relevant group subsidiary in which the cash is held.

Foreign currency sensitivity analysis

The group's presentation currency is the US dollar, but as it operates internationally, it is exposed to a number of currencies, of which the exposure to the US dollar, euro, Indian rupee, Russian rouble and South African rand is the most significant. The group is also exposed to the British pound, Chinese yuan renminbi, Polish zloty and Brazil real, albeit to a lesser extent. For purposes of the below analysis, financial instruments are only considered sensitive to foreign exchange rates when they are not denominated in the functional currency of the group entity holding the relevant financial instrument.

The sensitivity analysis details the group's sensitivity to a 10% decrease (2019: 10% decrease) in the South African rand, Indian rupee and Russian rouble against the US dollar, as well as a 10% increase of the US dollar against the euro (2019: 10% increase of the US dollar against the euro). These movements would result in a US$67.9m decrease in net profit after tax for the year (2019: US$52.2m decrease). Total equity would increase by US$59.7m (2019: US$89.0m decrease).

42. FINANCIAL RISK MANAGEMENT (continued)

42.1 Foreign exchange risk (continued)

Foreign currency sensitivity analysis

This analysis includes only outstanding foreign currency denominated monetary assets and liabilities (i.e. those monetary assets and liabilities denominated in a currency that differs from the relevant group company's functional currency) and adjusts their translation at the period-end for the above percentage changes in foreign currency rates. The sensitivity analysis includes external loans, as well as loans to foreign operations within the group, but excludes translation differences due to translating from functional currency to presentation currency. The analysis has been adjusted for the effect of hedge accounting.

Foreign exchange rates

The exchange rates used by the group to translate foreign entities' income statements, statements of comprehensive income and statements of financial position are as follows:

	31 March 2020		31 March 2019	
	Average rate	**Closing rate**	Average rate	Closing rate
Currency (1FC = US$)				
South African rand (ZAR)	**0.0667**	**0.0560**	0.0723	0.0690
Euro (EUR)	**1.1103**	**1.1031**	1.1537	1.1218
Chinese yuan renminbi (CNY)	**0.1433**	**0.1412**	0.1485	0.1490
Brazilian real (BRL)	**0.2398**	**0.1921**	0.2622	0.2548
Indian rupee (INR)	**0.0141**	**0.0133**	0.0143	0.0145
Polish zloty (PLN)	**0.2569**	**0.2420**	0.2684	0.2606
Russian rouble (RUB)	**0.0152**	**0.0127**	0.0153	0.0152
British pound sterling (GBP)	**1.2702**	**1.2419**	1.3084	1.3033

The average rates listed above are only approximate average rates for the year. The group measures separately the transactions of each of its material operations, using the particular currency of the primary economic environment in which the operation conducts its business, translated at the prevailing exchange rate on the transaction date.

Uncovered liabilities

The below table details the group's unhedged liabilities that are denominated in a currency other than the functional currency of the settling entity:

	31 March 2020		31 March 2019	
	Currency amount of liabilities 'm	**US$'m**	Currency amount of liabilities 'm	US$'m
Uncovered liabilities				
British pound	**9**	**13**	1	1
South African rand	**84**	**6**	-	-
US dollar	**9**	**9**	32	32
Euro	**6**	**6**	8	9
Nigerian naira	**-**	**-**	6	-
Other	**-**	**7**	-	-

42. FINANCIAL RISK MANAGEMENT (continued)

42.1 Foreign exchange risk (continued)

Derivative financial instruments

The following table details the group's derivative financial instruments:

	31 March 2020		31 March 2019	
	Assets US$'m	Liabilities US$'m	Assets US$'m	Liabilities US$'m
Current portion				
Forward exchange contracts	-	38	4	3
	-	38	4	3
Non-current portion				
Derivatives embedded in leases	6	2	1	-
Cross-currency interest rate swap	49	-	-	33
	55	2	1	33
Total	55	40	5	36

The group’s forward exchange contracts and cross-currency interest rate swap are subject to master netting arrangements that allow for offsetting of asset and liability positions with the same counterparty in the event of default. None of the group’s forward exchange contracts and cross-currency interest rate swap agreement have been offset in the statement of financial position. At 31 March there were no contracts that could be offset under the master netting arrangement. In the prior year had forward exchange contracts been offset, the net asset presented in the statement of financial position would amount to US$1.0m.

42. FINANCIAL RISK MANAGEMENT (continued)

42.2 Credit risk

The group is exposed to credit risk relating to the following assets:

Trade receivables and accrued income balances

Trade receivables consist primarily of invoiced amounts from normal trading activities. The group has a diversified customer base across various geographical areas. Various credit checks are performed on new debtors to determine the quality of their credit history. These checks are also performed on existing debtors with long-overdue accounts. Furthermore, current debtors are monitored to ensure they do not exceed their credit limits.

The group's trade receivables arise mainly in its etail, classifieds, media and online content businesses as well as, but to a lesser extent, from its online comparison shopping and payments businesses. Average payment terms vary considerably between the group's businesses, given the diverse nature of their operations. Average payment terms, however, generally do not exceed 60 days from date of invoice.

Accrued income balances relate to unbilled revenue that has been earned and have substantially similar risk characteristics as trade receivables. Accrued income balances arise mainly in the group's etail, classifieds and payments businesses and are included within "Other receivables" in the statement of financial position.

The group applies the simplified approach mandated by IFRS 9 *Financial Instruments* when measuring impairment loss allowances related to trade receivables and accrued income balances and accordingly the group's impairment allowances on these financial assets equal, at all times, the credit losses expected to arise over the lifetime of these financial assets.

In measuring credit losses expected to arise over the lifetime of trade receivables and accrued income balances, financial assets are grouped according to their shared credit characteristics and aging profile.

The quantification of credit losses expected to arise over the lifetime of trade receivables and accrued income balances is based on (i) the group's actual observed historical loss experience/rates within each business and (ii) forward-looking information that is considered predictive of future credit losses within each business.

The historical loss experience/rates that are taken into account when determining impairment allowances is determined with reference to representative sales periods within each business (typically not shorter than 12 months) and the credit losses incurred over that period.

Forward-looking information considered in measuring lifetime expected credit losses include macroeconomic factors, with the most significant factors considered being inflation and unemployment rate increases as these are considered to most significantly affect the future ability of the group's customers to settle their accounts as they fall due for payment. All forward-looking information considered is specific to the economy that most significantly affects the underlying customer's ability to repay the relevant amount due. These significant factors further took into account the impact of the Covid-19 pandemic. Due to the group's diverse operations, the forward-looking information considered that the values assigned when calculating impairment allowances vary by business type and country in which the customer is located.

Related party loans and receivables

Related party loans and receivables consist primarily of balances with certain associates of the group. These financial assets are considered, by nature, to be trade receivables and accordingly are subject to the simplified impairment methodology in IFRS9. As the amounts owing are due by group companies, the impairment assessment takes into account the existence of collateral, letters of support by group companies and re-adjusted budgets and forecasts of group companies as a result of the Covid-19 pandemic's impact on operations. Budget forecasts consider the businesses remaining operational amidst lock-down restrictions. As at 31 March 2020, impairment allowances on related party loans and receivables were not significant.

42. FINANCIAL RISK MANAGEMENT (continued)

42.2 Credit risk *(continued)*

Other receivables

Credit risk related to other receivables arises mainly from accrued income balances, merchant and bank receivables and disposal proceeds receivable.

Accrued income

The credit risk profile and impairment methodology applied to accrued income balance that are included within "Other receivables" in the statement of financial position is outlined above.

Merchant and bank receivables

Merchant and bank receivables balances relate to transactions, primarily in the group's payments and fintech and food delivery segments, where the group facilitates the payment process between the end consumer and the provider of goods and services (i.e. the merchant).

Impairment allowances are established on merchant and bank receivables by considering the group's historical loss experience/rates as well as forward-looking information which also considered the impact of the Covid-19 pandemic. The group also considers whether the underlying counterparty is a new or recurring customer. The credit risk inherent in merchant and bank receivables is also reduced by the group's right to offset amounts receivable from counterparties against the corresponding amounts payable to banks and other merchants (refer to note 26) in the event of default. An average payment terms of 30 days generally apply to merchant and bank receivables.

As at 31 March 2020, an impairment allowance of US$6.6m (2019: US$6.5m) has been recognised with respect to merchant and bank receivables.

Disposal proceeds receivable

Disposal proceeds receivable relate to amounts held in escrow following disposals of group businesses to external parties. These amounts are generally held in escrow by the relevant purchaser as security for the group's warranty and indemnity obligations in terms of disposal agreements.

The group assesses, on a continuing basis, whether a significant increase in credit risk has taken place with respect to the relevant underlying counterparty. At 31 March 2020, impairment allowances related to disposal proceeds receivable were not significant.

Cash and cash equivalents, short-term investments and derivative assets

The group is exposed to certain concentrations of credit risk relating to its cash and cash equivalents, short-term investments and derivative assets. There are no significant concentrations of credit risk relating to these financial assets. The group places these instruments mainly with major banking groups and high-quality institutions that have high credit ratings. The group's treasury policy is designed to limit exposure to any one institution and to invest excess cash in low-risk investment accounts. As at 31 March 2020 the group held the majority of its cash and cash equivalents, short-term investments and derivative assets with local and international banks with a 'Baa1' credit rating or higher. The majority of the group's short-term investments are placed with international banks with an 'A1' credit rating (Moody's International's long-term deposit rating). The credit standings of counterparties that are used by the group are evaluated on a continuous basis.

Total impairment losses on financial assets at amortised cost

Total impairment losses (net of reversals) recorded on financial assets measured at amortised cost amounted to US$9.6m as at 31 March 2020 (2019: US$17.5m). This impairment loss takes into account the impact of the Covid-19 pandemic. The group assessed the impact on recoverability of financial assets (mainly trade receivables) due to Covid-19. Factors considered were the trading restrictions imposed (if any) and changes to consumer behaviour and spending as a result of this pandemic. As at 31 March 2020, the impact of Covid-19 on the group's impairment allowances was not significant as the lockdown measures related to Covid-19 have not significantly impacted the recoverability of our financial assets and it is expected that the businesses will maintain a sufficient share of the consumer market in the foreseeable future.

42. FINANCIAL RISK MANAGEMENT (continued)

42.3 Liquidity risk

Prudent liquidity risk management implies, among other aspects, maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. In terms of the memorandum of incorporation of the company, no limitation is placed on its borrowing capacity. The facilities expiring within one year are subject to renewal at various dates during the next year. The group had the following unutilised banking facilities as at 31 March 2020 and 2019:

	31 March	
	2020 US$'m	2019 US$'m
On call	**30**	53
Expiring within one year	**41**	25
Expiring beyond one year	**2 500**	2 510
	2 571	2 588

The following analysis details the remaining contractual maturity of the group's non-derivative liabilities and derivative financial assets and liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to settle the liability. The analysis includes both interest and principal cash flows.

	31 March 2020				
	Carrying value US$'m	**Contractual cash flows US$'m**	**0 - 12 months US$'m**	**1 - 5 years US$'m**	**5 years + US$'m**
Non-derivative financial liabilities					
Interest-bearing: Capitalised lease liabilities[(1)]	**(277)**	**(323)**	**(53)**	**(165)**	**(105)**
Interest-bearing: Loans and other liabilities	**(3 515)**	**(4 723)**	**(168)**	**(683)**	**(3 872)**
Non-interest-bearing: Loans and other liabilities	**(34)**	**(34)**	**(14)**	**(18)**	**(2)**
Other non-current liabilities	**(160)**	**(160)**	**-**	**(160)**	**-**
Trade payables	**(322)**	**(322)**	**(322)**	**-**	**-**
Accrued expenses and other current liabilities[(2)]	**(1 327)**	**(1 327)**	**(1 327)**	**-**	**-**
Related party loans and payables	**(3)**	**(3)**	**(3)**	**-**	**-**
Dividends payable	**(1)**	**(1)**	**(1)**	**-**	**-**
Bank overdrafts	**(32)**	**(32)**	**(32)**	**-**	**-**
Derivative financial assets/(liabilities)					
Forward exchange contracts - inflow	**-**	**1 105**	**1 105**	**-**	**-**
Forward exchange contracts - outflow	**(38)**	**(1 138)**	**(1 138)**	**-**	**-**
Derivatives contained in lease agreements - inflow	**6**	**6**	**-**	**6**	**-**
Derivatives contained in lease agreements - outflow	**(2)**	**(2)**	**-**	**(2)**	**-**
Cross-currency interest rate swap - inflow	**49**	**1 021**	**43**	**173**	**805**
Cross-currency interest rate swap - outflow	**-**	**(976)**	**(29)**	**(114)**	**(833)**

[(1)] The increase in capitalised lease labilities is as a result of the groups adoption of IFRS 16 - refer to note 2 for the group's adoption of new accounting pronouncements during the reporting period .

[(2)] Excludes US$84.1m of Covid-19 related donations pledged by the group and includes written put option liabilities - refer to note 24.

42. FINANCIAL RISK MANAGEMENT (continued)

42.3 Liquidity risk (continued)

	31 March 2019				
	Carrying value Restated US$'m	Contractual cash flows Restated US$'m	0 - 12 months Restated US$'m	1 - 5 years Restated US$'m	5 years + Restated US$'m
Non-derivative financial liabilities					
Interest-bearing: Capitalised finance leases[1]	(8)	(9)	(3)	(6)	-
Interest-bearing: Loans and other liabilities	(3 247)	(4 198)	(185)	(1 632)	(2 381)
Non-interest-bearing: Loans and other liabilities	(13)	(13)	(10)	(3)	-
Other non-current liabilities	(538)	(538)	-	(538)	-
Trade payables	(287)	(287)	(287)	-	-
Accrued expenses and other current liabilities	(924)	(924)	(924)	-	-
Related party payables	(6)	(6)	(6)	-	-
Dividends payable	(1)	(1)	(1)	-	-
Bank overdrafts	(8)	(8)	(8)	-	-
Derivative financial assets/(liabilities)					
Forward exchange contracts - inflow	1	204	204	-	-
Forward exchange contracts - outflow	-	(202)	(202)	-	-
Cross-currency interest rate swap - inflow	-	1 063	43	172	848
Cross-currency interest rate swap - outflow	(33)	(1 115)	(29)	(125)	(961)

[1] These relate to lease arrangements previously classified as finance leases in terms of IAS 17.

42.4 Interest rate risk

As part of the process of managing the group's fixed and floating borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Where appropriate, the group uses derivative financial instruments, such as interest rate swap agreements, purely for hedging purposes. The fair value of these instruments will not change significantly as a result of changes in interest rates due to their short-term nature and floating interest rates.

Refer to note 23 for the interest rate profiles and repayment terms of long-term liabilities as at 31 March 2020 and 2019.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the statement of financial position date (after taking into account the effect of hedge accounting) and the stipulated change taking place at the beginning of the next financial year and held constant throughout the reporting period in the case of instruments that have floating rates. The group is mainly exposed to interest rate fluctuations of the South African, American, European and London repo rates. Management's best estimate of the possible change in these interest rates is an increase of 100 basis points (2019: 100 basis points).

If interest rates changed as stipulated above and all other variables were held constant, specifically foreign exchange rates, the group's net profit after tax and total equity for the year ended 31 March 2020 would increase by US$69.9m as at 31 March 2020 (2019: increase by US$77.5m).

Price risk sensitivity analysis

The group has an investment in Trip.com Group Limited (Trip.com) measured at fair value through other comprehensive income. The group's sensitivity to a 10% decrease in the share price of this investment will result in a US$70.4m decrease in other comprehensive income (2019: nil).

43. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	31 March 2020			
	Carrying value US$'m	Net gains/ (losses) recog-nised in profit or loss US$'m	Total interest income US$'m	Impair-ment US$'m
Assets				
Investments and loans	818	-	-	-
Financial assets at fair value through profit or loss[1]	13	-	-	-
Financial assets at fair value through other comprehensive income[2]	804	-	-	-
Other loans and receivables[3]	1	-	-	-
Receivables and loans[3]	483	20	32	16
Trade receivables	139	3	1	9
Other receivables	237	(1)	31	7
Foreign currency intergroup receivables	-	18	-	-
Related party receivables	107	-	-	-
Derivative financial instruments[1]	55	75	-	-
Forward exchange contracts	-	-	-	-
Cross-currency interest rate swap	49	69	-	-
Derivatives embedded in leases	6	6	-	-
Short-term investments[3]	4 060	7	38	-
Cash and cash equivalents[3]	4 303	126	175	-
Total	9 719	228	245	16

(1) Measured at fair value through profit or loss.
(2) During the period a loss of US$291.8m (2019: a gain of US$10.8m) was recognised in other comprehensive income with respect to the group's financial assets at fair value through other comprehensive income.
(3) Measured at amortised cost.

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2020		
	Carrying value US$'m	Net gains/ (losses) recognised in profit or loss US$'m	Total interest expense US$'m
Liabilities			
Long-term liabilities[1]	3 919	-	211
Interest-bearing: Capitalised lease liabilities	231	-	11
Interest-bearing: Loans and other liabilities	3 508	-	200
Non-interest-bearing: Loans and other liabilities	20	-	-
Other non-current liabilities	160	-	-
Short-term payables and loans[1]	1 720	50	11
Interest-bearing: Capitalised lease liabilities	46	(1)	3
Interest-bearing: Loans and other liabilities	7	(1)	2
Non-interest-bearing: Loans and other liabilities	14	-	-
Trade payables	322	(13)	-
Accrued expenses and other current liabilities[2]	1 327	85	6
Related party payables	3	-	-
Foreign currency intergroup payables	-	(20)	-
Dividends payable	1	-	-
Derivative financial instruments[3]	40	(149)	-
Forward exchange contracts	38	(147)	-
Derivatives embedded in leases	2	(2)	-
Bank overdrafts	32	-	7
Total	**5 711**	**(99)**	**229**

(1) Measured at amortised cost.
(2) Includes written put option liabilities (Refer to note 24)
(3) Measured at fair value through profit or loss

The carrying values of all financial instruments, apart from those disclosed below are considered to be a reasonable approximation of their fair values.

The fair values of the following instruments that are not measured at fair value have been disclosed as their carrying values are not a reasonable approximation of fair value:

Financial liabilities	Carrying value US$'m	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
31 March 2020					
Publicly traded bonds	**3 450**	**3 183**	**-**	**3 183**	**-**
31 March 2019					
Publicly traded bonds	3 200	3 350	-	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.

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2019			
	Carrying value US$'m	Net gains/ (losses) recognised in profit or loss[1] US$'m	Total interest income[1] US$'m	Impairment[1] US$'m
Assets				
Investments and loans	125	(27)	-	-
Investments in preference shares and convertible notes of associates[1]	-	(27)	-	-
Financial assets at fair value through other comprehensive income [2]	122	-	-	-
Other loans and receivables	3	-	-	-
Receivables and loans[1]	456	(16)	-	18
Trade receivables	172	(3)	-	11
Other receivables	281	(1)	-	7
Foreign currency intergroup receivables	-	(12)	-	-
Related party receivables	3	-	-	-
Derivative financial instruments[3]	5	17	-	-
Forward exchange contracts	4	17	-	-
Derivatives embedded in leases	1	-	-	-
Short-term investments[1]	7 298	-	72	-
Cash and cash equivalents[1]	2 284	17	211	-
Total	10 168	(9)	283	18

[1] *Measured at amortised cost.*

[2] *Measured at fair value through other comprehensive income. During the year a gain of US$10.8m was recognised in other comprehensive income with respect to the group's financial assets at fair value through other comprehensive income. The carrying value disclosed includes financial assets at fair value through other comprehensive income that are classified as held for sale.*

[3] *Measured at fair value through profit or loss.*

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2019		
	Carrying value US$'m	Net gains/ (losses) recognised in profit or loss[2] US$'m	Total interest expense[2] US$'m
Liabilities			
Long-term liabilities[1]	3 783	113	189
Interest-bearing: Capitalised finance leases[3]	5	-	-
Interest-bearing: Loans and other liabilities	3 237	-	189
Non-interest-bearing: Loans and other liabilities	3	-	-
Other non-current liabilities	538	113	-
Short-term payables and loans[1]	1 241	(24)	2
Interest-bearing: Capitalised finance leases[3]	3	-	-
Interest-bearing: Loans and other liabilities	10	(1)	1
Non-interest-bearing: Loans and other liabilities	10	3	-
Trade payables	287	(2)	-
Accrued expenses and other current liabilities	924	(27)	1
Related party payables	6	-	-
Foreign currency intergroup payables	-	3	-
Dividends payable	1	-	-
Derivative financial instruments[2]	36	15	-
Forward exchange contracts	3	2	-
Cross-currency interest rate swap	33	13	-
Bank overdrafts[1]	8	-	11
Total	5 068	104	202

[1] Measured at amortised cost.

[2] Measured at fair value through profit or loss.

[3] Relates to previously classified finance leases in terms of IAS 17.

The group categorises fair-value measurements into levels 1 to 3 of the fair value hierarchy based on the degree to which the inputs used in measuring fair value are observable:

– Level 1 fair-value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2 fair-value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in active markets (for example, derivatives such as interest rate swaps, forward exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in level 2.

– Level 3 fair-value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Valuation techniques and key inputs used to measure significant level 2 and level 3 fair values

Level 2 fair-value measurements

- *Forward exchange contracts* – in measuring the fair value of forward exchange contracts, the group makes use of market observable quotes of forward foreign exchange rates on instruments that have a maturity similar to the maturity profile of the group's forward exchange contracts. Key inputs used in measuring the fair value of forward exchange contracts include current spot exchange rates, market forward exchange rates and the term of the group's forward exchange contracts.

- *Cross-currency Interest rate swap* – the fair value of the group's cross-currency interest rate swap is determined through the use of discounted cash flow techniques using only market observable information. Key inputs used in measuring the fair value of cross-currency interest rate swaps include: spot market interest rates, contractually fixed interest rates, counterparty credit spreads, notional amounts on which interest rate swaps are based, payment intervals, risk-free interest rates as well as the duration of the relevant interest rate swap arrangement.

Level 3 fair-value measurements

- *Shareholders' liabilities* – relate predominantly to derivative financial instruments contained in shareholders' agreements to which the group is a party. Where relevant, such derivative financial instruments are valued using option pricing models as well as discounted cash flow analyses. Significant inputs vary between agreements but include the current fair value of the underlying share over which the instrument is written, the strike price of the option, risk-free interest rates, calculated volatilities and the period to exercise.

- *Earn-out obligations* – relate to amounts that are payable to the former owners of businesses now controlled by the group provided that contractually stipulated post-combination performance criteria are met. These are remeasured to fair value at the end of each reporting period. Key inputs used in measuring fair value include current forecasts of the extent to which management believe performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments.

Instruments not measured at fair value for which fair value is disclosed

- *Level 2* – the fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments at the reporting date. As the instruments are not actively traded, this is a level 2 disclosure.

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

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The fair values of the group's financial instruments that are measured at fair value at each reporting period are categorised as follows:

	31 March 2020			
	Fair value US$'m	**Level 1 US$'m**	**Level 2 US$'m**	**Level 3 US$'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**	**-**
Total	**872**	**711**	**52**	**109**
Liabilities				
Forward exchange contracts	**38**	**-**	**38**	**-**
Derivatives embedded in leases	**2**	**-**	**-**	**2**
Earn-out obligations	**22**	**-**	**-**	**22**
Total	**62**	**-**	**38**	**24**

	31 March 2019			
	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
Assets				
Financial assets at fair value through other comprehensive income	122	73	3	46
Forward exchange contracts	4	-	4	-
Derivatives embedded in leases	1	-	-	1
Total	127	73	7	47
Liabilities				
Forward exchange contracts	3	-	3	-
Earn-out obligations	7	-	-	7
Cross-currency interest rate swaps	33	-	33	-
Total	43	-	36	7

43. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table shows a reconciliation of the group's level 3 financial instruments:

	31 March 2020			
	Earn-out obli-gations US$'m	**Financial assets at FVOCI[1] US$'m**	**Derivatives embedded in leases US$'m**	**Financial assets at FVPL[2] US$'m**
Balance at 1 April 2019	**7**	**46**	**1**	**-**
Additions	**20**	**79**	**3**	**13**
Total losses recognised in other comprehensive income	**-**	**(14)**	**-**	**-**
Settlements/disposals	**(5)**	**(21)**	**-**	**-**
Foreign currency translation effects	**-**	**-**	**-**	**-**
Total	**22**	**90**	**4**	**13**

	31 March 2019			
	Earn-out obli-gations US$'m	Financial assets at FVOCI[1] US$'m	Derivatives embedded in leases US$'m	Currency devaluation features US$'m
Balance at 1 April 2018	58	37	1	2
Additions	-	9	-	-
Total losses recognised in the income statement	(3)	-	-	-
Total losses recognised in other comprehensive income	-	11	-	2
Settlements/disposals	(40)	(2)	-	-
Transfer to held for sale	-	(9)	-	(3)
Foreign currency translation effects	(8)	-	-	(1)
Total	7	46	1	-

[1] *Financial assets at fair value through other comprehensive income*

[2] *Financial assets at fair value through profit or loss*

There were no transfers between level 1 and level 2 during any period presented.

44. EQUITY COMPENSATION BENEFITS

The group had various equity compensation plans in operation during the financial year, the majority of which are classified as equity settled. In terms of these plans, employees are offered awards in the form of either share options, performance stock units (PSUs), restricted stock units (RSUs) or share appreciation rights (SARs).

All awards are granted subject to the completion of a requisite service (vesting) period by employees, ranging from one year to five years. Unvested awards are subject to forfeiture on termination of employment. Vesting takes place in tranches depending on the duration of the total vesting period.

In respect of the share options and SARs on exercise date, following completion of the vesting period, awards are settled with employees in the equity instruments of Naspers Limited or its subsidiaries for equity-settled plans and in cash or other assets for cash-settled plans, where applicable. In respect of RSUs, awards are automatically settled in Naspers Limited equity instruments on the vesting date.

The group share trusts hold Naspers shares (as shareholders) to settle awards held by employees of the Naspers and Prosus group. These share trusts were founded by Naspers to administer the Naspers group share schemes for all employees. On listing of Prosus, these trusts received Prosus shares via the capitalisation issue of Naspers M ordinary shares that converted into Prosus N ordinary shares on listing date. These Prosus shares are linked to the respective Naspers shares and accordingly on settlement of the awards employees will receive the Naspers shares as stipulated on grant date and the linked Prosus shares. There was no adjustment to the original strike price. With the exception of these share schemes with linked Prosus shares on settlement, there are no share options, RSUs, PSUs or SARS that are settled solely in Prosus shares.

All share options are granted with an exercise price of not less than 100% of the market value or fair value of the respective company's shares on the date of the grant. RSUs are granted with an exercise price of zero. All SARs are granted with an exercise price of not less than 100% of the fair value of the SARs on the date of the grant. All cancelled options/RSUs/SARs are cancelled by mutual agreement between the employer and employee.

Although the group has various equity compensation plans in operation, disclosure is provided only for those plans that had the most significant impact on the group’s income statement during the current year.

44. EQUITY COMPENSATION BENEFITS (continued)

The following share option and RSU plans were in operation during the financial year:

Share option plan/RSU plan	Maximum awards permissible[1]	Vesting period[2]	Period to expiry from date of offer	IFRS 2 classification
Group				
Naspers Share Incentive Trust (Naspers)	Note 3	a[3]	10 years	Equity-settled
MIH Holdings Share Trust (MIH Holdings)	Note 3	a[3]	10 years	Equity-settled
MIH Services FZ LLC Share Trust (MIH Services)	Note 3	a[3]	10 years	Equity-settled
Naspers Restricted Stock Plan Trust (Naspers RSU)[4]	Note 4	a	Note 5	Equity-settled
Social and internet platforms				
MIH Russia Internet B.V. Share Trust	10%	c	10 years	Equity-settled
Ecommerce				
OLX B.V. Share Trust	15%	b	7 years and 3 months	Equity-settled
Letgo Global B.V. 2016 Stock Option Plan	5%	a	10 years	Equity-settled
Frontier Car Group (FCG) Share Trust Option Scheme	15%	e	10 years	Equity-settled
iFood.com Share Option Scheme	10%	c	10 years	Equity-settled
Movile Internet Movel S.A. 2013 Share Trust	10%	a[6]	10 years	Equity-settled
Dante International S.A. (eMAG) Share Option Scheme	12.5%	a[6]	10 years	Equity-settled
MMC PlayKids Holding B.V. Share Option Scheme	15%	a[6]	10 years	Equity-settled
Red Dot Payment Pte Ltd Options Scheme	20%	a	10 years	Equity-settled

The group provides detailed disclosure for those share option and RSU plans that are considered significant to the consolidated annual financial statements.

Notes in relation to the group's share option and RSU plans:

(1) The percentage reflected in this column is the maximum percentage of the respective companies' issued share capital that is available for the plan.

(2) Vesting period:
- a One quarter vests after years one, two, three and four.
- b One third vests after years three, four and five.
- c One fifth vests after years one, two, three, four and five.
- d One third vests after years one, two and three.
- e One quarter vests after year one and monthly thereafter over 3 years.

(3) At the Naspers annual general meeting held on 25 August 2017 a resolution was adopted by shareholders whereby the vesting period for options granted after 25 August 2017 would be one quarter vesting after years one, two, three and four. Options granted before 25 August 2017 vest over three, four and five years respectively. In addition, shareholders approved that up to 40 588 541 Naspers N ordinary shares may be issued for the group's share-based incentive schemes at the Naspers annual general meeting in August 2011. During the financial year ended 31 March 2020, no new N ordinary shares had been so issued.

(4) The Naspers Restricted Stock Plan Trust may issue no more than 200 000 awards in aggregate during any one financial year. The number of PSUs that may be offered is at the discretion of the board.

(5) Awards are automatically settled with participants on the vesting date.

(6) For these schemes all offers made from 1 April 2018 vest over one, two, three and four years. All offers preceding this date vest over one, two, three, four and five years.

44. EQUITY COMPENSATION BENEFITS (continued)

The following share appreciation rights plans were in operation during the financial year:

Share appreciation rights plans	Maximum awards permissible[(1)]	Vesting period[(2)]	Period to expiry from date of offer	IFRS 2 classification
Media				
Media24 SAR Scheme	10%	a	5 years and 14 days	Equity-settled
Social and internet platforms				
MIH China/MIH TC 2008 SAR Scheme	10%	a[(3)]	5 years and 14 days	Equity-settled
Ecommerce				
MIH Internet SEA Private Limited SAR Scheme	15%	a[(3)]	10 years	Equity-settled
MIH Food Holdings B.V. SAR Scheme	7.5%	b	10 years	Equity-settled
MIH India Food Holdings B.V. SAR Scheme	10%	b	10 years	Equity-settled
MIH Ventures B.V. SAR Scheme	10%	b	10 years	Equity-settled
Avito AB SAR Scheme (Avito)	15%	b	10 years	Equity-settled
CEE Classifieds SAR Scheme	10%	c	10 years	Equity-settled
FixeAds B.V. SAR Scheme	10%	c	10 years	Equity-settled
Tokobagus Exploitatie B.V. SAR Scheme	15%	c	10 years	Equity-settled
Dubizzle Limited SAR Scheme	15%	c	10 years	Equity-settled
Naspers Fintech B.V. SAR Scheme (Naspers Fintech)	15%	a[(3)]	10 years	Equity-settled
Naspers Global Classifieds SAR Scheme (Naspers Global Classifieds)	Note 4	a[(3)]	10 years	Equity-settled
Naspers Global Ecommerce SAR Scheme (Naspers Global Ecommerce)	Note 4	a[(3)]	10 years	Equity-settled
Naspers Global Online Services SAR Scheme	Note 4	c	10 years	Equity-settled
Naspers Ventures B.V. SAR Scheme	10%	d	10 years	Equity-settled
Red Dot Payment Pte Ltd SAR Scheme	20%	b	10 years	Equity-settled
SimilarWeb Limited SAR Scheme	5%	c	10 years	Equity-settled
Property24 SAR Scheme	15%	a[(3]	10 years	Equity-settled
Takealot Online Proprietary Limited SAR Scheme	15%	b	10 years	Equity-settled
Dante International S.A. SAR Scheme	12.5%	b	10 years	Equity-settled

The group provides detailed disclosure for those share appreciation rights plans that are considered significant to the financial statements.

Notes in relation to the group's share appreciation rights plans:

(1) The percentage reflected in this column is the maximum percentage of the respective companies issued/notional share capital that is available for the plan.

(2) Vesting period:
- a One third vests after years three, four and five.
- b One quarter vests after years one, two, three and four.
- c One fifth vests after years one, two, three, four and five.
- d One quarter vests after years two, three, four and five.

(3) For these schemes all offers made from 1 April 2018 vest over one, two, three and four years. All offers preceding this date vest over one, two, three, four and five years.

(4) Collectively, the Naspers Global Classifieds, Naspers Global Ecommerce and Naspers Global Online Services SAR schemes may generally issue no more than 5% of the then total notional shares of all the underlying assets as recorded in the most recent pro forma capitalisation tables.

44. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share option and RSU plans are as follows:

	31 March 2020			
	Naspers	**Naspers RSU**	**MIH Holdings**	**MIH Services**
Shares				
Outstanding at 1 April	**216 694**	**100 520**	**365 684**	**2 276 571**
Granted	**-**	**121 761**	**69 349**	**146 541**
Exercised	**(85 704)**	**(67 192)**	**(148 459)**	**(385 250)**
Forfeited	**(8 106)**	**(35 714)**	**(1 088)**	**(15 242)**
Expired	**-**	**-**	**-**	**-**
Cancelled	**-**	**-**	**(3 473)**	**(3 136)**
Outstanding at 31 March	**122 884**	**119 375**	**282 013**	**2 019 484**
Available to be implemented at 31 March	**108 329**	**-**	**216 377**	**1 373 192**
Weighted average exercise price	**(SA rand)**	**(SA rand)**	**(SA rand)**	**(SA rand)**
Outstanding at 1 April	**1 505.43**	**-**	**1 616.39**	**1 492.14**
Granted	**-**	**-**	**3 217.92**	**3 330.59**
Excercised	**876.84**	**-**	**1 728.12**	**698.73**
Forfeited	**2 749.35**	**-**	**3 291.45**	**2 760.69**
Expired	**-**	**-**	**-**	**-**
Cancelled	**-**	**-**	**3 409.97**	**2 909.37**
Outstanding at 31 March	**1 861.78**	**-**	**1 922.85**	**1 765.13**
Available to be implemented at 31 March	**1 031.27**	**-**	**828.19**	**1 283.36**
Weighted average share price of options taken up during the year				
Shares	**85 704**	**67 192**	**148 459**	**385 250**
Weighted average share price	**3 286.15**	**2 986.27**	**3 396.85**	**2 813.40**
	31 March 2019			
Shares				
Outstanding at 1 April	204 848	108 407	500 499	2 185 008
Granted	33 808	82 721	71 234	326 880
Exercised	(16 133)	(43 693)	(152 169)	(200 183)
Forfeited	(5 829)	(46 915)	(53 853)	(35 134)
Expired	-	-	(27)	-
Outstanding at 31 March	216 694	100 520	365 684	2 276 571
Available to be implemented at	125 745	-	270 439	1 498 368
Weighted average exercise price	(SA rand)	(SA rand)	(SA rand)	(SA rand)
Outstanding at 1 April	1 292.92	-	1 480.18	1 332.29
Granted	3 132.04	-	3 089.45	3 082.67
Exercised	931.45	-	1 720.33	1 242.04
Forfeited	3 150.01	-	1 361.46	2 619.97
Expired	-	-	174.79	-
Outstanding at 31 March	1 505.43	-	1 616.39	1 492.14
Available to be implemented at	846.91	-	1 354.67	948.08
Weighted average share price of options taken up during the year				
Shares	16 133	43 693	152 169	200 183
Weighted average share price	2 587.02	3 094.60	3 182.62	3 099.02

44. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2020			
	Avito	Naspers Global Classifieds	Naspers Global Ecommerce	Naspers Fintech
SARs				
Outstanding at 1 April	676 269	20 085 382	12 579 747	1 270 943
Granted	618 150	10 287 847	1 494 974	472 381
Exercised	(66 204)	(5 950 584)	(4 341 498)	(345 655)
Forfeited	(158 777)	(2 271 649)	(49 890)	(176 186)
Cancelled	-	-	-	(14 029)
Outstanding at 31 March	1 069 438	22 150 996	9 683 333	1 207 454
Available to be implemented at 31 March	183 001	4 150 750	5 934 221	324 649
Weighted average exercise price	(US$)	(US$)	(US$)	(US$)
Outstanding at 1 April	75.58	6.87	19.21	53.34
Granted	90.63	9.62	36.75	95.18
Exercised	70.23	5.97	16.74	44.25
Forfeited	83.00	8.22	26.12	58.30
Outstanding at 31 March	83.51	8.25	22.99	71.10
Available to be implemented at 31 March	73.78	6.20	17.54	50.97
Weighted average share price of options taken up during the year				
Shares	66 204	5 950 584	4 341 498	345 655
Weighted average share price	90.63	9.62	38.40	95.05

44. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2019			
	Avito	Naspers Global Classifieds	Naspers Global Ecommerce	Naspers Fintech
SARs				
Outstanding at 1 April	500 883	17 157 432	11 881 092	1 292 869
Granted	326 407	7 486 846	1 365 536	350 713
Exercised	(37 789)	(2 701 047)	(398 763)	(230 250)
Forfeited	(113 232)	(1857 849)	(268 118)	(142 389)
Outstanding at 31 March	676 269	20 085 382	12 579 747	1 270 943
Available to be implemented at 31 March	93 874	5 534 311	7 649 628	360 394
Weighted average exercise price	(US$)	(US$)	(US$)	(US$)
Outstanding at 1 April	69.13	5.99	17.73	44.69
Granted	82.03	8.50	33.43	75.16
Exercised	61.62	5.44	18.66	42.11
Forfeited	70.30	7.39	26.67	46.74
Outstanding at 31 March	75.58	6.87	19.21	53.34
Available to be implemented at 31 March	69.11	5.37	16.40	43.00
Weighted average share price of options taken up during the year				
Shares	37 789	2 701 047	398 763	230 250
Weighted average share price	82.03	8.50	32.38	75.16

44. EQUITY COMPENSATION BENEFITS (continued)

Share option allocations outstanding and currently available to be implemented at 31 March 2020 by exercise price for the group's significant share incentive plans:

	Share options outstanding			Share options currently available	
Exercise prices	Number outstanding at 31 March 2020	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2020	Weighted average exercise price
Naspers (SA rand)					
241.86 to 347.87	**6 223**	1.47	294.14	35 440	51.65
376.56 to 767.87	**11 784**	2.63	545.77	11 784	545.77
780.66 to 1272.64	**9 647**	3.69	938.66	9 647	938.66
1371.85 to 1477.86	**26 585**	4.61	1 377.13	26 585	1 377.13
1594.50 to 1700.51	**9 502**	5.48	1 640.47	6 215	1 639.45
1740.83 to 1962.86	**9 245**	5.72	1 781.67	4 984	1 766.05
2323.50 to 2839.86	**20 663**	6.72	2 526.23	6 312	2 566.54
2945.87 to 3100.99	**21 806**	8.08	3 062.05	6 301	3 046.22
3207.00 to 3207.00	**7 429**	8.24	3 207.00	1 061	3 207.00
	122 884			108 329	
MIH Holdings (SA rand)					
0 to 197.88	**1 833**	0.44	197.88	60 200	6.03
241.88 to 271.30	**9 182**	0.81	266.27	9 182	266.27
328.71 to 376.58	**21 668**	2.28	335.63	21 668	335.63
440.88 to 482.59	**2 108**	2.65	444.44	2 108	444.44
661.88 to 1 046.88	**59 463**	3.65	861.68	59 463	861.68
1 272.66 to 1 634.84	**47 610**	4.80	1402.07	40 589	1 362.68
1 700.53 to 2 037.86	**3 458**	5.62	1778.99	1 897	1 758.68
2 068.89 to 2 380.94	**25 271**	7.50	2314.02	4 681	2 323.09
2 429.53 to 2 839.88	**40 041**	8.00	2741.39	13 079	2 799.58
2 888.51 to 3 179.88	**12 120**	8.16	3070.89	3 004	3 058.13
3 207.00 to 3 420.55	**59 259**	9.22	3402.78	506	3 207.00
	282 013			216 377	
MIH Services (SA rand)					
197.88 to 241.88	**14 544**	0.89	217.14	14 544	217.14
256.23 to 303.89	**14 084**	1.09	278.79	14 084	278.79
328.71 to 376.58	**45 025**	2.39	364.76	45 025	364.76
440.88 to 780.68	**94 881**	2.75	554.00	94 881	554.00
864.76 to 1 196.88	**862 486**	3.99	1 046.78	862 486	1 046.78
1 196.88 to 1 371.87	**53 881**	4.45	1 284.94	53 881	1 284.94
1 378.67 to 1 594.52	**15 511**	5.19	1 565.57	11 834	1 556.57
1 634.84 to 1 740.85	**52 156**	5.47	1 652.91	30 693	1 654.78
1 741.27 to 1 992.88	**42 505**	6.28	1 856.54	18 942	1 852.55
2 056.88 to 2 438.37	**440 239**	7.06	2 473.00	166 526	2 530.47
2 945.89 to 3 380.00	**356 198**	8.55	3 199.95	58 334	3 106.22
3 494.00 to 3 809.00	**27 974**	9.07	3 524.05	1 962	3 707.96
	2 019 484			1 373 192	

44. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights allocations outstanding and currently available to be implemented at 31 March 2020 by exercise price for the group's significant share incentive plans:

	SARs outstanding			SARs currently available	
Exercise prices	**Number outstanding at 31 March 2020**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price**	**Exercisable at 31 March 2020**	**Weighted average exercise price**
Avito (US$)					
54.86 to 90.63	**1 069 438**	8.65	83.51	**183 001**	73.78
Naspers Global Classifieds (US$)					
3.54 to 6.15	**4 336 093**	5.73	21.37	**2 427 052**	4.87
7.64 to 8.50	**8 059 022**	7.96	61.69	**1 723 698**	8.08
9.62	**9 755 881**	9.34	87.76	**-**	-
	22 150 996			**4 150 750**	
Naspers Global Ecommerce (US$)					
15.58 to 20.45	**5 661 617**	4.72	16.25	**5 211 002**	15.95
23.61 to 31.42	**1 464 865**	7.44	27.40	**524 831**	27.26
31.84 to 33.78	**1 067 619**	8.25	33.56	**198 388**	33.56
36.31 to 39.01	**1 489 232**	9.28	36.75	**-**	-
	9 683 333			**5 934 221**	
Naspers Fintech (US$)					
39.10 to 43.51	**312 834**	5.84	11.92	**197 684**	40.75
58.44 to 95.18	**894 620**	8.63	68.35	**126 965**	66.89
	1 207 454			**324 649**	

44. EQUITY COMPENSATION BENEFITS (continued)

Share option and RSU plan grants made during the year relating to the group's significant plans:

	31 March 2020			
	Naspers (SA rand)	**Naspers RSU (SA rand)**	**MIH Holdings (SA rand)**	**MIH Services (SA rand)**
Weighted average fair value at measurement date	**-**	**3 251.25**	**1 177.73**	**1 148.79**
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average share price	**-**	**3 252**	**3 217**	**3 329**
Weighted average exercise price	**-**	**-**	**3 217**	**3 329**
Weighted average expected volatility (%)*	**-**	**-**	**32.9%**	**32.9%**
Weighted average option life (years)	**-**	**2.50**	**10.00**	**10.00**
Weighted average dividend yield (%)	**-**	**-**	**0.2%**	**0.2%**
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	**-**	**-**	**8.1%**	**8.0%**
Weighted average annual suboptimal rate (%)	**-**	**-**	**223.0%**	**340.0%**
Weighted average vesting period (years)	**-**	**2.5**	**2.5**	**2.5**

* *The weighted average expected volatility of all share options listed above is determined using historical daily share prices.*

Various early exercise expectations were calculated based on historical exercise behaviours.

44. EQUITY COMPENSATION BENEFITS (continued)

Share option and RSU plan grants made during the year relating to the group's significant plans:

	31 March 2019			
	Naspers (SA rand)	Naspers RSU (SA rand)	MIH Holdings (SA rand)	MIH Services (SA rand)
Weighted average fair value at measurement date	1 128.97	3 140.09	1 122.86	1 111.81
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average share price	3 160	-	3 078	3 113
Weighted average exercise price	3 160	-	3 078	3 113
Weighted average expected volatility (%)*	34.0%	-	35.8%	34.0%
Weighted average option life (years)	10.0	2.5	10.0	10.0
Weighted average dividend yield (%)	0.2%	0.2%	0.2%	0.2%
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	8.4%	-	8.4%	8.4%
Weighted average annual suboptimal rate (%)	340.0%	-	340.0%	340.0%
Weighted average vesting period (years)	2.5	2.5	2.5	2.5

* *The weighted average expected volatility of all share options listed above is determined using historical daily share prices.*

Various early exercise expectations were calculated based on historical exercise behaviours.

44. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights plan grants made during the year relating to the group's significant plans:

	Avito (US$)	Naspers Global Classifieds (US$)	Naspers Global Ecommerce (US$)	Naspers Fintech (US$)
31 March 2020				
Weighted average fair value at measurement date	**24.19**	**2.56**	**13.93**	**36.70**
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average share price	**90.63**	**9.62**	**36.75**	**95.18**
Weighted average exercise price	**90.63**	**9.62**	**36.75**	**95.18**
Weighted average expected volatility (%)*	**24.9%**	**24.7%**	**37.9%**	**38.9%**
Weighted average option life (years)	**10.0**	**10.0**	**10.0**	**10.0**
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	**1.9%**	**1.9%**	**2.0%**	**1.9%**
Weighted average annual suboptimal rate (%)	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Weighted average vesting period (years)	**2.5**	**2.5**	**2.5**	**2.5**
Share price at measurement date	**90.63**	**9.62**	**36.75**	**95.18**
31 March 2019				
Weighted average fair value at measurement date	26.61	2.72	13.07	27.81
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average SAR price	82.03	8.50	33.63	75.16
Weighted average exercise price	82.03	8.50	33.63	75.16
Weighted average expected volatility (%)*	29.9%	29.2%	38.0%	35.3%
Weighted average option life (years)	10.0	10.0	10.0	10.0
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	2.8%	2.8%	2.9%	2.9%
Weighted average annual suboptimal rate (%)	100.0%	100.0%	100.0%	100.0%
Weighted average vesting period (years)	2.5	2.5	2.5	2.5
Share price at measurement date	82.0	8.5	33.6	75.2

* *The weighted average expected volatility of all share options listed above is determined using historical daily share price.*

Various early exercise expectations were calculated based on historical exercise behaviours.

44. EQUITY COMPENSATION BENEFITS (continued)

Liabilities arising from share-based payment transactions

The following liabilities have been recognised in the statement of financial position relating to the group's cash-settled share-based payment obligations:

	31 March 2020 US$'m	31 March 2019 US$'m
Share-based payment liability		
Total carrying amount of cash-settled share-based payment liability	**58**	16
Current portion of share-based payment liability	**(18)**	(16)
Non-current portion of share-based payment liability	**40**	-

Reconciliation of the cash-settled share based payment liability

	31 March 2020 US$'m	31 March 2019 US$'m
Opening carrying amount of cash settled liability	**16**	40
Charge as per the income statement	**3**	7
Additions	**41**	-
Settlement	**(2)**	(31)
Closing carrying amount of cash-settled share based payment liability	**58**	16

As at 31 March 2020 100% of the share-based payment liability relates to vested share-based compensation plans that have not been exercised. Included in the share-based payment liability and the current year cash-settled share-based payment expense is an amount of US$34.9m that arose upon acquisition of FCG, Extreme Digital, PaySense, and Iyzico (Refer to note 3 for further details). The share-based payment liability is recognised as a result of the written put option included in the acquisition agreement that is linked to a committed employment period of Founders of the respective subsidiaries. The value on settlement of the put options will be dependent on the completion of the respective employment period and accordingly impacts the non-controlling interest recognised for these subsidiaries.

45. SUBSEQUENT EVENTS

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. The OLX group will therefore contribute its US letgo business plus cash of US$100m. The OLX group will own 40% of the newly combined entity. The transaction received regulatory approval and is expected to close on 1 July 2020. The group expects to account for its interest in OfferUp as an equity accounted associate (refer to note 17).

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 BRL 355m) 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 Ltd (B.V.I.) the leading classifieds platform for users in the United Arab Emirates (UAE), 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.

The group has various equity compensation plans in operation, the majority of which are classified as equity settled. In terms of these plans, employees are offered awards in the form of either share options, restricted stock units (RSUs) or share appreciation rights (SARs). The details of these plans are set out in note 45 "Equity compensation plans".

Currently, gains on SAR plans are settled in Naspers N ordinary shares, although plan rules also allow for cash settlement. The Naspers N ordinary shares are purchased on market at the time of settlement, when the participants exercise their SAR awards. Naspers N ordinary shares required for all the various equity compensation plans are purchased on the open market in order to prevent dilution of other shareholders interests. Accordingly, based on this, these SAR plans have been classified as equity-settled share-based payment plans.

On 24 April 2020 the Naspers board approved a prospective change in the settlement mechanism for the group's SAR plans from settlement in Naspers N ordinary shares to using cash resources for settlement. Going forward, gains made 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. Further the settlement for share options and RSUs also remain unchanged and they will continue to be classified as equity-settled share-based payments expenses.

The fair value of the SAR awards on the effective date of the change, of 24 April 2020, 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 plans will be accounted for in terms of the group's accounting policy in respect of cash-settled share-based payments. At the end of each reporting period, the group remeasures the fair value of the recognised liability and at the date of settlement, with any changes in fair value recognised in the income statement.

NASPERS

Company annual financial statements

for the year ended 31 March 2020

These company annual financial statements are presented in SA rand which is the company's functional and presentation currency

Cape Town, South Africa

Company statement of financial position

for the year ended 31 March 2020

	Notes	31 March 2020 R'm	31 March 2019 R'm
ASSETS			
Non-current assets		**1 296 767**	65 110
Investments in subsidiaries	2	**1 295 686**	6 953
Loans to subsidiaries	3	**1 074**	58 144
Property, plant and equipment	4	**2**	2
Investment at fair value through other comprehensive income	5	**5**	11
Current assets		**4 247**	3 783
Other receivables	6	**8**	5
Related party receivables	7	**4 142**	3 424
Cash and cash equivalents	20	**97**	338
		4 247	3 767
Assets classified as held for sale	8	**-**	16
TOTAL ASSETS		**1 301 014**	68 893
EQUITY AND LIABILITIES			
Shareholders' equity		**1 299 434**	68 477
Share capital and premium	9	**44 414**	66 686
Other reserves		**1 300**	1 309
Retained earnings		**1 253 720**	482
Non-current liabilities		**4**	4
Post-employment medical liability	10	**3**	3
Other non-current liabilities		**1**	1
Current liabilities		**1 576**	412
Amounts owing in respect of investments acquired	11	**9**	9
Accrued expenses and other current liabilities	12	**1 519**	361
Related party payables	7	**25**	23
Dividends payable		**23**	19
TOTAL EQUITY AND LIABILITIES		**1 301 014**	68 893

The accompanying notes are an integral part of these company annual financial statements.

Company statement of comprehensive income

for the year ended 31 March 2020

		31 March	
	Notes	**2020 R'm**	2019 R'm
Revenue	13	**1 260 346**	53 300
Selling, general and administration expenses	14	**(254)**	(280)
Other losses - net	15	**(2 034)**	-
Operating profit		**1 258 058**	53 020
Interest income	16	**447**	117
Interest expense	16	**-**	(63)
Other finance income/(costs) - net	16	**137**	2
Loss on acquisitions and disposals	17	**(616)**	(355)
Profit before taxation		**1 258 026**	52 721
Taxation	18	**(1 464)**	2
Profit for the year		**1 256 562**	52 723
Other comprehensive income[1]		**(2)**	-
Total comprehensive income for the year		**1 256 560**	52 723

[1] All components of other comprehensive income will not subsequently be reclassified to profit or loss.

The accompanying notes are an integral part of these company annual financial statements.

Company statement of changes in equity

for the year ended 31 March 2020

	Share capital and premium A shares R'm	Share capital and premium N shares R'm	Share-based compen-sation reserve R'm	Valuation reserve R'm	Retained earnings R'm	Total R'm
Balance at 1 April 2018	18	66 727	9	1 296	3 839	71 889
Total comprehensive income for the year	-	-	-	-	52 723	52 723
Treasury share movement	-	(59)	-	-	-	(59)
Share-based compensation reserve movement	-	-	7	-	-	7
Transfers to non-distributable reserves	-	-	(3)	-	3	-
Dividends[1]	-	-	-	-	(2 834)	(2 834)
Distribution in specie[2]	-	-	-	-	(53 249)	(53 249)
Balance at 31 March 2019	18	66 668	13	1 296	482	68 477
Balance at 1 April 2019	**18**	**66 668**	**13**	**1 296**	**482**	**68 477**
Total comprehensive income for the year	**-**	**-**	**-**	**(2)**	**1 256 562**	**1 256 560**
Profit for the year	**-**	**-**	**-**	**-**	**1 256 562**	**1 256 562**
Total other comprehensive income for the year	**-**	**-**	**-**	**(2)**	**-**	**(2)**
Treasury share movement	**-**	**134**	**-**	**-**	**-**	**134**
Share-based compensation reserve movement	**-**	**-**	**1**	**-**	**-**	**1**
Transfers to non-distributable reserves	**-**	**-**	**(8)**	**-**	**8**	**-**
Share repurchase[3]	**-**	**(22 407)**	**-**	**-**	**-**	**(22 407)**
Dividends[1]	**-**	**-**	**-**	**-**	**(3 134)**	**(3 134)**
Capitalisation issue[4]	**1**	**-**	**-**	**-**	**(198)**	**(197)**
Balance at 31 March 2020	**19**	**44 395**	**6**	**1 294**	**1 253 720**	**1 299 434**

[1] The company declared a dividend per share of 715 SA cents (2019: 650 SA cents) per listed N ordinary share and 143 SA cents (2019: 130 SA cents) per unlisted A ordinary share. The dividend was approved on 23 August 2019 (2019: 24 August 2018). A cash amount of R3.1bn (2019: R2.8bn) was paid on 16 September 2019 (2019: 17 September 2018).

[2] In the prior year, MultiChoice Group Limited was distributed to shareholders.

[3] Refer to note 9 for further details relating to the share repurchase programme.

[4] Relates to the additional shares issued pursuant to the Prosus N.V. listing during the current year.

The accompanying notes are an integral part of these company annual financial statements.

Company statement of cash flows

for the year ended 31 March 2020

	Notes	31 March 2020 R'm	2019 R'm
Cash flows from operating activities			
Cash utilised in operations	19	**(1 017)**	(290)
Interest income received		**344**	117
Interest expense paid		**-**	(63)
Dividends received		**3 177**	-
Taxation (paid)/refunded	18	**(1 464)**	12
Net cash generated from/(utilised in) operating activities		**1 040**	(224)
Cash flows from investing activities			
Short-term marketable equity instruments acquired		**-**	(74)
Cash received from other investments and loans		**17**	-
Additional investment in subsidiary(1)		**(563)**	-
Proceeds received from sale of Prosus N.V. shares(2)		**23 543**	-
Loans repaid by subsidiaries		**947**	3 433
Net cash generated from investing activities		**23 944**	3 359
Cash flows from financing activities			
Proceeds from issue of share capital (3)		**75**	14
Payments to shareholders in respect of the share repurchase programme(4)		**(22 407)**	-
Dividends paid(5)		**(3 131)**	(2 848)
Net cash utilised in financing activities		**(25 463)**	(2 834)
Net (decrease)/increase in cash and cash equivalents		**(479)**	301
Foreign exchange translation adjustments on cash and cash equivalents		**238**	5
Cash and cash equivalents at the beginning of the year		**338**	32
Cash and cash equivalents at the end of the year	20	**97**	338

(1) In September 2019 the company purchased an additional share in its subsidiary MIH Holdings for R563.4m cash, refer to note 2 for further details.

(2) Refer to note 2 for further details on the investment in Prosus N.V.

(3) Relates to shares acquired by participants from the Naspers equity compensation plan upon the vesting of their equity compensation awards. Once shares are acquired by participants they are no longer accounted for as treasury shares and result in an increase in N ordinary share capital and premium. This together with gains and losses arising from the vesting of compensation awards is reflected as a net movement in the statement of changes in equity.

(4) Refer to note 9 for further details relating to the share repurchase programme.

(5) Refer to the statement of changes in equity for further details relating to the dividends paid.

The accompanying notes are an integral part of these company annual financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The company annual financial statements are presented in accordance with, and comply with, International Financial Reporting Standards (IFRS) and interpretations of those standards as issued by the International Accounting Standards Board (IASB) and effective at the time of preparing these financial statements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act No 71 of 2008.

Accounting policies

The accounting policies of the company are the same as those of the group, where applicable (refer to note 2 of the consolidated annual financial statements), specifically as regards:

- Investments at fair value through other comprehensive income; and
- Financial assets measured at amortised cost.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less accumulated impairment losses in the company annual financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration arrangements and includes the directly attributable costs of acquiring investments. Loans receivable which are forgiven are recognised as a capital contribution to the subsidiary and are measured at cost (represented by the carrying amount of the loan) at the date of the contribution.

IFRS 9 *Financial Instruments*

Classification of loans to subsidiaries

Loans to subsidiaries, related party receivables and cash and cash equivalents are classified as financial assets at amortised cost as these items are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual cash flows represent solely payments of principal and interest on the amount outstanding. In making this assessment, the company considers the effect of terms (including conversion, prepayment and extension features) that may affect the timing and/or amounts of cash flows.

In terms of IFRS 9, an intercompany loan may only be accounted for in terms of IAS 27 if it meets the definition of an equity instrument from the perspective of the subsidiary to which the loan has been granted.

Accordingly, as all loans extended to subsidiaries of the company are accounted for as debt instruments by the relevant subsidiaries, the company has applied the recognition and measurement provisions of IFRS 9 to these loans.

Measurement of financial assets at amortised cost

The company applied the measurement provisions of IFRS 9, including those relating to impairment allowances on financial assets at amortised cost, to all financial instruments within the measurement scope of IFRS 9. The company's impairment methodology related to financial assets at amortised cost is detailed in note 3 of the company annual financial statements.

Accounting judgements and sources of estimation uncertainty

The preparation of the company financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates, assumptions and judgements affect the reported amounts of assets, liabilities and contingent assets and liabilities at the reporting date as well as the reported income and expenses for the year. Although estimates are based on management's best knowledge and judgement of current facts as at the statement of financial position date, the actual outcome may differ from these estimates.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Accounting judgements and sources of estimation uncertainty (continued)

Following the listing of the company's subsidiary, Prosus N.V. on the Euronext Amsterdam, MIH Holdings (Proprietary) Limited ("MIHH"), a wholly owned subsidiary of Naspers Limited, distributed its 73.84% interest in Prosus N.V. to Naspers Limited on 13 September 2019 as a dividend in specie.

This dividend in specie (investment in Prosus N.V.) was recognised in Naspers Limited's annual financial statements at the fair value of the Prosus N.V. investment. In calculating the fair value, the company determined that the share price of Prosus N.V. for the first 15 days of trading did not represent an orderly transaction on account of the trading volumes during this period. Consequently, the volume-weighted average share price (VWAP) determined over the following 15 days of trading was considered more representative of the fair value of Prosus N.V. in an orderly transaction. Please refer to note 2 for the details of this investment.

The portion of the distribution of Prosus N.V. from MIHH that represents a return of capital, was accounted for as a reduction of its investment in MIHH. The remainder of the distribution received from MIHH was recognised as dividend income. As a result of the dividend received from MIHH, Naspers assessed the remaining carrying amount of its investment in MIHH for impairment.

Equity compensation benefits

The significant judgements and estimates related to equity compensation benefits are the same as those of the group where applicable. Refer to note 2 of the consolidated financial statements.

Dividends distributed to shareholders

Dividends are accounted for in the period that they have been declared by the company and are directly charged to equity.

Impairment of investments

The company periodically evaluates the carrying value of assets when events and circumstances indicate that the carrying value may not be recoverable. Factors that the company considers important, which could trigger an impairment review include, but are not limited to, significant under-performance relative to expected historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for the company's overall business, significant negative industry or economic trends that are likely to prevail into the long-term and the market capitalisation of listed investments relative to its net book value. The carrying value of an asset is considered impaired when the recoverable amount of such an asset is separately identifiable and is less than its carrying value. In that event, a loss is recognised based on the amount by which the carrying value exceeds the fair value of the asset. Impairments that are recognised, are recognised in the profit or loss account. An impairment loss is directly recognised in the profit or loss account while the carrying amount of the asset concerned is concurrently reduced.

The recoverable amount is determined primarily using anticipated cash flows discounted at a rate commensurate with the risk involved or the last traded price for listed investments. The revenue growth rates and profit margins (EBITDA margins) used to estimate future performance are based on past performance and our expectations for growth rates and profit margins achievable in the markets and businesses the companies are active in. In addition to the forecasts used in the impairment assessments, sensitivity analyses have been prepared.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Accounting judgements and sources of estimation uncertainty (continued)

Impairment of investments (continued)

Assets to be disposed of are recorded at the lower of their cost and fair value, reduced by the estimated costs to dispose of the asset. The realisable value is determined based on the active market, whereby the prevailing bid price is taken as market price. The costs deducted in determining net realisable value are based on the estimated costs that are directly attributable to the sale and are necessary to realise the sale.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported.

2. INVESTMENTS IN SUBSIDIARIES

The following information relates to Naspers Limited's direct interest in its significant subsidiaries:

Name of subsidiary	Functional currency	Effective percentage interest*		Direct investment in shares		Nature of business	Country of incorporation
		2020 %	2019 %	**2020 R'm**	2019 R'm		
Listed companies							
Prosus N.V.[(1)]	US$	**72.5**		**1 273 705**		Investment holding	The Netherlands
Unlisted companies							
MIH Holdings Proprietary Limited[(2)]	ZAR	**100.0**	100.0	**20 455**	5 452	Investment holding	South Africa
Media24 Holdings Proprietary Limited[(3)]	ZAR	**85.0**	85.0	**1 526**	1 501	Investment holding	South Africa
Heemstede Beleggings Proprietary Limited	ZAR	**100.0**	100.0	**-**	-	Investment holding	South Africa
Naspers Properties Proprietary Limited	ZAR	**100.0**	100.0	**-**	-	Property holding	South Africa
				1 295 686	6 953		

* *The percentage interest shown is the effective financial interest, after disregarding the interest of any equity compensation plans treated as treasury shares.*

[(1)] *In September 2019 the company received the Prosus N.V. investment through a distribution by its subsidiary MIH Holdings Proprietary Limited. This investment was initially recognised at a fair value of R1 297.4bn as at the date of distribution. In January 2020 the company sold 22 million N ordinary shares in Prosus N.V. at a price per share of €67.50, resulting in gross proceeds of approximately R23.5bn. As a result of the sale the investment was reduced to R1 273.7bn. The company recognised a loss on disposal of R199.0m as part of "Loss on acquisitions and disposals" in the statement of comprehensive income.*

[(2)] *In September 2019 the company purchased two additional shares in MIH Holdings Proprietary Limited, one was in full and final settlement of the full debt to the value of R55.0bn owed to it by MIH Holdings Proprietary Limited for no consideration, the other was for a cash consideration of R563.4m. The investment was subsequently reduced to R20.5bn when MIH Holdings Proprietary Limited distributed its investment in Prosus N.V. (as noted above) as a dividend in specie to the company.*

[(3)] *In March 2020, the loan to the Media24 Holdings Proprietary Limited group was restructured. The company ceded its rights and contributed its claims of R558.5m to Media24 Proprietary Limited for no consideration. The investment in Media24 was subsequently assessed to be impaired by R533.6m as at 31 March 2020.*

2. INVESTMENTS IN SUBSIDIARIES (continued)

Impairment assessment

At the end of each year, the company assesses whether there is an indication that the company's investments in subsidiaries are impaired. The impairment assessment is performed at the level of Prosus N.V., MIH Holdings Proprietary Limited and Media24 Holdings Proprietary Limited. The recoverable amounts of these investments have been determined based on the higher of the value in use and the fair value less costs of disposal.

The recoverable amount of Prosus N.V. is based on its listed market price. As part of our impairment testing, we also compared the market value of Prosus N.V. shares held by the company to the carrying value of the investment recognised on the statement of financial position. The market capitalisation of €102.81bn (or US$112.80bn) of Prosus N.V. shows a discount to the amount of its underlying investments. We considered that it is common that investment holding companies trade at a discount to the fair value on a controlling basis of their underlying assets. Holding company discounts vary significantly but are normally in the 10-40% range although, in some cases, this can extend to over 50%. The reasons for holding company discounts can vary according to each company’s specific circumstances, but can include management costs, tax leakage, governance and shareholder structure, information asymmetry and perceived reinvestment risk. Since listing on 11 September 2019, Prosus has mostly been trading between a 15% and 35% discount to its equity value. Based on our analysis we conclude that this discount does not as such – result in an additional reduction of the value used in the impairment assessment of Prosus subsidiaries and associates. The total market value of the listed marketable securities held by Prosus NV at 31 March 2020 was approximately US$150bn. As the market value of the Prosus N.V shares held by the company exceeds the carrying value recognised on the statement of financial position, no impairment was recognised for this investment.

The recoverability of the carrying amounts of MIH Holdings Proprietary Limited and Media24 Holdings Proprietary Limited were tested through a sum of the recoverable amounts of their underlying investments using a combination of value in use calculations and quoted prices for listed investments.

The value in use is based on discounted cash flow calculations. The company based its cash flow calculations on up to ten-year budget and forecast information of the underlying entities. Forecasts are approved by senior management and/or the various boards of directors of group companies. Long-term average growth rates for the respective countries in which the entities operate or, where more appropriate, the growth rate of the entity, were used to extrapolate cash flows into the future. Terminal growth rates used in the calculation range between 0% and 5% and post-tax discount rates range between 14% and 17%.

The company's impairment assessment takes into account that, in most instances, longer forecast periods are required for many ecommerce businesses. These longer forecast periods are required as the ecommerce businesses generally only reach maturity once sufficient market share has been gained, the businesses have reached the appropriate scale and have become revenue generative/profitable. Key assumptions in estimating these future cash flows over the forecast period include the entity's ability to capture the required market share and the additional investment required in order for it to reach the appropriate scale.

Value in use calculations are performed using the appropriate operational cash flows, and accordingly, discount rates take into account country risk premiums and inflation differentials as appropriate. Post-tax discount rates have been applied in calculations as value in use was determined using post-tax cash flows.

The calculation of value in use is most sensitive to the following assumptions:

- revenue growth rates;
- expected EBITDA margins
- growth rates used to extrapolate cash flows beyond the budget and forecast period, including the terminal growth rate applied
  in the final projection year; and
- discount rates.

2. INVESTMENTS IN SUBSIDIARIES (continued)

Impairment assessment (continued)

When determining cash flows over the forecast periods, EBITDA margin assumptions vary between the diverse range of businesses. The aggregate carrying amount pertaining to the investment in MIH Holdings Proprietary Limited and Media24 Holdings Proprietary Limited, amounting to R20.5bn and R1.5bn respectively, is especially sensitive to changes in the underlying assumptions.

Key assumptions underlying revenue forecasts for the ecommerce businesses include the entities' anticipated market share. The ecommerce assets are at various life stages and the early stage investments are more sensitive to changes in assumptions.

The company adjusted cash flow projections and budgets to include the effects of the Covid-19 pandemic. This adjustment 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 lock-down trading restrictions. The company also updated its discount rates where required. Covid-19 has had a broad impact, with the restrictions impacting some businesses negatively where they are unable to operate and on the other hand, having a positive impact on other major business operations where online services and sale of goods is the primary solution for social distancing measures imposed. At 31 March an impairment of R533.6m was recognised for the company’s investment in Media24 Holdings Proprietary Limited as the business was not performing in line with expectations. The adjusted forecasts and budgets of the underlying businesses of Media24 based on the best estimate post the Covid-19 pandemic resulted in the recognition of impairment. The impairment loss primarily related to Media24’s print media businesses which was negatively impacted by the Covid-19 pandemic.

We performed sensitivity analyses on the underlying discounted cash flow calculations. These analyses reveal that the values are highly sensitive and adjustments to the expected future cashflows, or higher discount rates, could result in an impairment. The main inputs for the expected future cashflows are revenue growth, profit margins, discount rates and long-term growth rates on which sensitivity analyses have been prepared. Reasonable possible changes on the revenue growth rates, profit margins and discount rates used to estimate future performance have been assessed as to whether it impacts the recoverable amounts of the company’s investments in subsidiaries. It has been determined that some investments are more sensitive to changes than others.

For MIH Holdings Proprietary Limited, If either the pre- or post-tax discount rate applied to cash flows were to increase relatively by 5% or the growth rate used to extrapolate cash flows were to decrease relatively by 5%, or if both the discount rate and the growth rate were to increase and decrease relatively by 5% respectively, there would be no impairments that would have to be recognised.

For Media24 Holdings Proprietary Limited a 2% change in the discount rate would have the following impact on the value in use calculations used in determining the recoverable amount of the investment:

- an increase in the discount rate by 2% would result in a decrease in the valuation by R182.2m which would increase the impairment;
- a decrease in the discount rate by 2% increases the valuation by R273.0m which would decrease the impairment.

A 1% change in the growth rate used in the value in use calculations of Media24 Holdings Proprietary Limited would have the following impact on the value in use calculations used in determining the recoverable amount of the investment:

- an increase in the growth rate by 1% would result in an increase in the valuation by R65.4m which would decrease the impairment;
- a decrease in the growth rate by 1% decreases the valuation by R53.2m which would increase the impairment.

3. LOANS TO SUBSIDIARIES

	31 March	
	2020 **R'm**	2019 R'm
Loans to subsidiaries		
Media24 Holdings Proprietary Limited[1]	**-**	523
MIH Holdings Proprietary Limited[1]	**720**	54 637
Naspers Properties Proprietary Limited	**354**	365
MIH Services FZ LLC Share Trust[2]	**-**	2 619
	1 074	58 144

[1] Refer to note 2 for details on the decrease in loan balances.

[2] In April 2020 the loan was fully repaid and therefore reclassified to related party receivables balances (refer to note 7) in the current reporting period.

Loans to subsidiary companies do not have any fixed repayment terms and are interest free, except for R180.0m (2019: R180.0m) of the Naspers Properties Proprietary Limited loan account which bears interest at a rate of prime less 2% (2019: prime less 2%).

As a result of loans to subsidiary companies having no fixed repayment terms, these loans are considered to be repayable on demand by the company and accordingly the effect of discounting these loans is insignificant.

The company establishes allowances for credit losses (impairment allowances) on loans to subsidiaries equal to the 12-month expected credit losses on these items unless there has been a significant increase in credit risk since initial recognition of these loans. Where there has been a significant increase in credit risk since initial recognition, impairment allowances are adjusted to equal the lifetime expected credit losses on these loans.

At 31 March 2020 the impairment allowances related to loans to subsidiaries were not significant on account of the loan counterparties' holdings of substantial highly liquid marketable securities, cash/short-term cash investment balances and fixed commercial property. These holdings by the counterparties significantly exceed their obligations, including their liabilities towards the company, and accordingly mitigate the credit risk arising from these loans significantly.

4. PROPERTY, PLANT AND EQUIPMENT

	31 March		
	Office equipment R'm	**Total 2020 R'm**	Total 2019 R'm
Cost			
Opening balance	**4**	**4**	4
Acquisitions	**-**	**-**	-
Closing balance	**4**	**4**	4
Accumulated depreciation			
Opening balance	**(2)**	**(2)**	(2)
Depreciation	**-**	**-**	-
Closing balance	**(2)**	**(2)**	(2)
Cost	**4**	**4**	4
Accumulated depreciation and impairment	**(2)**	**(2)**	(2)
Carrying value	**2**	**2**	2

5. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 March	
	2020 R'm	2019 R'm
Investment in the MultiChoice Group Limited shares	**5**	11
	5	11

The investment in the MultiChoice Group Limited (the MultiChoice Group) relates to shares received by share-incentive trusts and other Naspers group companies that held Naspers Limited N-ordinary shares (as treasury shares) at the time of distribution of the group's interest in the MultiChoice Group to its shareholders in 2019. In 2019 the company classified the MultiChoice Group shares with a fair value of R16.0m as held for sale (refer to note 8), as these shares were disposed of on 21 July 2019. The remaining MultiChoice Group shares, with a fair value of R4.5m (2019: R11.0m) are held by the Naspers Share Incentive Trust and will be utilised when relevant awards are settled with participants on exercise. To this extent, a cash-settled share-based payment liability of R4.5m (2019: R11.0m) has been raised (refer to note 12).

6. OTHER RECEIVABLES

	31 March	
	2020 R'm	2019 R'm
Prepaid expenses	**6**	5
Other	**2**	-
	8	5

7. RELATED PARTY TRANSACTIONS AND BALANCES

For details on related party loans, interest and dividends received refer to notes 3 and 13.

	31 March	
	2020 R'm	2019 R'm
Related party receivables		
MIH Treasury Services Proprietary Limited	**2 221**	3 422
Prosus N.V. (formerly Myriad International Holdings N.V.)	**2**	2
Prosus Services B.V.	**10**	-
MIH Services FZ LLC Share Trust	**1 909**	-
	4 142	3 424
Related party payables		
MIH Holdings Proprietary Limited	**(13)**	(16)
Prosus N.V. (formerly Myriad International Holdings N.V.)	**-**	(6)
Prosus Services B.V.	**(11)**	-
Media24 Proprietary Limited	**(1)**	(1)
	(25)	(23)

Related party receivables are due within 30 days from statement date and are interest free. These financial assets are considered, by nature, to be trade receivables and accordingly are subject to the simplified impairment methodology in IFRS 9. As the amounts owing are due by group companies, the impairment assessment takes into account the default of the Naspers group on external debt as well as the existence of collateral, letters of support by group companies and re-adjusted budgets and forecasts of group companies as a result of the Covid-19 pandemic's impact on operations. Budget forecasts consider the businesses remaining operational amidst lock-down restrictions. As at 31 March 2020, impairment allowances on related party receivables were not significant.

	2020 R'000	2019 R'000
Directors' emoluments		
Executive directors		
Paid by other companies in the group	**81 351**	64 090
Non-executive directors		
Fees for services as directors	**44 480**	62 988
Fees for services as directors of subsidiary companies	**34 233**	7 022
	160 064	134 100

Based on the principal activities of the company as holding company, the transactions disclosed in the notes are related party transactions. The financial statement impact and nature of the transactions are disclosed in the respective notes. Refer to note 18 of the consolidated annual financial statements for disclosure on executive and non-executive directors' remuneration.

8. ASSETS CLASSIFIED AS HELD FOR SALE

At 31 March 2019 the company classified MultiChoice Group shares with a fair value of R16.0m as held for sale as these shares were to be disposed of within 12 months after the end of the reporting period. These MultiChoice Group shares were disposed of on 21 July 2019.

	31 March	
	2020 R'm	2019 R'm
Assets classified as held for sale		
Investments at fair value through other comprehensive income	**-**	16
	-	16

9. SHARE CAPITAL AND PREMIUM

	31 March	
	2020 R'm	2019 R'm
Authorised		
1 250 000 A ordinary shares of R20 each	**25**	25
500 000 000 N ordinary shares of 2 cents each	**10**	10
	35	35
Issued		
961 193 A ordinary shares of R20 each (2019: 907 128)	**19**	18
435 511 058 N ordinary shares of 2 cents each (2019: 438 656 059)	**9**	9
Share capital	**28**	27
Share premium	**44 130**	66 537
Share capital and premium	**44 158**	66 564
Cumulative effect of treasury shares used in equity compensation plans(1)	**256**	122
	44 414	66 686

(1) Refers to the cumulative net effect on share premium of treasury shares held at cost and gains and losses arising on vesting of equity compensation awards.

Share repurchase programme

In January 2020 the company sold 22 million N ordinary shares in Prosus N.V. (a 1.35% effective interest in the Prosus N.V. investment) to institutional investors. The net proceeds from the sale of the Prosus N.V. shares were used over time to return capital to Naspers shareholders in the form of a share repurchase programme. The share repurchase programme was completed in March 2020. As at 31 March 2020, Naspers has repurchased 9 156 705 N ordinary shares. These shares were cancelled on the repurchase date. The repurchase programme resulted in a decrease in share capital and premium of R22.4bn.

Voting and dividend rights

The A ordinary shareholders are entitled to 1 000 votes per share. In terms of the Naspers memorandum of incorporation, both N and A ordinary shareholders are entitled to nominal dividends, however, the dividends declared to A ordinary shareholders are equal to one-fifth of the dividends to which N ordinary shareholders are entitled. In respect of all other rights, the A ordinary shares rank pari passu with the N ordinary shares of the company.

Refer to note 19 of the consolidated annual financial statements for further details on voting and dividend rights, treasury shares and unissued share capital.

Capital management, unissued shares and valuation reserve

Refer to notes 19 and 20 of the consolidated annual financial statements for the group's capital management policy and more details regarding the nature of the valuation reserve.

9. SHARE CAPITAL AND PREMIUM (continued)

	2020 Number of shares	2019 Number of shares
Movement in ordinary shares in issue during the year		
Ordinary shares in issue at 1 April	**439 563 187**	439 563 187
N ordinary shares issued[(1)]	**6 011 704**	-
A ordinary shares issued[(1)]	**54 065**	-
Shares acquired as part of the share repurchase programme	**(9 156 705)**	-
Shares in issue at 31 March	**436 472 251**	439 563 187
Movement in N ordinary shares held as treasury shares during the year		
Shares held as treasury shares at 1 April	**225 523**	218 864
Shares purchased by the Naspers equity compensation plan[(2)]	**-**	22 792
Additional shares received pursuant to the Prosus N.V. listing[(1)]	**55 431**	-
Shares transferred to other group equity compensation plans	**(23 256)**	-
Shares acquired by participants from the Naspers equity compensation plan	**(89 416)**	(16 133)
Shares held as treasury shares at 31 March	**168 282**	225 523

[(1)] Shares issued to shareholders holding Naspers N ordinary shares at the time of the Prosus N.V. listing who elected to receive additional Naspers ordinary shares. The Naspers N share capitalisation issue was accompanied by a pro rata capitalisation issue of 54 065 Naspers A ordinary shares to Naspers A shareholders.

[(2)] Includes shares purchased on the open market by share incentive trusts. In line with the company's commitment to avoid shareholder dilution, shares required to settle equity-compensation benefits are purchased on the open market.

	31 March	
	2020 R'm	2019 R'm
Share premium		
Balance at 1 April	**66 537**	66 537
Shares acquired as part of the share repurchase programme	**(22 407)**	-
Balance at 31 March	**44 130**	66 537

10. POST-EMPLOYMENT MEDICAL LIABILITY

The company operates a post-employment medical benefit scheme. The obligation of the company to pay medical aid contributions after retirement is no longer part of the conditions of employment for new employees. A number of pensioners, however, remain entitled to this benefit. The company provides for post-employment medical aid benefits on the accrual basis determined each year by an independent actuary.

	31 March	
	2020 R'm	2019 R'm
Balance at 1 April	**3**	4
Provisions charged to statement of comprehensive income	**-**	(1)
Balance at 31 March	**3**	3

Refer to note 22 of the consolidated annual financial statement for additional information, including the actuarial assumptions.

11. AMOUNTS OWING IN RESPECT OF INVESTMENTS ACQUIRED

On 24 March 2004 the last conditions precedent relating to schemes of arrangement under section 311 of the old South African Companies Act, 1973, were satisfied, in terms of which Naspers Limited acquired an additional 19,62% financial interest in Electronic Media Network Proprietary Limited and SuperSport International Holdings Proprietary Limited respectively (which was sold to MultiChoice Africa Proprietary Limited during 2005). An amount of R815.6m was due to the non-controlling shareholders on 31 March 2004. Some of these non-controlling shareholders have not surrendered their share certificates and claimed payment for their shares, therefore an amount of R9.0m was still outstanding as at 31 March 2020 (2019: R9.5m).

12. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 March	
	2020 R'm	2019 R'm
Accrued expenses[1]	**1 511**	336
Bonus accrual	**2**	5
Cash-settled share-based payment liability	**6**	13
Other current liabilities	**-**	7
	1 519	361

[1] In March 2020 the company committed R1.5bn (2019: nil) in emergency aid to the South African government's response to the Covid-19 pandemic in the country.

13. REVENUE

	31 March	
	2020 R'm	2019 R'm
Dividends received		
Media24 Holdings Proprietary Limited	**36**	36
MIH Holdings Proprietary Limited[1]	**1 260 296**	53 249
Interest received		
Naspers Properties Proprietary Limited	**14**	15
	1 260 346	53 300

The revenue disclosed above are related-party transactions with the respective group entities.

[1] Relates to the dividend income recognised by the company on receipt of the distribution of the Prosus N.V. investment to the company by its subsidiary MIH Holdings Proprietary Limited, refer to note 2 for details, (2019: relates to the dividend income recognised by the company on receipt of the distribution of the MultiChoice Group to the company by its subsidiary MIH Holdings Proprietary Limited prior to the company distributing its investment in the MultiChoice Group to its shareholders).

14. EXPENSES BY NATURE

Selling, general and administrative expenses include the following items:

	31 March 2020 R'm	31 March 2019 R'm
Staff costs		
The total cost of employment of all employees, was as follows:		
Salaries, wages and bonuses, retirement benefit costs, medical aid fund contributions, post-employment benefits, UIF, SDL and training costs	**25**	35
Share-based compensation expenses	**(2)**	8
Total staff costs	**23**	43
Fees paid to non-employees for administration, management and technical services	**25**	33
Auditor's remuneration		
Audit fees	**1**	1
Other purchases and expenses	**205**	203
	254	280

15. OTHER LOSSES - NET

	31 March 2020 R'm	31 March 2019 R'm
Covid-19 donation[1]	**(1 500)**	-
Impairment of Media24 Holdings (Pty) Ltd investment[2]	**(534)**	-
Total other losses - net	**(2 034)**	-

[1] In March 2020 the company committed R1.5bn (2019: nil) in emergency aid to the South African government's response to the COVID-19 pandemic in the country.

[2] Refer to note 2 for further details on the impairment

16. FINANCE (INCOME)/COSTS

	31 March 2020 R'm	31 March 2019 R'm
Interest expense		
Loans and overdrafts	**-**	63
	-	63
Interest income		
Loans and bank accounts	**(445)**	(116)
Other	**(2)**	(1)
	(447)	(117)
Net gain from foreign exchange translation of derivative financial instruments		
On translation of assets and liabilities	**(137)**	(2)
Other finance (income)/costs - net	**(137)**	(2)
Finance (income)/costs - net	**(584)**	(56)

17. LOSS ON ACQUISITIONS AND DISPOSALS

	31 March 2020 R'm	31 March 2019 R'm
Loss on sale of investments[1]	**(199)**	-
Transaction-related costs[2]	**(417)**	(355)
	(616)	(355)

[1] The loss on sale resulted from the sale of Prosus N.V. shares to institutional investors. Refer to note 2 for further details.

[2] The transaction-related costs resulted primarily for the sale of Prosus N.V. shares (2019: transaction-related costs primarily for the MultiChoice Group Limited unbundling transaction).

18. TAXATION

	31 March 2020 R'm	31 March 2019 R'm
Normal taxation	**203**	(2)
current year	**203**	(2)
Securities transfer and dividend withholding tax[1]	**1 261**	-
Taxation per statement of comprehensive income	**1 464**	(2)
Reconciliation of taxation		
Taxation at statutory rate of 28% (2019: 28%)	**352 247**	14 762
Adjusted for:		
non-deductible expenses[2]	**731**	156
unprovided timing differences	**-**	3
non-taxable income[2]	**(352 892)**	(14 921)
prior year adjustments	**-**	(2)
securities transfer tax	**1 258**	-
other taxes	**120**	-
Taxation per statement of comprehensive income	**1 464**	(2)

[1] Securities transfer tax and dividend withholding tax paid in South Africa in respect of the Prosus N.V. listing transaction.

[2] Non-deductible expenses relate primarily to donations made and expenses incurred that are not in the production of taxable income. Non-taxable income relates to dividend income.

19. CASH UTILISED IN OPERATIONS

	31 March 2020 R'm	31 March 2019 R'm
Profit before tax per statement of comprehensive income	**1 258 026**	52 721
Adjustments:		
Non-cash and other	**(1 258 699)**	(53 348)
Finance (income)/costs - net	**(598)**	(71)
Dividends received	**(1 260 332)**	(53 285)
Share-based compensation expenses	**(2)**	8
Impairment of investment	**534**	-
Loss on sale of investment	**199**	-
Covid-19 donation accrual	**1 500**	-
Working capital	**(344)**	337
Cash movement in accrued expenses and payables	**(344)**	337
Cash utilised in operations	**(1 017)**	(290)

20. CASH AND CASH EQUIVALENTS

	31 March 2020 R'm	31 March 2019 R'm
Cash at bank and on hand	**97**	338
	97	338

21. FINANCIAL RISK MANAGEMENT

Foreign exchange risk

Refer to note 42 of the consolidated annual financial statements for the group's foreign exchange risks policy.

In the current year the company entered into foreign exchange contracts at a notional value of R 22 452 047 776 that were designated as cash flow hedge instruments for foreign currency cash and cash equivalents. Only the spot elements were designated as a hedge and the remaining portion was recognised in finance income. The purpose of this hedge was to manage the foreign currency risk associated with holding foreign currency cash and cash equivalents. The hedge ratio was 1:1. Cumulative losses of R1 771m (2019:nil) have been recognised in other comprehensive income relating to this cash flow hedge since the inception of the hedging relationship and were reclassified to the income statement as the underlying cash and cash equivalent balances were revalued was recognised in the income statement. Gains of R1 971m (2019: nil) were recognised on the hedged items attributable to the hedged risks. Net gains of R101m (2019: nil) were recognised as part of "Other finance (income)/costs – net" in the income statement. This is the forward element of the forward exchange contract not designated as part of the hedging relationship. Ineffectiveness is negligible as all critical terms on the hedging instrument and hedged item match.

Movements in the hedging reserve for the year are detailed below:

	31 March	
	2020 R'm	2019 R'm
Opening balance	**-**	-
Net fair value (losses)/gains	**(1 771)**	-
Derecognised and reported in finance (costs)/income	**1 771**	-
Closing balance	**-**	-

Foreign currency sensitivity analysis

The company's functional currency is the South African rand, but as it operates internationally, it is exposed to the US dollar and the euro.

The sensitivity analysis below details the company's sensitivity to a 10% decrease (2019: 10% decrease) in the rand against the US dollar and the euro. These percentage decreases represent management's assessment of the possible changes in the foreign exchange rates at the respective year-ends. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period-end for the above percentage change in foreign currency rates.

A 10% decrease (2019: 10% decrease) of the rand against the US dollar and the euro would result in an increase in net profit after tax of R2.5m (2019: R2.2m increase in net profit after tax).

Credit risk

Refer to note 42 of the consolidated annual financial statements for the group's credit risks and credit risk management policy regarding related party receivables and cash and cash equivalents (which are the same as those of the company) and to note 3 for the company's credit risk management policy regarding loans to subsidiaries.

Guarantees

The company has guaranteed various revolving credit facilities of R44.6bn (2019: R36.7bn) and offshore bonds of R39.3bn (2019: R46.4bn) in Prosus N.V. of which the undrawn balance is available to fund future investments. The guarantees have also been disclosed as part of the company's liquidity risk below. The maximum potential exposure to credit risk under financial guarantee contracts amounts to R83.9bn (2019: R83.1bn). Refer to note 19 for details regarding the group's capital management policies. On 2 April 2020 the company was released as guarantor from the various revolving credit facilities of R44.6bn.

21. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Refer to note 42 of the consolidated annual financial statements for the group's liquidity risks. In terms of the memorandum of incorporation of the company, no limitation is placed on its borrowing capacity.

The following analysis details the remaining contractual maturity of the company's non-derivative financial liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date at which the company can be required to settle the liabilities. The analysis includes both interest and principal cash flows.

	Carrying value R'm	Contractual cash flows R'm	0 - 12 months R'm
31 March 2020			
Non-derivative financial liabilities			
Amount owing in respect of investments acquired	**(9)**	**(9)**	**(9)**
Accrued expenses and other current liabilities	**(17)**	**(17)**	**(17)**
Related party payables	**(25)**	**(25)**	**(25)**
Dividends payable	**(23)**	**(23)**	**(23)**
Financial guarantees	**-**	**(83 919)**	**(83 919)**
31 March 2019			
Non-derivative financial liabilities			
Amount owing in respect of investments acquired	(9)	(9)	(9)
Accrued expenses and other current liabilities	(355)	(355)	(355)
Related party payables	(23)	(23)	(23)
Dividends payable	(19)	(19)	(19)
Financial guarantees	-	(83 074)	(83 074)

Interest rate risk

Refer to note 42 of the consolidated annual financial statements for the group's interest rate risks policy.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the next financial year and held constant throughout the reporting period in the case of instruments that have floating rates. The company is mainly exposed to interest rate fluctuations of the South African, American and European repo rates through cash balances held in bank accounts. The following changes in the repo rates represent management's assessment of the possible change in interest rates at the respective year-ends:

South African repo rate increases by 100 basis points (2019: increases by 100 basis points)

American, European and London Interbank rates: increases by 100 basis points each (2019: increases by 100 basis points each).

Interest sensitivity analysis

If interest rates change as stipulated above and all other variables were held constant, specifically foreign exchange rates, the company's profit after tax for the year ended 31 March 2020 would increase by R17.6m (2019: increase by R28.3m).

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values, net gains or losses recognised in profit and loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	31 March 2020		
	Carrying value R'm	Net gains/(losses) recognised in profit or loss R'm	Total interest/ finance income/ (cost) R'm
Assets			
Loans to subsidiaries	1 074	-	14
Investment at fair value through other comprehensive income[(1)]	5	-	-
Other receivables	2	-	-
Related party receivables	4 142	-	300
Cash and cash equivalents[(2)]	97	168	145
Total	5 320	168	459
Liabilities			
Amounts owing in respect of investments acquired	9	-	-
Accrued expenses and other current liabilities	17	(31)	-
Related party payables	25	-	-
Dividends payable	23	-	-
Total	74	(31)	-

[(1)] *Represents a level 1 fair-value measurement. Level 1 fair-value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.*

[(2)] *The net foreign exchange gain of R168.0m is attributable to the Euro proceeds from the sale of the Prosus N.V. investment (refer to note 2) and foreign currency revaluations on interest earned over the period of the repurchase programme (refer to note 3).*

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

22. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The carrying values, net gains or losses recognised in profit and loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	31 March 2019		
	Carrying value R'm	Net gains/(losses) recog-nised in profit or loss R'm	Total interest/ finance income/ (cost) R'm
Assets			
Loans to subsidiaries	58 144	-	15
Investment at fair value through other comprehensive income[1]	11	-	-
Related party receivables	3 424	-	114
Cash and cash equivalents	338	5	2
Total	61 917	5	131
Liabilities			
Amounts owing in respect of investments acquired	9	-	-
Accrued expenses and other current liabilities	355	(3)	-
Related party payables	23	-	(63)
Dividends payable	19	-	-
Total	406	(3)	(63)

(1) *Represents a level 1 fair-value measurement. Level 1 fair-value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.*

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

Refer to note 43 of the consolidated annual financial statements for details regarding the calculation of the fair values of financial instruments.

23. EQUITY COMPENSATION BENEFITS

Refer to note 44 of the consolidated annual financial statements for details regarding the Naspers Limited share incentive plan.

24. SUBSEQUENT EVENT

On 2 April 2020 the company was released as guarantor from the various revolving credit facilities of R44.6bn. There have been no other events between 31 March 2020 and the date of this report requiring adjustment or disclosure.

Administration and corporate information

GROUP SECRETARY
G Kisbey-Green
WeWork the Link
173 Oxford Road,
Rosebank,2196
South Africa

REGISTERED OFFICE
40 Heerengracht
Cape Town 8001
South Africa
PO Box 2271
Cape Town 8000
South Africa
Tel: +27 (0)21 406 2121
Fax: +27 (0)21 406 3753

REGISTRATION NUMBER
1925/001431/06
Incorporated in South Africa

AUDITOR
PricewaterhouseCoopers Inc

TRANSFER SECRETARIES
Link Market Services South Africa Proprietary Limited
(Registration number: 2000/007239/07)
PO Box 4844, Johannesburg 2000
South Africa
Tel: +27 (0)11 630 0800
Fax: +27 (0)11 834 4398

ADR PROGRAMME
Bank of New York Mellon maintains a Global BuyDIRECT^{SM} plan for Naspers Limited
For additional information, please 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^{SM}
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
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 shareholder's diary

for the year ended 31 March 2020

ANALYSIS OF SHAREHOLDERS

Size of holdings	Number of shareholders	Number of 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

The following shareholders hold 5% and more of the N ordinary issued share capital of the company:

Name	% held	Number of N ordinary shares owned
Public Investment Corporation of South Africa	13.84%	60 257 921

PUBLIC SHAREHOLDER SPREAD

To the best knowledge of the directors, the spread of public shareholders in terms of paragraph 4.25 of the JSE Limited Listings Requirements at 31 March 2020 was 96.68%, represented by 84 423 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%

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	September
Financial year-end	March

www.naspers.com

NASPERS HEAD OFFICE
+27 (0)21 406 2121

Street address
40 Heerengracht
Cape Town
8001
South Africa

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.

In September, through the listing of our global internet assets on Euronext Amsterdam and a secondary listing on the JSE Limited's stock exchange, we created a global consumer internet group, Prosus. Prosus is Europe's most valuable listed consumer internet company and ranks among the world's top ten, with a majority held by Naspers. Prosus gives global technology investors direct access to our attractive portfolio of international consumer internet businesses.

Around the world we continued to accelerate growth. Our core segments in the portfolio are Classifieds, Food Delivery, and Payments and Fintech. Our Ventures segment focuses on investing in future growth, creating partnerships with entrepreneurs who are using technology to improve people's lives. We invested in building the skills and expertise of our teams, particularly in artificial intelligence and machine learning.

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.

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

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

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

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, etail, 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; 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.

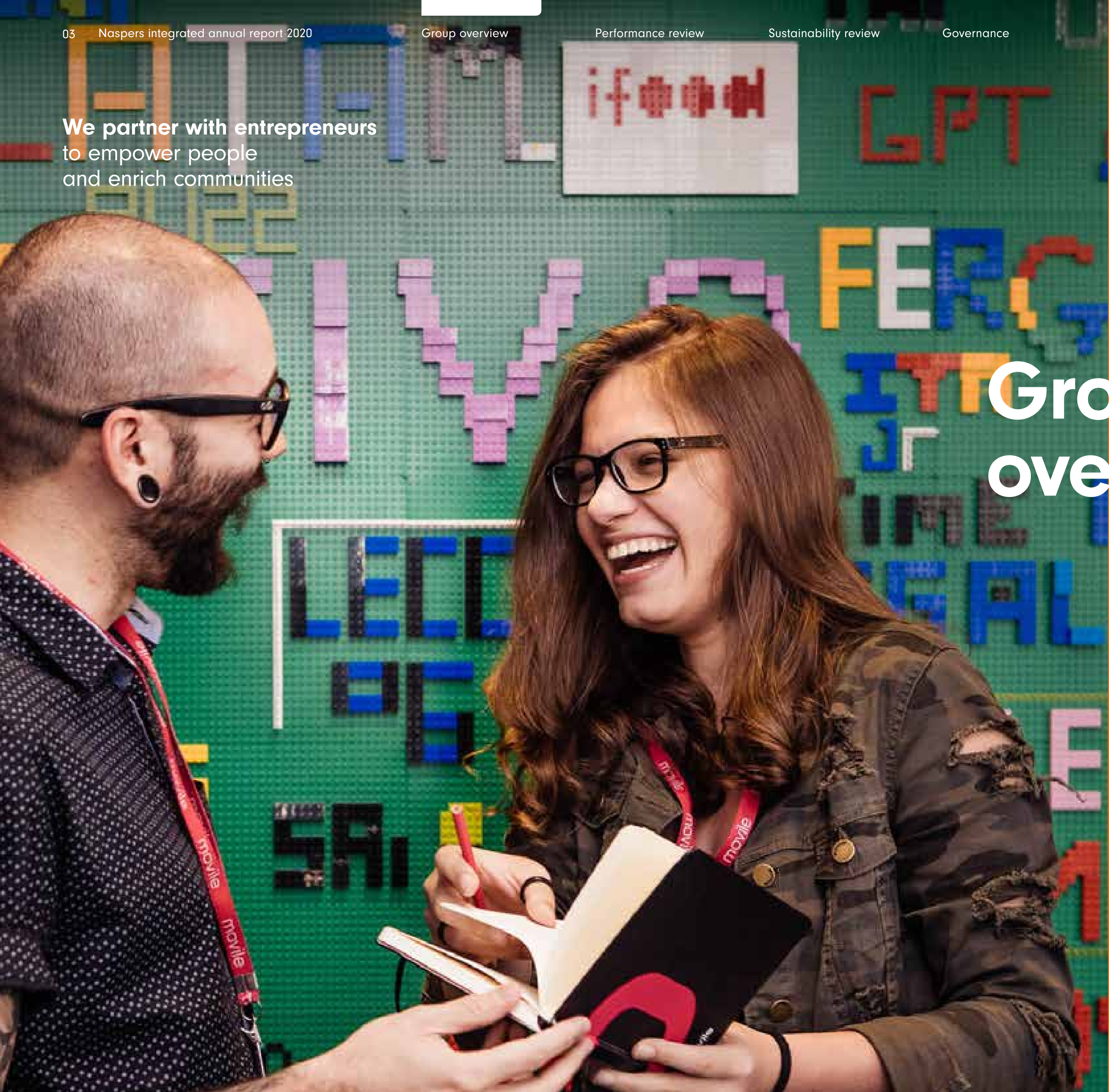
Naspers also focuses on stimulating South Africa's local tech sector through Naspers Foundry. This is a R1.4bn investment targeting early-stage technology companies in South Africa that seek to address big societal needs. In 2019, to help address youth unemployment in impoverished communities, Naspers 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

(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

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.

Chief executive's review

Read more on page 11

Who we are

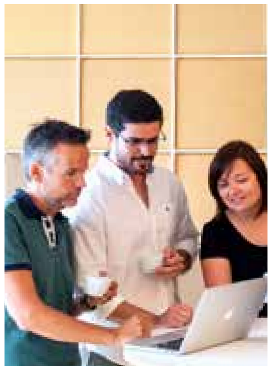
We are a global consumer internet group and one of the largest technology investors in the world. We are committed to investing in entrepreneurs and technologies that improve people's daily lives.

Group overview

Read more on page 06

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.



Business model

Read more on page 17

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.

Governance

Read more on page 78

Creating a positive impact

Delivering performance and value for all our stakeholders.

Value creation

Read more on page 18

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.

Sustainability

Read more on page 57

Reporting

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

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

- Financial
- Human
- Manufactured
- Intellectual
- Social and relationship
- Natural
- Chief executive's STI achievements

About this report continued

How it all fits together

We measure our performance by evaluating how we create value for our key stakeholders, 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 (BBBEE) 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.

[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.

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

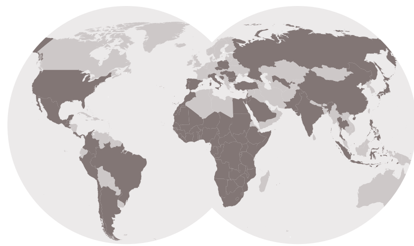
Cape Town
29 June 2020

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.



Ecommerce (global consumer internet portfolio)

Classifieds OLX Group

Revenue[1]
US$1 299m
up 37%

Trading profit[1]
US$44m
up >100%

Employees
8 449

Our brands, OLX and Avito, including 15 other brands, hold leading market positions in more than 22 countries.

OLX	100%
Avito	100%
FCC	84.4%

Read more on page 28

Food Delivery

Revenue[1]
US$751m
up >100%

Trading loss[1]
US$624m
up >100%

Employees
2 612

Our portfolio consists of food-delivery businesses, including iFood, Delivery Hero and Swiggy, that lead in 38 markets globally.

iFood	54.7%
Delivery Hero	21.2%
Swiggy	40.0%

Read more on page 31

Payments and Fintech

Revenue[1]
US$428m
up 21%

Trading loss[1]
US$67m
up 32%

Employees
2 817

PayU is one of the largest online payment services platforms in the world, with operations in 20 markets across Africa and the Middle East, Central and Eastern Europe, India, Southeast Asia and Latin America. Included in this segment are the group's fintech and credit associates Remitly and ZestMoney.

Iyzico	88.7%
PayU	98.8%
Remitly	21.0%
PaySense	79.2%
rdp	72.4%
wibmo	98.8%

Read more on page 36

Etail

Revenue[1]
US$1 756m
up 19%

Trading loss[1]
US$63m
down 31%

Employees
6 796

eMAG is an ecommerce leader in Central and Eastern Europe.

Takealot is South Africa's leading etailer, with three major businesses: Takealot.com, Superbalist and Mr D Food.

eMAG	58.16%
takealot.com	96.39%

Read more on page 39

Ventures

Revenue[1]
US$99m
up >100%

Trading loss[1]
US$57m
up 6%

Our Ventures arm partners with entrepreneurs to build leading technology companies, with the ambition to fuel the next wave of growth for the group.

Udemy	14.8%
Brainly	43.8%
SimilarWeb	23.9%
codecademy	21.0%
SoloLearn	15.2%
honor	16.5%
BYJU'S	11.3%
movile	82.0%
meesho	12.2%

Read more on page 43

Social and internet platforms

Revenue[1]
US$17 189m
up 21%

Trading profit[1]
US$4 699m
up 22%

Prosus also holds investments in two listed internet companies: Tencent (31%), China's largest and most-used internet services platform, and Mail.ru Group (27.9%), the leading internet company in Russian-speaking markets.

Tencent 腾讯	31.0%
mail.ru group	27.9%

Read more on page 46

Media24

Revenue[1]
US$272m
down 6%

Trading profit[1]
US$8m
up >100%

Employees
3 242

Media24 is Africa's leading print and digital media group with interests in digital media and services, newspapers, magazines, ecommerce, book publishing, print and distribution. It publishes some 30 magazines and 80 newspapers and reaches more than 2 million average daily unique browsers, generating almost 17 million average daily page views, across its digital platforms.

MEDIA24	85%

Read more on page 48

[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. 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.

"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

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!

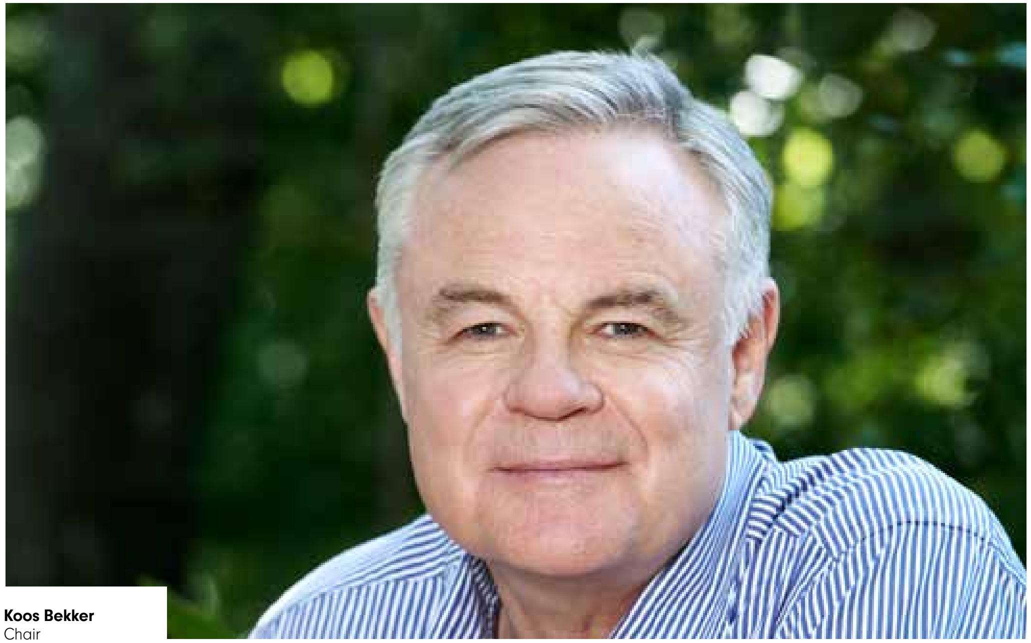
Board members provided valuable guidance and support during the year – an unusually active one in terms of meetings and decisions.

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.

SUSTAINABLE DEVELOPMENT GOALS

Chief executive's review

Bob van Dijk
Chief executive

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

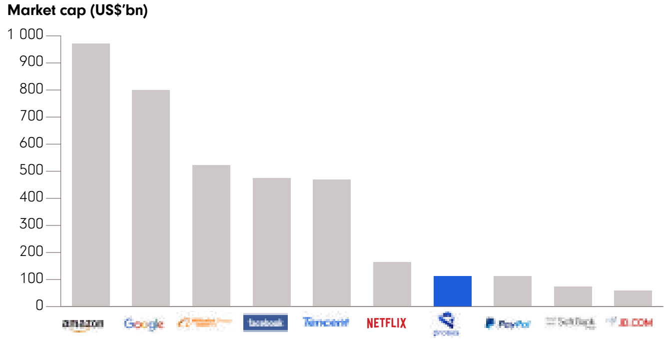
Prosus has firmly established itself as a top 10 global consumer internet company. Our US$100bn valuation is on a par with some of the largest internet players in the world.

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 etailer 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



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.

Key events through the year

Apr

OLX Group contributed Sulit and cash with an aggregate value of US$56m for an investment in Carousell, one of Asia's largest and fastest-growing classifieds marketplaces.

R1m donated in support of flood disaster relief and recovery efforts in Durban and the wider KwaZulu-Natal coastal area in South Africa.

May

Takealot launches 25 pick-up points across South Africa.

25

Jun

PayU acquires Iyzico, a digital payment services provider in Turkey, by contributing its Turkish businesses and cash for an aggregate value of US$199m.

Naspers Foundry invests R30m in online cleaning services company, SweepSouth.

Jul

PayU acquires digital payments company Wibmo for US$66m.

Phuthi Mahanyele-Dabengwa appointed as CEO, South Africa.

Investment in Dott, the European micromobility company.

PayU expands into Southeast Asia through a majority stake in Red Dot for US$48m.

Remitly, the online international money transfer service, announces US$220m financing, accelerating international growth.

Further investment in Brainly to fund US expansion.

Aug

US$81m investment in Meesho as part of a US$125m fund raise. Meesho is India's largest social commerce platform, which enables individuals to start an online business with zero investment.

MakeMyTrip and Trip.com (previously Ctrip) share exchange, resulting in a gain of US$599m.

Sep

US$1.8m investment in DappRadar, the leading global platform for discovering and analysing blockchain-based decentralised applications.

US$1.8m

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 Iyzico to strengthen our position in Turkey's high-growth ecommerce market.

Performing well in etail

Our etail 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.

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.

Dec

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).

Jan

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%.

Feb

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

US$100m

Mar

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

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

OfferUp and letgo combine US marketplaces. OLX Group to own 40% of the combined entity.

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.

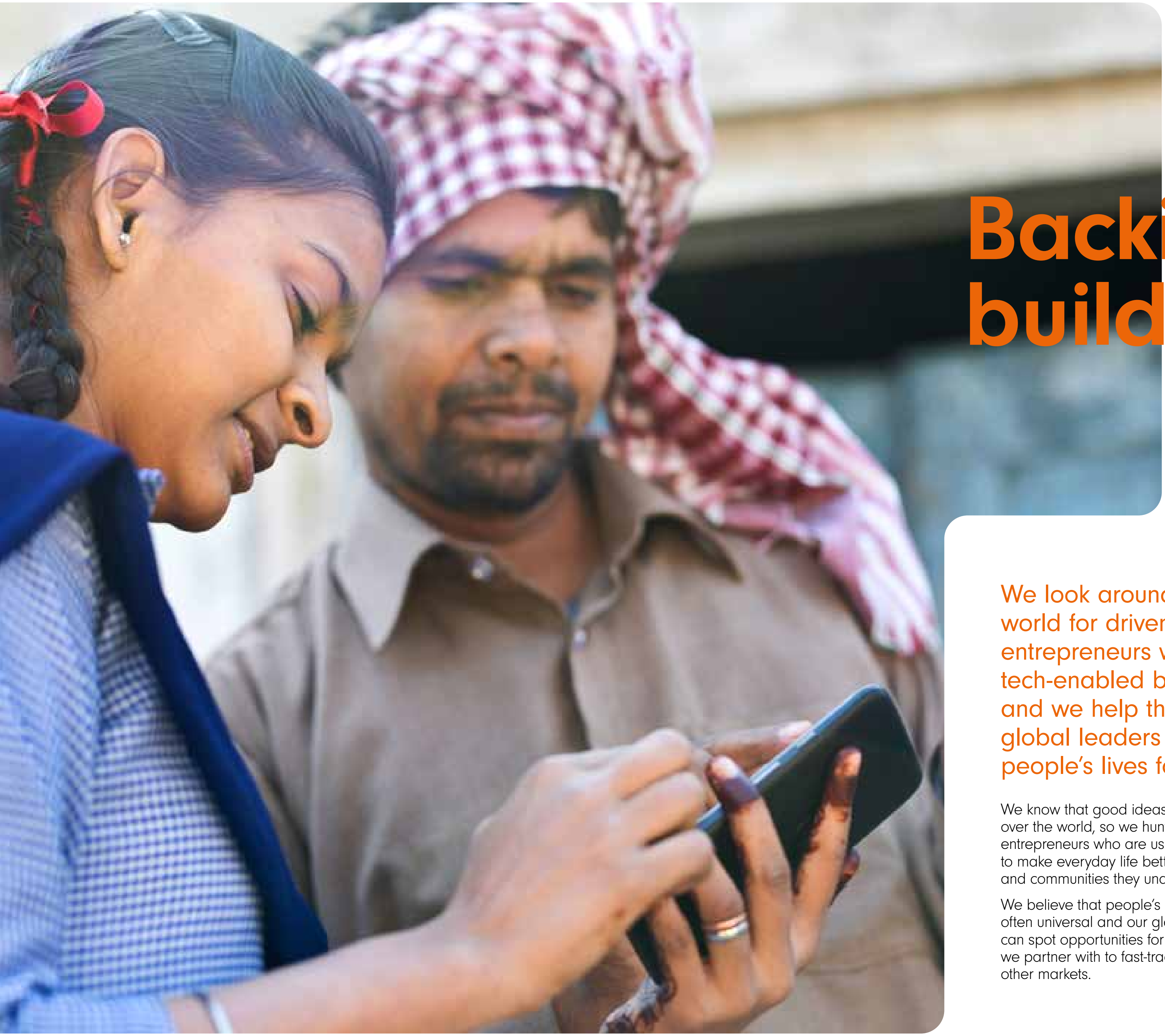
Bob van Dijk
Chief executive

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.

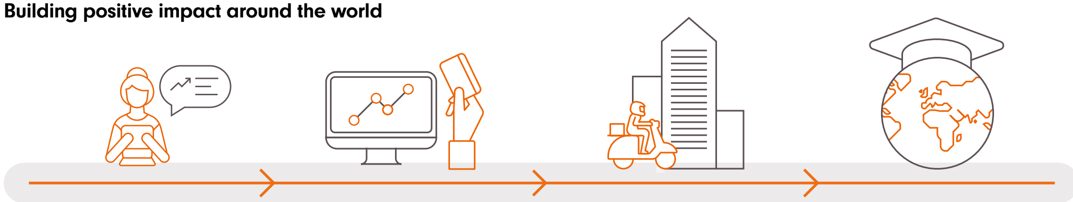
We aim to make everyday life better for the millions of people and communities that our companies serve. The companies we invest in and operate in currently help to improve the daily lives of around 1.5bn people through the innovative and popular services they provide.

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.

Ideas, source code, domains, know-how and knowledge we create, own and protect.

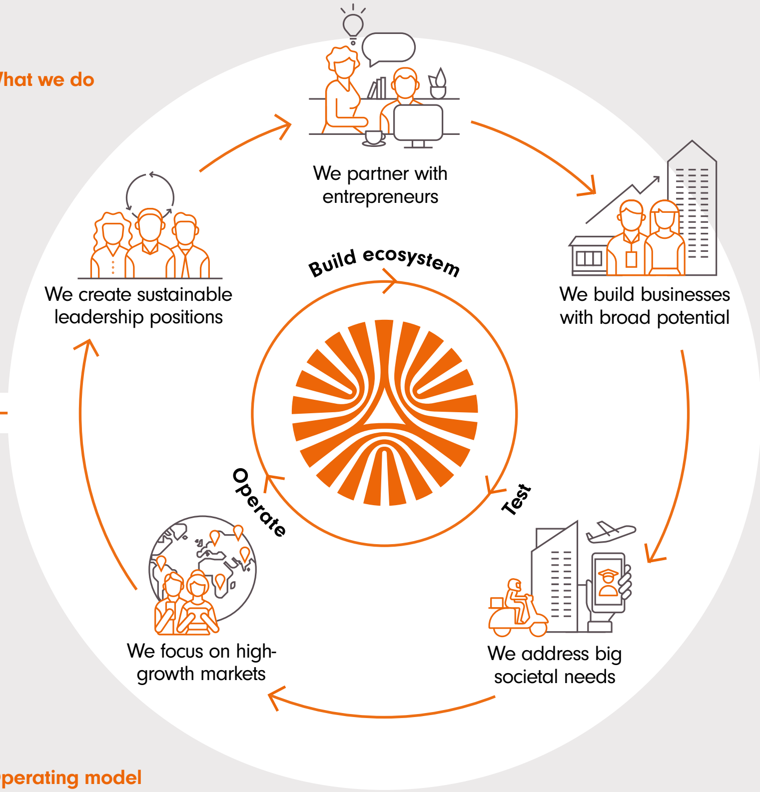
Relationships we build with customers, communities and trade organisations.

Natural resources we have an impact on, such as energy, water and climate.

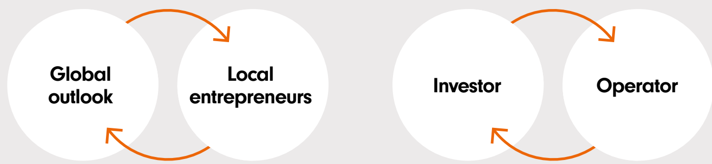
How we add value

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.

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

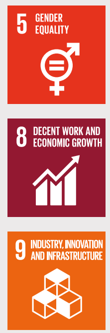
We treat our partners fairly and drive high social value in our operations.

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.

Group contribution to SDGs

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

Read more on page 59



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.

Financial

REVENUE[1]

US$22.1bn

(US$'m)	
2020	22 136
2019	18 990

TRADING PROFIT[1]

US$3.7bn

(US$'m)	
2020	3 725
2019	3 304

R13.2bn

direct, indirect and induced taxes paid.

Our products

iFood built its own 1P capabilities. Own delivery now accounts for

30%

orders in Brazil.

US$37.9bn

processed payments transactions.

2

patent allowances obtained by OLX from the US Patent Office. One patent falls within the key area of trust and safety.

For society

PayU pioneering credit for underbanked people in India: started building inhouse credit business two years ago, scaled to

US$12m

monthly loans (Dec 2019).

Naspers Foundry will aim to invest

R1.4bn

in the next generation of outstanding technology start-ups in the coming years.

iFood launched Loop to provide quality affordable lunches at about

US$3

Currently in 540 cities in Brazil.

Total investment in better education for more people: Ventures invested over

US$560m

in five education businesses.

Our people

US$1 104m

in salaries, wages and employee benefits.

12 000

monthly active users on MyAcademy.

240 000

hours of online learning over the past year.

4 000

people around the world have undertaken the AI For Everyone programme.

NUMBER OF EMPLOYEES[1]

2020	25 527
2019	20 196

Environment

ALL EMISSIONS

32 190 tCO_2e

total tonnes of CO_2e, with electricity the highest contributor of total measured scope 1 and scope 2 emissions at 75%. Plan to measure scope 3 in 2021.

US$21m

investment in Dott, making it easy to share dockless electrical scooters.

iFood

introduced cutlery options.

Equivalent of

966 000[2]

tonnes CO_2e saved by Classifieds across four key products.

(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

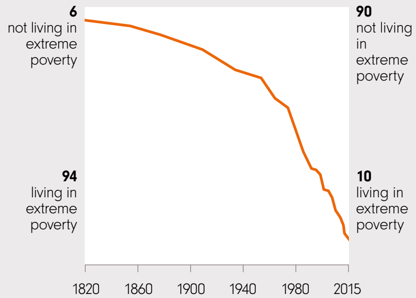
The Covid-19 pandemic creates unprecedented challenges and uncertainties for all of us in the immediate term. Yet the long-term prospects for the world around us remain positive, not least because of the progress and potential of technology to change people's lives for the better. The overarching trend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

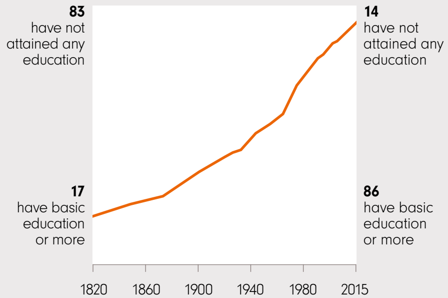
Current challenges and uncertainties notwithstanding, in many ways the world has never been better (as the adjacent table demonstrates). With this in mind and in the spirit of our positive purpose and long-term view, we remain fundamentally optimistic.

The world as 100 people over the past two centuries:

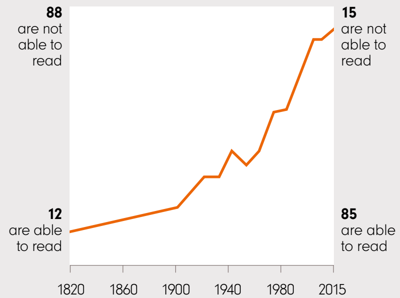
EXTREME POVERTY



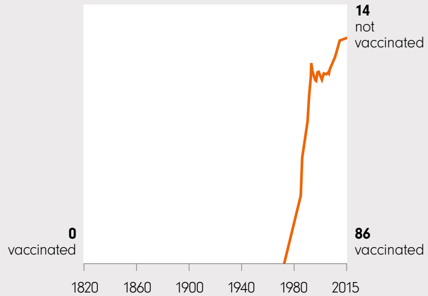
BASIC EDUCATION



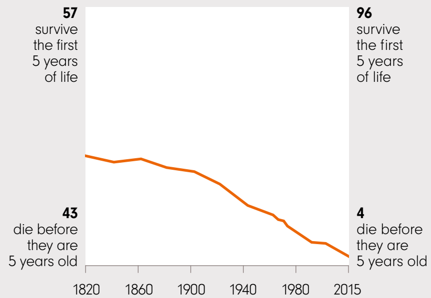
LITERACY



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

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

Michał Borkowski
Brainly co-founder and CEO

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.

"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."

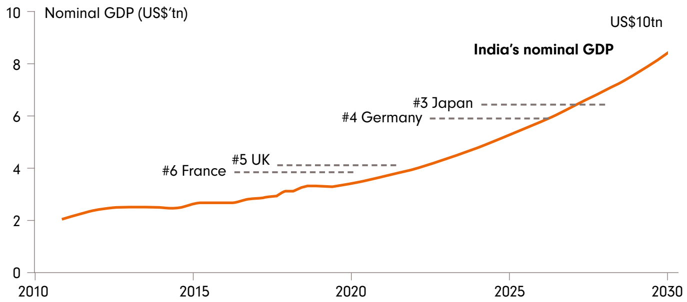
Bob van Dijk
Chief executive

A big focus for us

India is our second-largest market after China. We've been investing in India for more than a decade. This long-term commitment has seen us create considerable value by supporting home-grown businesses that are pioneering great change and improvements for people across the country.

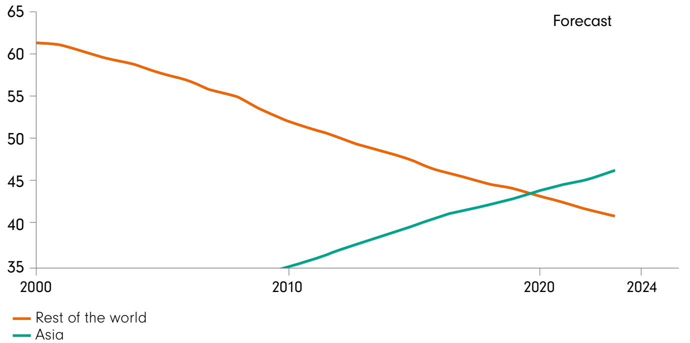
We are growing fast in India in our core segments of Classifieds, Payments and Fintech, and Food Delivery. India is an exciting area for our Ventures team too, given the vast opportunity for growth in the market across a number of segments. We have made recent investments in education, logistics, ecommerce 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.

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



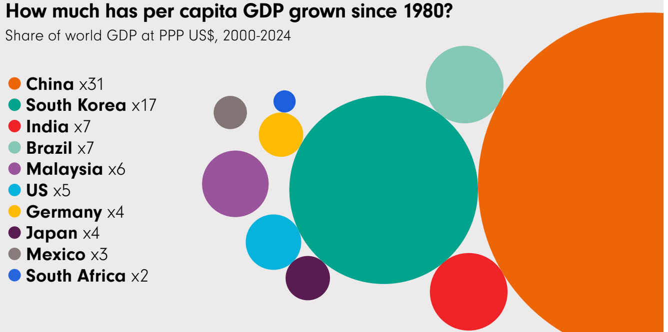
Source: Bloomberg Economics

THE ASIA CENTURY IS ABOUT TO BEGIN
Share of world GDP at PPP US$



UNCTAD definition of Asia
Source: IMF, @valentinaromei

How much has per capita GDP grown since 1980?
Share of world GDP at PPP US$, 2000-2024



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.

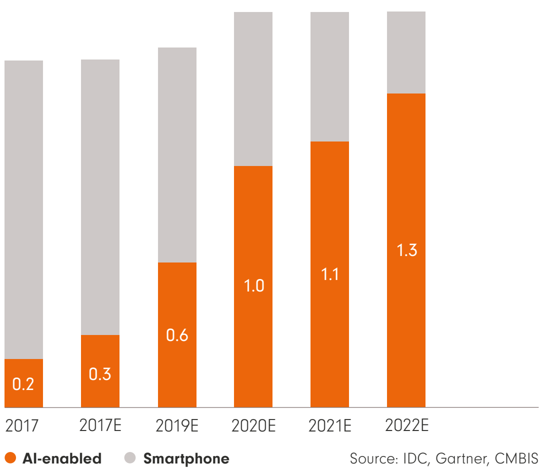
The power of artificial intelligence
Now that the tech foundations are in place, more progress will probably happen more broadly. Artificial intelligence (AI) is entering the mass-production phase and being fully integrated into society. We're heavily focused and invested in mastering AI.

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

RISING PENETRATION OF AI-ENABLED SMARTPHONES ('bn)



Source: IDC, Gartner, CMBIS

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.

"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.

* 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.

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.

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.

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.

Media

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

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

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.

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

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.

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.

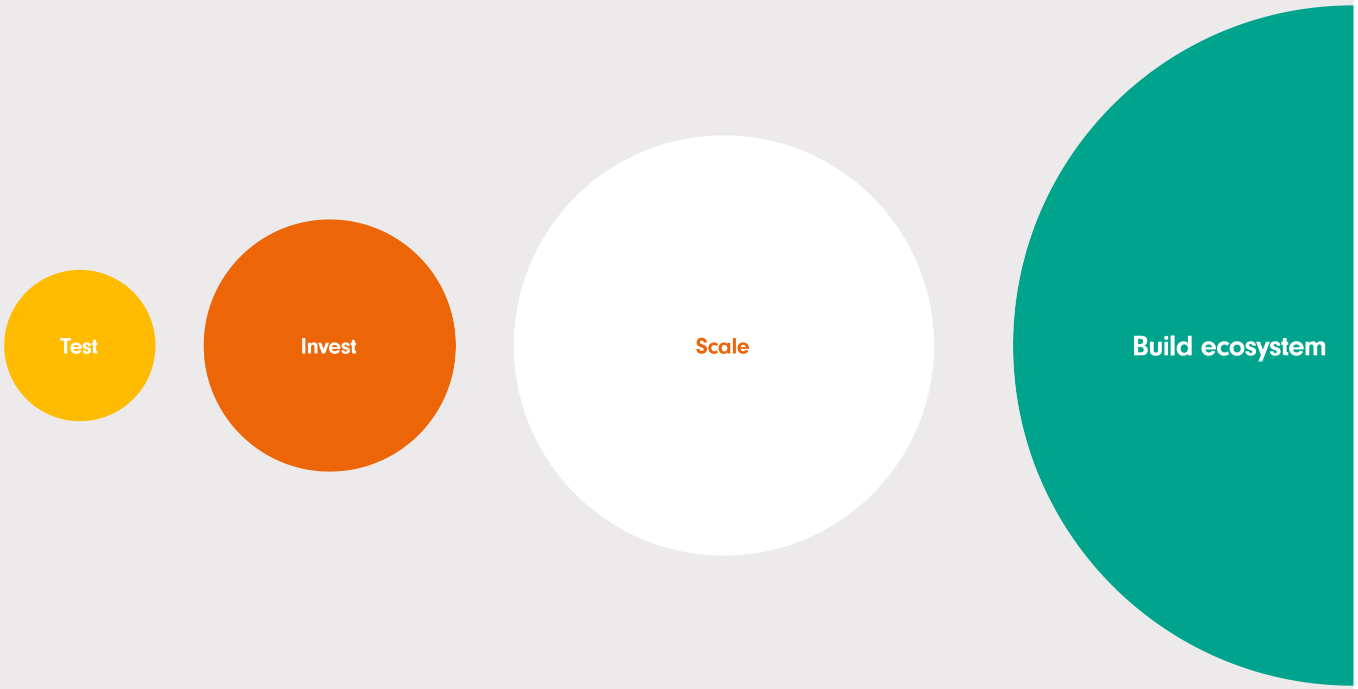
Our systematic approach

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

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

prosus

Ecommerce

MEDIA24

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.

olx
Avito

Read more on page 28

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.

ifood
Delivery Hero
SWIGGY

Read more on page 31

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.

PayU
Remitly
PaySense
wibmo
rdp

Read more on page 36

Etail

eMAG
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%.

eMAG
takealot.com

Read more on page 39

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.

Udemy
BRAINLY
SimilarWeb
SOLOLEARN
codecademy
honor
BYJU'S
movile
meesho

Read more on page 43

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.

Tencent 腾讯
mail.ru group

Read more on page 46

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.

careers24
news24
nb

Read more on page 48

Classifieds

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

REVENUE[1] (US$'m)

2020	1 299
2019	875

TRADING PROFIT/LOSS[1] (US$'m)

2020	44
2019	2

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)

Cars	597
Real estate	227
Goods	122
Jobs and services	191
Advertising and other	126

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), 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 are one of the largest global players in classifieds.

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 (m^3)	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 (m^3)	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.

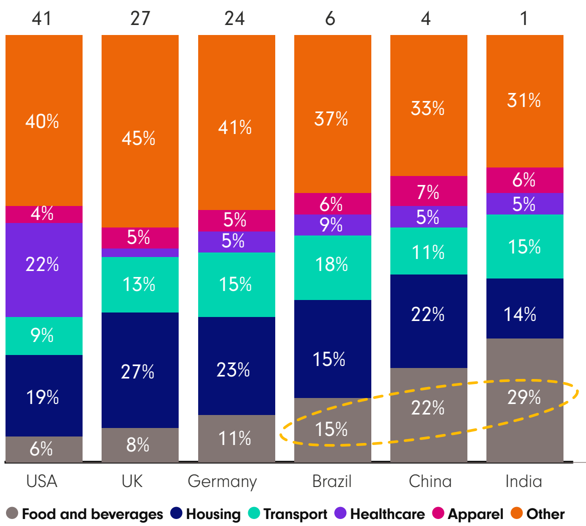
Moreover, we are on the cusp of a tech-enabled paradigm shift in dining habits, with increasingly more meals being delivered rather than home cooked or consumed onsite in restaurants.

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

Competitive moat strength

Food 1.0
Marketplace model

Good enough to **capture most obvious delivery use cases**

Strong unit economics

Food 2.0
Own-delivery model

TAM expansion via **enhanced restaurant supply**

Higher customer stickiness and frequency with **better delivery experience**

Platform unit economics at scale can match those of standalone marketplace model

Food 3.0
Cloud kitchens + private brands + multiple occasions + multicategory + restaurant software

Plugging supply gaps and enforcing **best-in-class quality** with cloud kitchens and private brands

Higher customer stickiness and frequency on the back of **multivertical use cases and different meal occasions exploitation**

Higher merchant stickiness with **integrated restaurant software**

Platform unit economics at scale could improve further due to **better logistics coordination, improved fleet utilisation and full profit pools capture**

TAM capture potential

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'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.

IFOOD – A LEADER IN BRAZIL

1 000
cities covered

160 000
restaurant partners

>30.6m
monthly orders

30%
own-delivery orders

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 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%.

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

"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.

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.

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.

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, Droppt 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

1.2bn
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

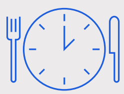
Today we have a big local presence in fast-growing food-delivery markets through our core portfolio companies. Looking ahead, we will continue to grow in these core markets and build adjacencies – local food-service brands, convenience stores, and more. We want to play an ever-bigger part in leading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

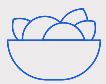
07:00 Milk, freshly baked bread, diapers, cold pressed juice from previous night

09:10 Swiggy Bike-Taxi when running late for meeting at 09:30

13:00 Working lunch with Bowl Company

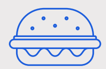


16:00 Daily fruit salad from Swiggy Daily



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.

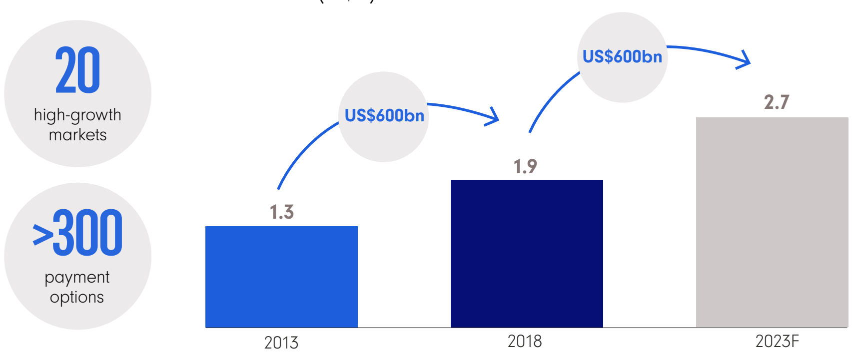
"Our mission is to connect consumer and merchants online across all high-growth markets around the world. We are now present in more than 20 markets with more than 2.5 billion people who need access to digital payments and alternative lending solutions. We are a leading provider of more than 300 local 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.

GLOBAL PAYMENTS INDUSTRY REVENUES (US$'tn)



Source: McKinsey Global Payments report, September 2019

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

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.

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 Iyzico 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 Iyzico, PayU will be able to leverage its existing relationships with global merchants and Iyzico'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 hospitability segments. We have integrated Red Dot into our global hub in order to offer all existing merchants access to the Southeast Asian market.

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.

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

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 enterprisewide 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 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.

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

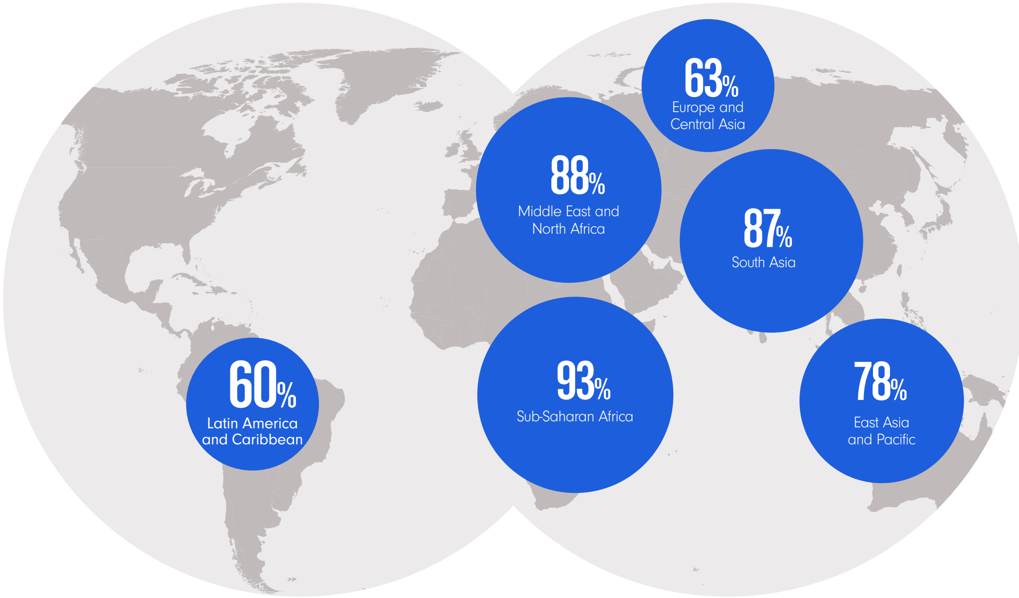
US$66m
Majority acquisition in PaySense to scale our credit business in India

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



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.

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

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.

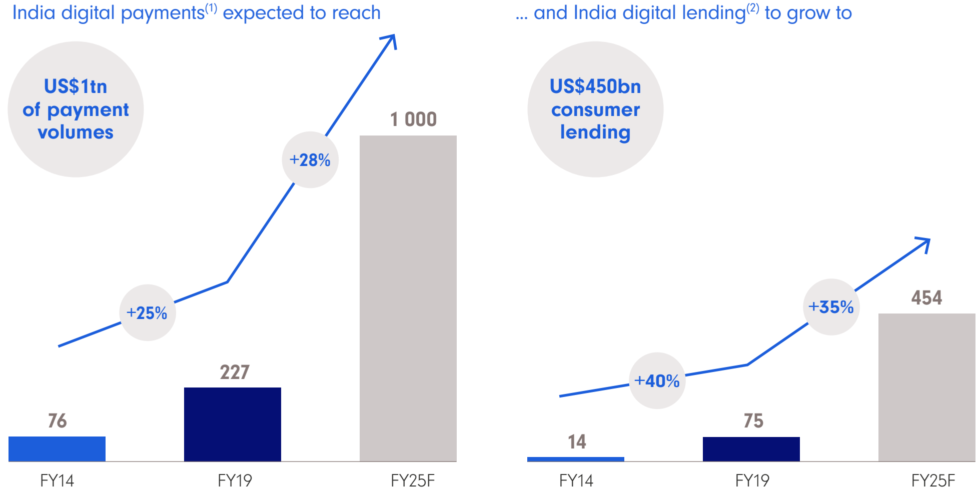
India has led by example by creating a day-care centre in our main office of Gurgaon and introducing a programme to help young mothers return to the workplace.

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



(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

REVENUE[1] (US$'bn)

2020	1.76
2019	1.85

TRADING LOSS[1] (US$'m)

2020	(62)
2019	(150)

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

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 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.

Encouraging educational excellence
Across Romania, eMAG's Let's Go to School Olympics! programme focuses on raising the level of education of children. The programme provides performance training in the best possible conditions to all children who want to achieve above the average level. To this end, mathematics, physics and informatics training centres have been implemented in almost all major cities.

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 Joița 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 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 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 etailer

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 etailer. 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).

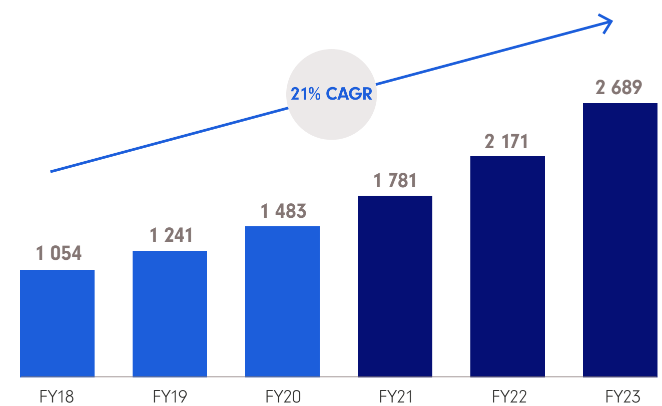
A mobile winner
Growth continues to come predominantly from mobile channels. Throughout the year, 69% of user visits to Takealot and 80% of user visits to Superbalist.com were from mobile devices. The Mr D business is predominantly mobile-based.

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 etailer 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 Movile, 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 incubated 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 Movile 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."

Key investments in the year

Health	Social Commerce	Blockchain	Mobility	Logistics
honor	meesho	DappRadar	dott	ElasticRun
		IMMUTABLE	Quick Ride	

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 CO_2 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

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 CO_2 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.

"We have been a long-term partner of Movile because of its ability to build transformative mobile businesses in Latin America and beyond."

Martin Tschopp
COO, Ventures

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."

Fabricio Bloisi
CEO, iFood and co-founder of Movile

Social and internet platforms

Connecting people in everyday life though 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 retails 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 depositary 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

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

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 also took home awards at the 2019 Standard Bank Sikuvile 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

#1000ACTSOFKINDNESS

1 600

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 #Guptaleaks 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 Mediaveertjies. 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 CO_2e (2019: 10 008 tonnes of CO_2e). 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 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.

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.

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.

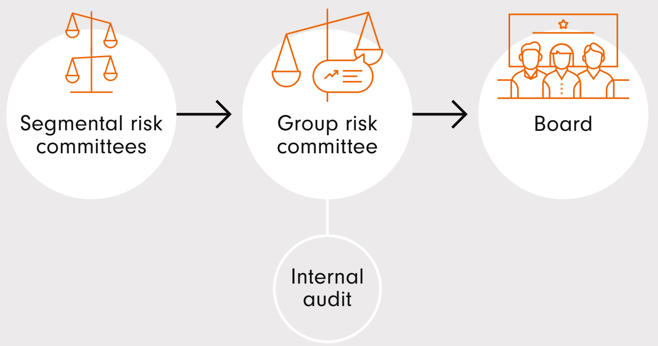
We are committed to applying principles of good governance, as well as complying with laws and regulations as applicable in the territories in which we operate, and as dictated by the listings requirements of relevant securities exchanges. Our governance structures, policies and processes are designed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

Risk management



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.

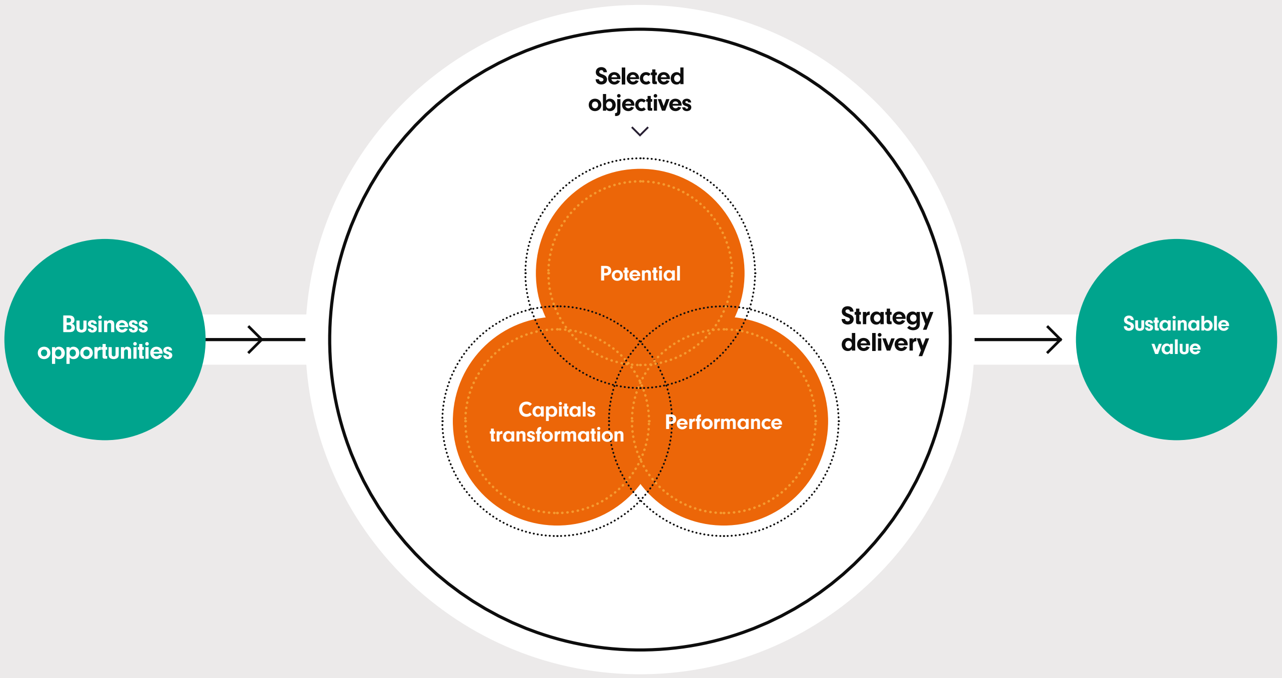
Depending on the importance of the risk in relation to tolerance levels, active management of the risk takes various forms and varies in extent.

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				
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.	• 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.	• 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.	• 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 unutilised 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: — 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.	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.

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				
We acknowledge that our employees' competencies, capabilities and experience, as well as their drive and engagement, is key to our success.	• 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.	• 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.	• 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, to 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.	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.
Manufactured capital				
Manufactured capital is key to our services and operations. Across the group, manufactured capital may include: • 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.	• 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.	• 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.	• 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.	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. 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.

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				
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.	• 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.	• 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.	• 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				
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.	• 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.	• 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.	• 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				
			• 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				
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.	• 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.	• 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.	• 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

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

Our ongoing journey → 2019 → 2020 → Next steps

2019

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.

2020

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.

Next steps

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:** • 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:** • Our business model **Performance review:** • 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:** • Our business model **Performance review:** • Classifieds • Payments and Fintech • Food 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:** • Food Delivery (iFood) – Improving driver safety; Promoting wellbeing; and Helping drivers learn and prosper • Etail (eMAG): Promoting employee wellbeing **Sustainability review:** • 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:** • Food Delivery (iFood) – Helping drivers learn and prosper • Etail (eMAG) – Enhancing learning and development; and Encouraging educational excellence • Ventures – Focusing on education • Media24: Investing for positive social impact **Sustainability review:** • 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:** • Classifieds – Championing conscious consumption • Food Delivery (iFood) – Environmental initiatives • Etail (eMAG) – Managing waste • Etail (Takealot) – Ongoing environmental initiatives • Media24 – Environmental commitment **Sustainability review:** • 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:** • Classifieds – Championing conscious consumption • Food Delivery (Swiggy) – Green cloud kitchens • Etail (eMAG) – Reducing carbon emissions • Ventures (Dott, Quick Ride) – Going green with Dott; and Focusing on India • Etail (Takealot) – Ongoing environmental initiatives • Media24: Environmental commitment **Sustainability review:** • 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:** • Classifieds – Investing in communities; and Making the most of sustainability • Payments and Fintech – Acquiring Wibmo; and Contributing to communities • Food Delivery – Training drivers in first aid; and Tackling hunger • Etail (Takealot) – Making it easy for people to donate **Sustainability review:** • Artificial intelligence and machine learning – Looking ahead • Our people – Focusing on gender diversity • Society – 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.

Our progress this year

Artificial intelligence and machine learning

Throughout the year we focused on making sure we are using AI and ML in a responsible way for consumers. It is one of the key issues in our business and we work closely with the AI group team to align AI and ML with data privacy and protection. This includes providing training and setting up guidelines for the AI teams and data-privacy leads across the group. The aim is to make sure we are handling data in the right way across the different businesses both in terms of global policy and ethics, and local regulatory requirements and customer expectations. See pages 63 and 64 for more information.

"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."

Trajce 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 Beinat
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.

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

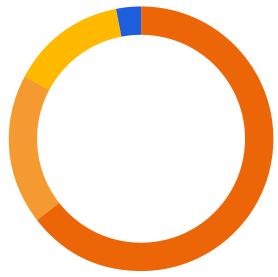
MyAcademy, our group online learning hub, connects our people, wherever they are located, to learning materials. We have curated the very best learning experiences from providers around the world, including our own education partners (Udemy, Codecademy and Brainly) as well as other leading global providers 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.

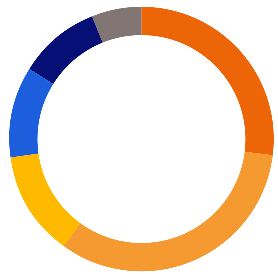
MyAcademy allows us to reach out quickly to our people all over the world in order to expose them to key topics and trends. This year MyAcademy has been a critical element in our ML and AI transformation plan. We used MyAcademy to train thousands of our non-engineering people in ML and AI, through our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

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.

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.

We continue to measure employee engagement across the group and ask our people for feedback on their experience of working at our various group companies. Engagement survey participation rates and engagement scores are in line with external benchmarks and we continue to focus on positive employee engagement across the group.

Building a diverse and inclusive workplace

Building a diverse and inclusive workplace is a key element of our future business growth and success. Throughout the year, we placed a big focus on diversity and inclusion (D&I) and we give an example in the performance review on pages 28 to 49 of specific initiatives undertaken by one of the segments.

Given the scarcity of talent in the consumer internet industry and our focus on emerging markets, we face the ongoing challenge of attracting and retaining talented and qualified candidates. We are proactively addressing that challenge with talent sourcing and acquisition strategies designed to attract a diverse range of people who in turn represent the full diversity of our customer base.

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

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.

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 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.

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.

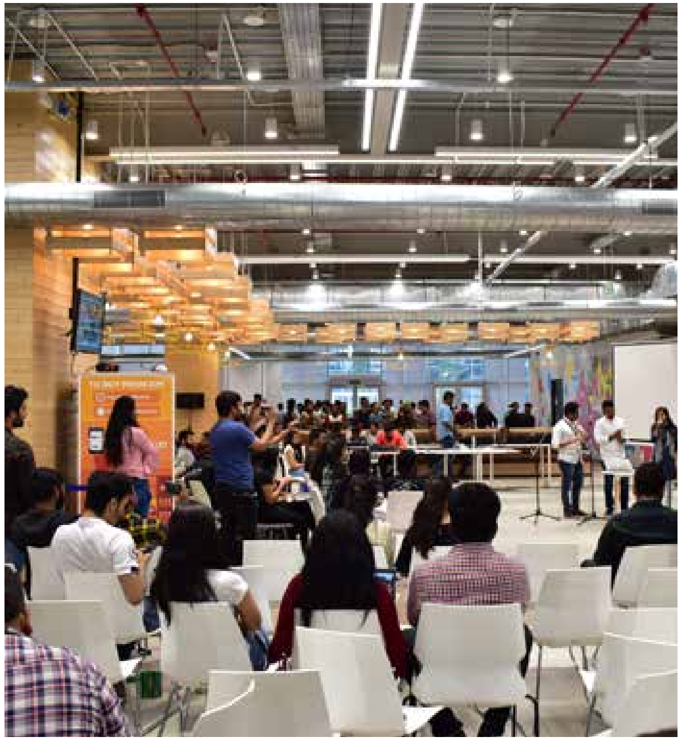
(1) BBBEE is a form of economic empowerment legislated in South Africa.

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	Share meals to minimise hunger	Reduce Plastic delivery	Add Diversity and inclusion
Increase iFood restaurants' reputation and increase deliveries by drivers that make more than minimum wage	Offer more than 20 million meals for vulnerable Brazilian people	Avoid sending 400 million plastic items in our consumer food deliveries	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 CO_2e (2019: 94 343 tonnes CO_2e). 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_2e	2019 tonnes of CO_2e (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 Joița 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 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

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

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.

See more on page 49

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 RogaLOVE 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 under-privileged 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.

Naspers Labs
Naspers Labs focuses on tackling youth unemployment in South Africa with a hyper-local programme combining community spaces with online learning and support.

Naspers Foundry
Naspers Foundry invests in talented and ambitious South African tech entrepreneurs so they can develop and grow businesses that improve people's lives.

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 Khayalitsha.

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.

Advancing the programme
During the year, we further enhanced our programme introducing new bespoke courses focused on improved digital competency, introduction to coding, creativity and collaboration, entrepreneurial thinking, spreading kindness (volunteering and community participation) and socio-emotional learning. We also introduced a new five-day work-readiness course that addresses practical themes from how to build relationships with co-workers, to interview techniques, to employee rights, to management of personal finances.

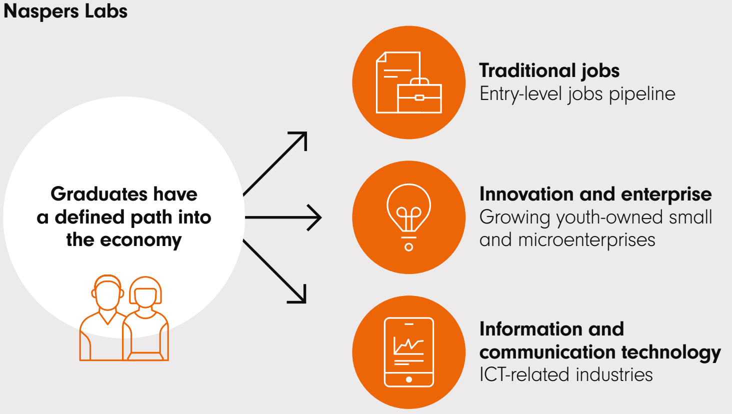
Society continued

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 Labs



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.

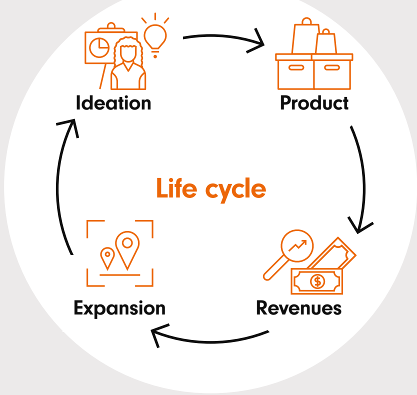
Helping SweepSouth go far
In June 2019, Naspers Foundry made its first investment, putting R30m into SweepSouth, Africa's first online home cleaning services marketplace, which connects clients to vetted domestic cleaners. SweepSouth was founded by Aisha Pandor, who holds a PhD in Human Genetics and 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 economics, 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.

R130m
To date, Naspers Foundry has invested more than R130m into two businesses: SweepSouth and Aerobotics

Tax

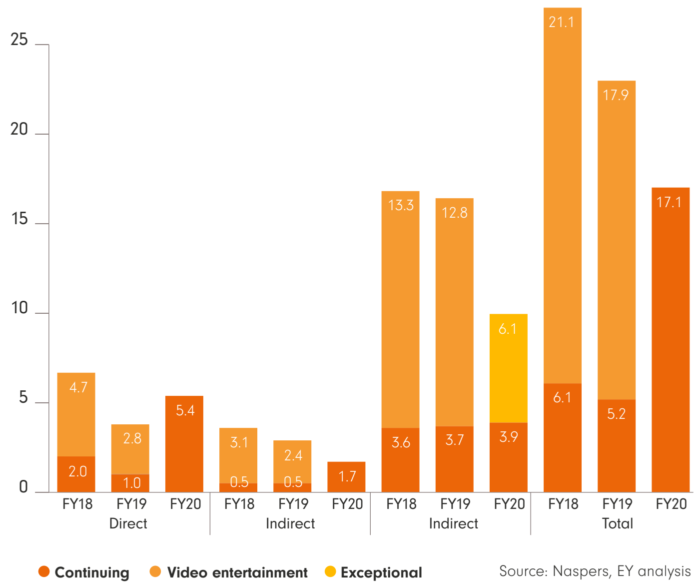
Naspers aims to contribute positively to the communities and countries in which it operates. We are a global group and our businesses are located and operate in many countries around the world. Although we are a global group, we operate and pay taxes locally. We employ people in the countries where the 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.

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

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.

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.

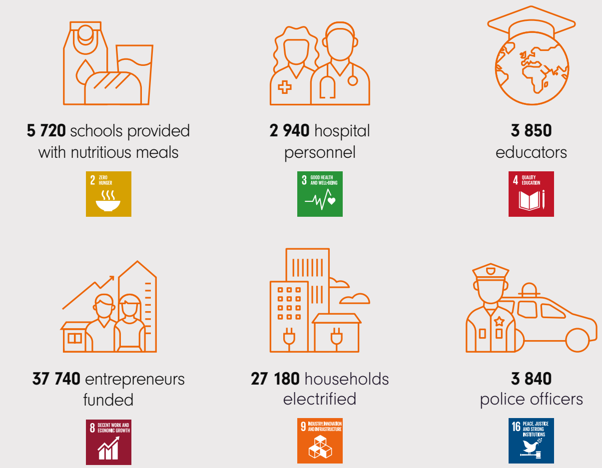
The study summarised direct and indirect tax payments by Naspers as well as its induced tax contribution.

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

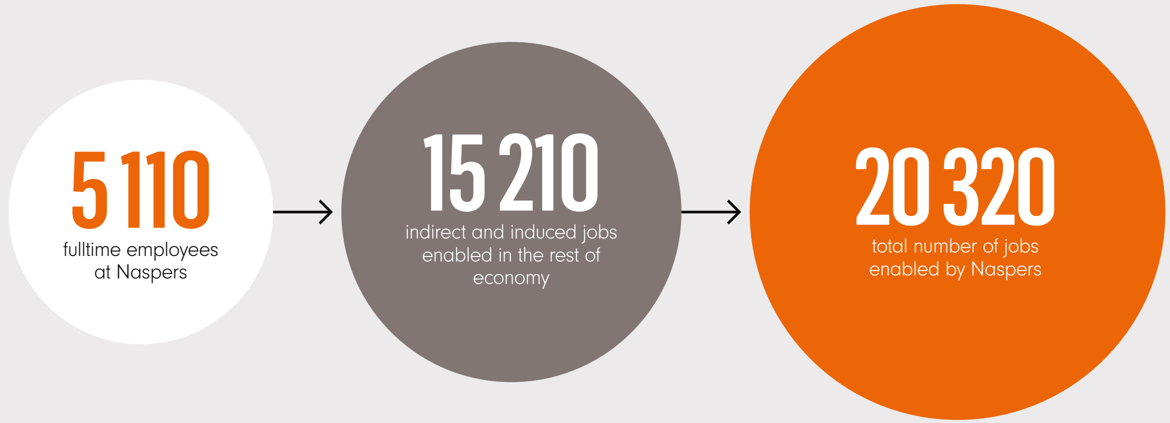
62.7%
of the people employed in FY20 were based in the Media segment

28.7%
of the people employed in FY20 were based in the Etail segment

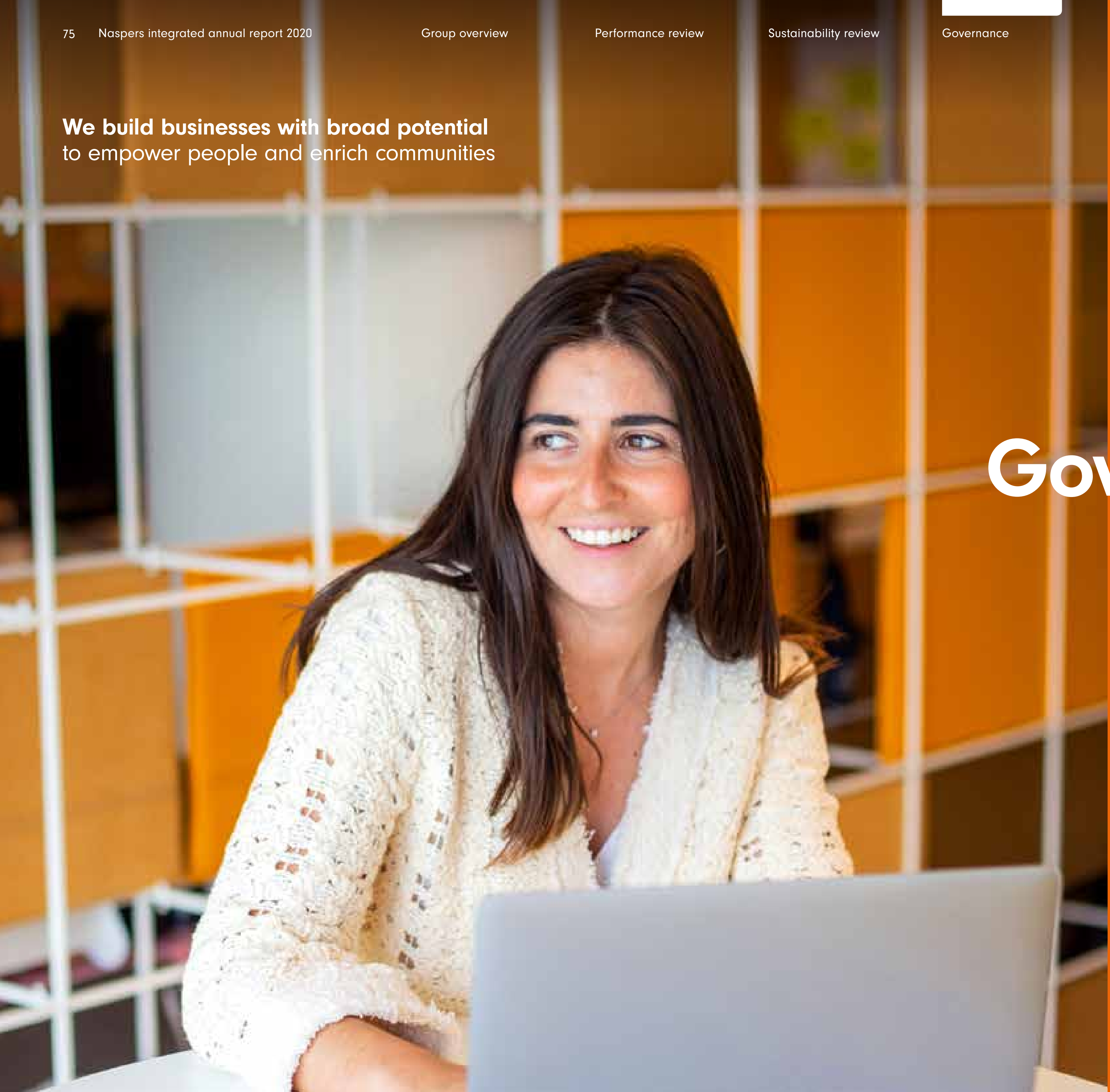
Naspers has in addition to the social benefits enabled by its tax contributions also supported a total of 20 320 jobs in South Africa, both directly and through its connections to other sectors of the wider South African economy
In FY20, Naspers directly employed 5 110 people in South Africa on a permanent 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



Governance

Contents

Our board

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

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 BAHons 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 MBAHons 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 MIH Holdings Proprietary Limited (MIH 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.

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.

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.

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.

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 BAHons in economics from St. Stephen's College, India and a masters in economics from the Delhi School of Economics, India.

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.

Rachel Jafta

59, South African

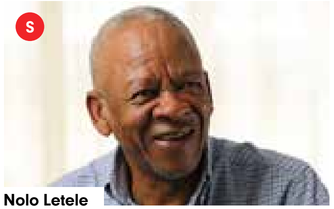
Independent non-executive director

Rachel Jafta 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 Fundação 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 MEcon and a PhD from the University of Stellenbosch.

Our board continued

- **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



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 Y 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

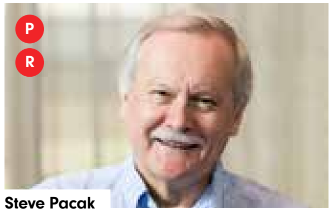
Roberto Oliveira de Lima is an independent non-executive director. He developed his career at companies like Accor S.A., Rhone Poulenc S.A. (now part of Sanofi S.A.) and Compagnie de Saint-Gobain S.A. in the information technology and finance areas. He was chair and chief executive officer of Credicard 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 Edenred S.A. in France, Pão de Açúcar S.A. (Casino) and Natura in 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 Telefônica 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 Superieur 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 BScHons 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).

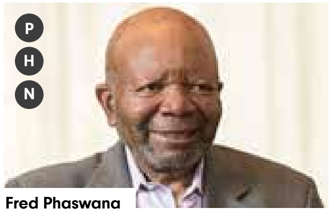


Steve Pacak

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.



Fred Phaswana

75, South African

Independent non-executive director

Fred Phaswana was an independent non-executive director and the lead independent director of the board. He joined the Naspers board as a director in 2003. He is the joint chair of Mondi Group Limited and Mondi Group plc and former chair of the Standard Bank Group Limited and of The Standard Bank of South Africa Limited. He holds an MA from the University of South Africa and BComHons from the University of Johannesburg (at that time, the Rand Afrikaans University) and BA (philosophy, politics and economics) from the University of South Africa. He retired from the Naspers and Prosus boards and committees with effect from 1 April 2020.

Mark Sorour

58, South African

Non-executive director

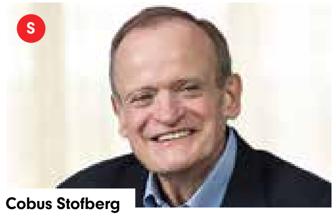
Mark Sorour is a non-executive director. He joined the Naspers group in 1994, leading business development and corporate finance, globally. Following assignments in Hong Kong and Amsterdam, he returned to Cape Town in 2002 as the Naspers group's chief investment officer, being responsible for all global 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.

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.



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.

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

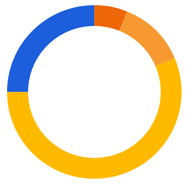
People and learning
Recognise the importance of machine learning and embed learning throughout the group, including board level.

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

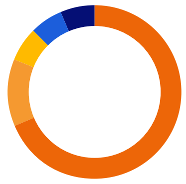
BOARD COMPOSITION (NUMBER OF DIRECTORS)[i,ii]



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.

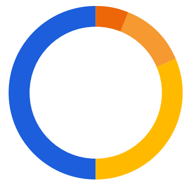
NATIONALITIES (NUMBER OF DIRECTORS)[i,ii]



South Africa	11
USA	2
Brazil	1
The Netherlands	1
India	1

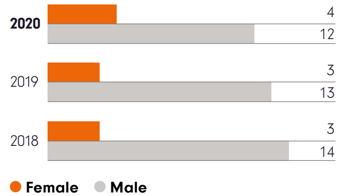
[ii] Excludes Fred Phaswana who retired on 31 March 2020.

LENGTH AND TENURE AS A NASPERS DIRECTOR (NUMBER OF DIRECTORS)[ii]

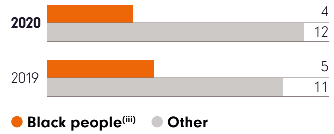


0–2 years	1
2–4 years	2
4–6 years	5
6–9+ years	8

GENDER DIVERSITY (NUMBER OF DIRECTORS)[ii]



RACIAL DIVERSITY (NUMBER OF DIRECTORS)[ii]



[iii] 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 Jafta	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 Stofberg	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

Board committees
Supported by company secretary/governance framework

Audit
Finance policies and group levels of authority, combined assurance, internal and external audit

Risk
Management of information
Management of technology
Management of risk
Compliance management

Human resources and remuneration
Remuneration
Ethical business culture

Nomination
Board diversity
Board and board committee

Naspers social, ethics and sustainability
Organisational ethics
Corporate citizenship and sustainability
Stakeholder relationships

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™[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 enterprisewide 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.

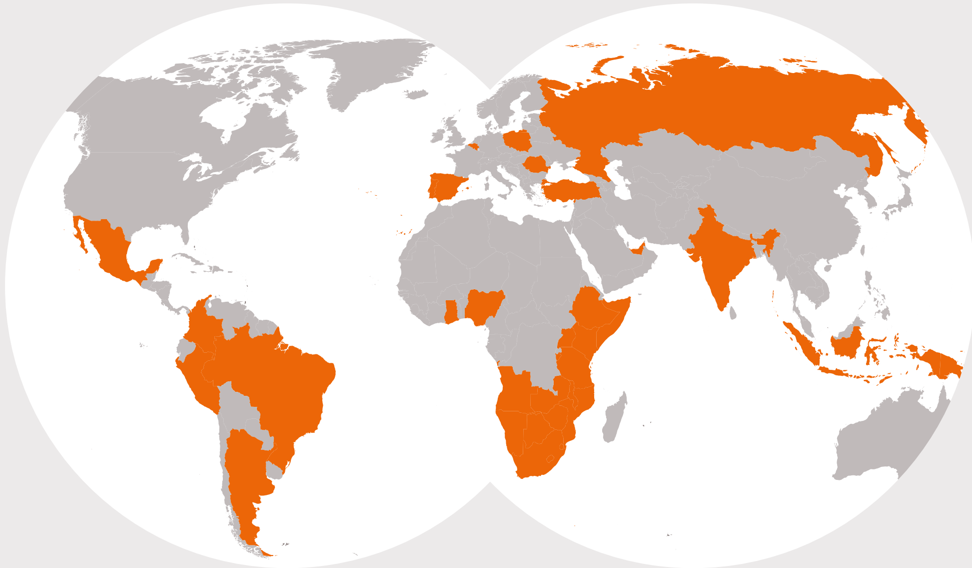
We focus on policies and procedures that address key ethical risks, such as conflicts of interest, accepting inappropriate gifts and unacceptable business conduct.

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:

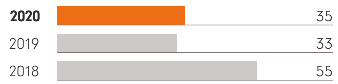
- understanding and applying the code of business ethics and conduct, whistleblower policy, and upholding corporate values
- managing internal 'speak-ups' and providing guidance
- assisting with awareness campaigns on the code and whistleblower policy
- maintaining confidentiality on ethics-related matters, 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



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

OpenLine process flow

Collect

Hotline → Web → Email → Postal service

Manage

- Navex's anonymous whistleblower reports
- IARS system oversight
- IARS independent monitoring and appropriate escalation of incident
- Investigating audit and/or external forensic consultants

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

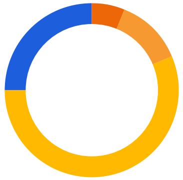
Long-term value creation and strategy

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.

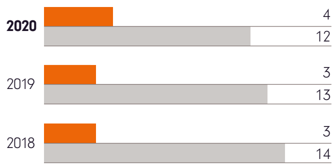
Read more on page 25

BOARD COMPOSITION
(NUMBER OF DIRECTORS)[i,ii]



Chair	1
Executive	2
Independent non-executive	9
Non-executive	4

GENDER DIVERSITY
(NUMBER OF DIRECTORS)[ii]



(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, for implementation 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 enterprisewide 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[3]	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 Stofberg	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 a 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

Board evaluation process

Performance in general:

Considered as part of the review of the composition of the board and its committees

↓

Committees perform self-evaluations against their charters for consideration by the board

Performance of each director:

Performance of each director is evaluated by the other board members, using an evaluation questionnaire

↓

Chair discusses the results with each director

↓

Consolidated summary of the evaluation is reported to and discussed by the board, including any actions required

Evaluation

The nomination committee carries out the evaluation process, which is not externally facilitated. Until 2018, the board performed an annual formal inhouse self-assessment of its own effectiveness, as well as that of its committees, individual members and its chair. From 2019, this formal process was changed to every second year in line with King IV's recommendations. Subsequent to the listing of Prosus, it was agreed that the evaluations will take place on an annual basis.

Performance in general has previously been, and shall continue to be, considered every year as part of the review of the composition of the board and its committees. The performance of the board and its committees, as well as the chair of the board, against their respective mandates in terms of the board charter and the charters of its committees, is appraised. The committees perform self-evaluations against their charters for consideration by the board.

As part of the 2020 annual formal inhouse self-assessment, the performance of each director was evaluated by the other board members, using an evaluation questionnaire. The chair of the board discussed the results with each director and agreed on any training needs or areas requiring attention by that director. Where a director's performance is not considered satisfactory, the board will not recommend his/her re-election. A consolidated summary of the evaluation was reported to and discussed by the board, including any actions required. The lead independent director leads the discussion on the performance of the chair, with reference to the results of the evaluation questionnaire, and provides feedback to the chair.

The formal annual evaluation process showed that the board and its committees had functioned well and discharged their duties as per the mandates in their charters. The board is satisfied that the evaluation process is improving its performance and effectiveness. The results of the board evaluation indicated that board members, collectively and individually, effectively discharged their governance role. There were no remedial actions identified.

Furthermore, the independence of each director was evaluated. The board determined that although some directors had served as members for nine years or longer, they all demonstrated they were independent in character and judgement and there were no relationships or circumstances that were likely to affect or could appear to affect their independence.

Induction and development

An induction programme is held for new members of the board and key committees, tailored to the needs of individual appointees. This involves industry and company-specific orientation, such as meetings with senior management to facilitate an understanding of operations. Board members are exposed to the main markets in which the group operates as well as relevant evolving trends in technology and business models. The company secretary assists the chair with the induction and orientation of directors, and arranges specific training if required.

The company will continue with directors' development and training to build on expertise and develop an understanding of the businesses and main markets in which the group operates. During the year board training and development initiatives included artificial intelligence and machine learning, blockchain and bitcoin, development of regulation in relation to technology/internet, global developments and development in certain markets such as India and China.

Conflicts of interest

Potential conflicts are appropriately managed to ensure candidate and existing directors have no conflicting interests between their obligations to the company and their personal interests. All directors are required to declare personal interests on an annual basis. Declaration of directors' interests is a standing agenda point on the board's agenda. Directors who believe there may be a conflict of interest on a matter are to advise the company secretary and are recused from the decisionmaking process, and the Companies Act process is applied accordingly. Directors must also adhere to a policy on trading in securities of the company.

Discharge of responsibilities

The board is satisfied that the committees properly discharged their responsibilities over the past year.

Furthermore, the board complies, to the best of its knowledge, with the Companies Act and its memorandum of incorporation and monitors such compliance on an ongoing basis.

The full governance report can be found on **www.naspers.com**.

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[1]	3 725	3 304	13
Dividend per N ordinary share 20 (SA cents) (FY20 reflects dividend proposed)	580	715	19

[1] *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

$

In US$'000	Executive director remuneration for the year ended 31 March 2020 (FY20)						
	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%

€

In EUR'000	Executive director remuneration for the year ended 31 March 2020 (FY20)						
	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

✓ Achieved ✗ Not achieved

Group financial goals	Weighting %	Description	Actuals	Outcome	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.

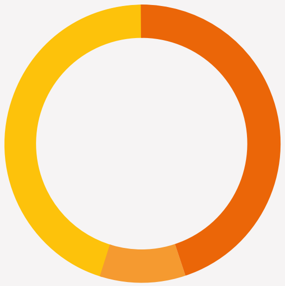
Remuneration at a glance continued

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:

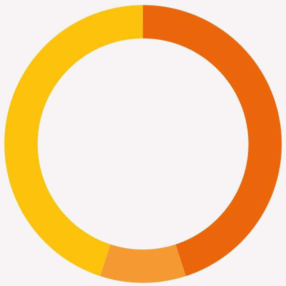
Balance of the FY20 LTI grant

BOB VAN DIJK



	%
Naspers PSUs	45
Naspers SOs	10
Ecommerce SARs	45
Total	100

BASIL SGOURDOS



	%
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

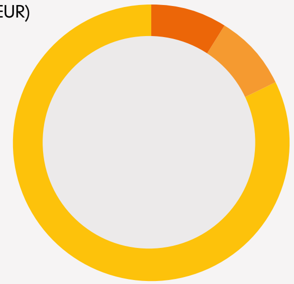
	%
Naspers PSUs	22
Naspers SOs	28
Ecommerce SARs	50
Total	100

[(1)] *Represents the fair value of LTI awards on grant date in accordance with IFRS 2.*

Compensation is mostly 'at risk' and longer term

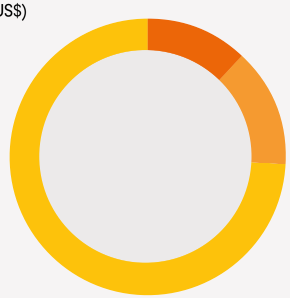
Below we show the relative weightings of each type of compensation: annual fixed pay, STI and LTI for each executive as at 31 March 2020.

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

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				
Executive director	Base salary [1]	STI [2]	LTI [3]	Pension [4]	Other benefits [5]	Total remuneration [6]
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				
Executive director	Base salary [1]	STI [2]	LTI [3]	Pension [4]	Other benefits [5]	Total remuneration [6]
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

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

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.

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.*

Figure 3

LTI Objectives	SOs	PSUs	SARs
Linked to outcomes management controls	• Share price partially influenced by events beyond management control	• Reward management for the outcomes they directly control	• Reward management for the outcomes they directly control
Focused on longer-term value creation	• Market cap represents longer-term value • Vest over four years	• Valuation driven by longer-term projections • Vest at end of three years	• Valuation (third party) driven by longer-term projections • Vest over four years
Aligned with shareholder interests	• Management 100% aligned with shareholders • Incentivise management to reduce the discount to NAV	• Performance condition incentivises creating value in underlying internet business, closing discount to NAV • Performance condition is relative to industry peers	• Incentivise value creation in underlying internet business • Performance of internet business only one factor influencing share price

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.

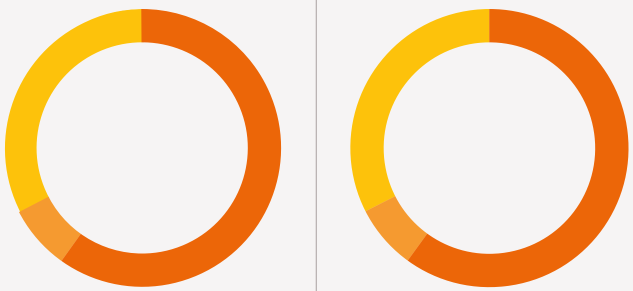
Figures 1 and 2 show what the approximate balance of the unvested LTIs for the executive directors, post this FY21 allocation, will be.

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 1
The balance of CEO/CFO FY21 LTI grant is focused towards consumer internet business

BOB VAN DIJK | BASIL SGOURDOS

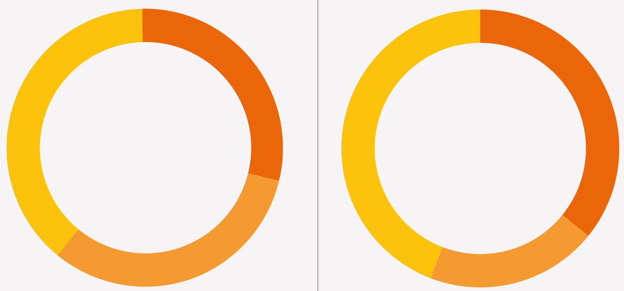


BOB VAN DIJK	%
Naspers PSUs	60
Naspers SOs	7.5
Ecommerce SARs	32.5
Total	100

BASIL SGOURDOS	%
Naspers PSUs	60
Naspers SOs	7.5
Ecommerce SARs	32.5
Total	100

Figure 2
Balance of all unvested LTI, including the FY21 LTI grant

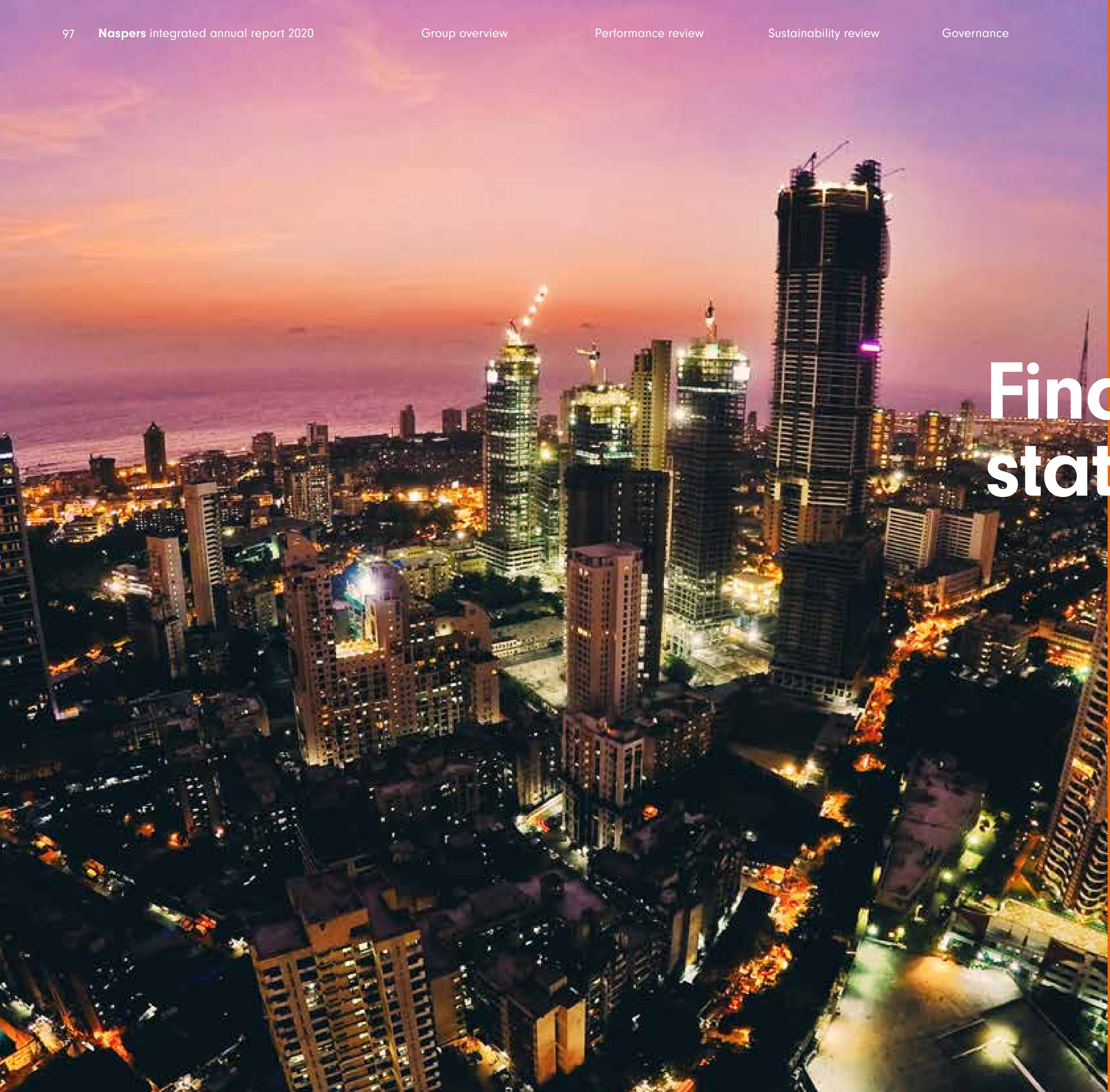
BOB VAN DIJK | BASIL SGOURDOS



BOB VAN DIJK	%
Naspers PSUs	29
Naspers SOs	32
Ecommerce SARs	39
Total	100

BASIL SGOURDOS	%
Naspers PSUs	36
Naspers SOs	20
Ecommerce SARs	44
Total	100

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.



Financial statements

Contents

Summarised consolidated annual financial statements

Contents

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, Jukskei 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, Jukskei 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
		3 404	6 921
Per share information related to continuing operations[1]			
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[3]	**–**	**–**	**–**	**–**	**(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)
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, etail 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, etail, 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 not 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
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 etail 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 Informaçao e Technologia 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 Felelősségű Társaság (eMAG Hungary), its Hungarian operations with operations of Ed Group Vagyonkezelő Korlátolt Felelősségű 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 İyzi 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 IUCG 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 Informaçao 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	46
Forward exchange contracts	4	–	4	–
Derivatives embedded in leases	1	–	–	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 Aasaanjobs	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 Wibmo	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	B	C	D	E	F[2]	G[3]	H[4]
	IFRS[1] US$'m	Group composition disposal adjustment US$'m	Group composition acquisition adjustment US$'m	Foreign currency adjustment US$'m	Local currency growth US$'m	IFRS[1] US$'m	Local currency growth %	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	B	C	D	E	F[2]	G[3]	H[4]
	IFRS[1] US$'m	Group composition disposal adjustment US$'m	Group composition acquisition adjustment US$'m	Foreign currency adjustment US$'m	Local currency growth US$'m	IFRS[1] US$'m	Local currency growth %	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.

We create sustainable leadership positions
to empower people
and enrich communities

Further information

Contents

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 Jafta 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 Jafta, 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):

- 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.
- 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.

A resolution, having been passed by the board, authorising the repurchase, and confirming that the company and its subsidiaries passed the solvency and liquidity test and that, from the time that the test was done, there have been no material changes to the financial position of the group. Before the general repurchase is effected, the directors, having considered the effects of the repurchase of the maximum number of N ordinary shares in terms of the foregoing general authority, will ensure that for a period of twelve (12) months after the date of the notice of the annual general meeting:

- The company and the group will be able, in the ordinary course of business, to pay their debts.
- The assets of the company and the group 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 in the affairs or financial position of the company and its subsidiaries between the date of signature of the audit report to the date of this notice.

The directors have no specific intention, at present, for the company to repurchase any of its N ordinary shares, but believe that such a general authority should be put in place in case an opportunity presents itself during the year, which is in the best interests of the company and its shareholders.

The reason for and effect of special resolution number 4 is 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 with 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			
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			
10. To approve amendments to the consolidated deed constituting the MIH Services FZ LLC Share Trust and the share scheme envisaged by such trust deed			
11. To approve amendments to the consolidated deed constituting the MIH Holdings Share Trust and the share scheme envisaged by such trust deed			
12. To approve amendments to the consolidated deed constituting 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

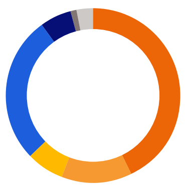
Investor relations
Eoin Ryan
InvestorRelations@naspers.com
Tel: +1 347-210-4305

Analysis of shareholders and shareholders' diary

Analysis of N ordinary shareholders

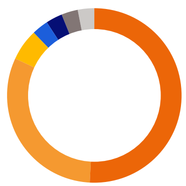
Size of holdings	Number of shareholders	Number of N ordinary shares owned
1 – 100 shares	56 626	1 885 032
101 – 1 000 shares	22 244	6 724 889
1 001 – 5 000 shares	3 270	7 103 898
5 001 – 10 000 shares	666	4 837 379
More than 10 000 shares	1 629	414 959 860
	84 436	**435 511 058**

GEOGRAPHIC DISPERSION



	%
South Africa	43
UK	13
Europe (excluding UK)	7
North America	27
Asia	6
Rest of the World	1
Unknown	3

SHAREHOLDER TYPES

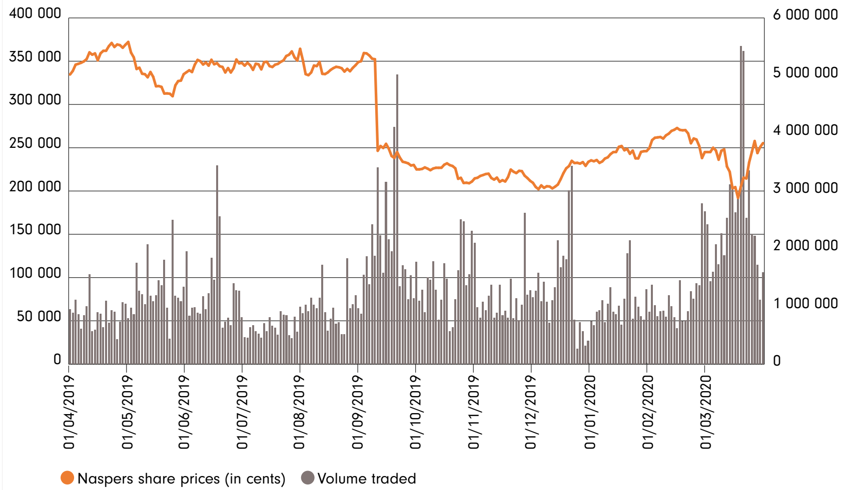


	%
Foreign institutions	51
Domestic institutions	31
Private stakeholders/investors	6
Employees, etc	3
Domestic brokers	3
Other	3
Unknown	3

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



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

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

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.

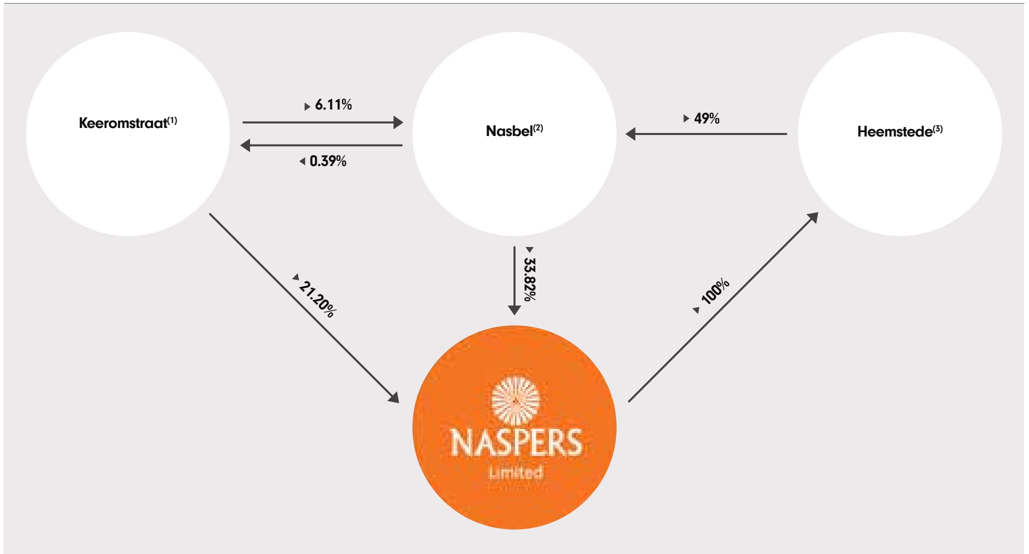
In recent times many internet and tech companies in particular have implemented similar structures.

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
+27 (0)21 406 2121
40 Heerengracht
Cape Town
8001
South Africa

www.naspers.com