

Naspers posts strong financial performance and progresses on strategy

Cape Town, 21 June 2021 – Naspers Limited (JSE: NPN) full year results confirm revenues and trading profit at record levels, as well as strong progress on strategy.

- Group now serves more than 2 billion users globally
- Group revenues¹ of US\$29.6bn (up 32%); trading profit of US\$5.6bn (up 45%); core headline earnings of US\$3.5bn (up 15%)
- Ecommerce² portfolio value almost doubles in a year and hits US\$39bn³ valuation
- Classifieds segment, core payments business, and eMAG profitable
- Food segment grows revenues to US\$1.5bn (up 127%)
- Edtech segment established from 1 April 2021, already serving 500 million monthly users
- Ventures team continues to identify future growth opportunities, with US\$0.9bn of investments since the start of FY21

Bob van Dijk, Group CEO, Prosus and Naspers, commented:

"In a year of extreme global challenge, we have delivered our strongest results to date and accelerated growth right across our consumer internet portfolio. Our strategy to reposition the group for an increasingly online world meant we were well prepared for the acceleration of online adoption through the pandemic. I am proud of our companies and teams who have risen to the challenge of serving our customers through difficult times. Today, our businesses are fundamentally stronger than they were going into the pandemic and are very well positioned going forward. We will continue to invest and innovate to deliver the best experiences for our customers and to maximise the value we create for all of our stakeholders."

Group performance^{1 2}

Group results	FY2021	FY2020	YoY change
Revenues	US\$29.6bn	US\$22.1bn	32%
Trading profit	US\$5.6bn	US\$3.7bn	45%
Core headline earnings	US\$3.5bn	US\$2.8bn	15%
Ecommerce portfolio results			
Revenues	US\$6.8bn	US\$4.7bn	55%
Trading loss	US\$439m	US\$823m	49%

Basil Sgourdos, Group CFO, Prosus and Naspers, commented:

"We have delivered our strongest results since the listing of Naspers and subsequent listing of Prosus. Group revenues grew by 32% to US\$29.6bn, reflecting stellar accelerated revenue growth of 55% year-on-year in our Ecommerce portfolio and 28% revenue growth at Tencent. Group trading profit grew 45% to US\$5.6bn. Since the start of the year, we have invested around US\$7bn to expand our ecosystems and become even more useful to our customers. This accelerates growth across our existing portfolio and also plants the seeds of future growth. We also invested in a US\$5bn share-purchase programme of

¹ Group results are shown on an economic-interest basis (i.e., including a proportionate consolidation of the contribution from associates and joint ventures). Growth percentages are shown in local currency terms and adjusted for acquisitions and disposals.

² Ecommerce portfolio consists of all Prosus ecommerce investments plus Takealot, and excludes Tencent and mail.ru.

³ Independent valuation of Prosus ecommerce portfolio undertaken by Deloitte.

Naspers and Prosus stock. Post year-end, to reinforce our balance sheet, we sold a 2% stake in Tencent, reducing our holding to 28.9%. The resulting proceeds of US\$14.6bn create added financial flexibility to invest in new opportunities to sustain the strong growth and returns embedded in our Ecommerce portfolio. Since then, we have invested a further US\$2.6bn in Delivery Hero which continues to demonstrate global leadership in the nascent and fast growing food delivery opportunity. We also recently announced a US\$1.8bn acquisition of Stack Overflow by the newly established Edtech segment, expanding the Edtech portfolio and positioning the group well to participate in a new fast growing and sizeable opportunity."

Koos Bekker, Group Chair, commented:

"Our Board is immensely proud of what our people achieved during the past year. They managed the pandemic, delivered powerful revenue growth, and lifted profitability. Foundations were laid for future growth."

Strong progress across the Ecommerce portfolio

Total Ecommerce revenues grew 55%, outpacing the strong 28% revenue growth at Tencent. The Food segment grew revenues 127% year-on-year, and eMAG grew revenues 54% year-on-year. eMAG turned profitable, alongside Classifieds and our core payments businesses, which have been profitable for the past 2 and 3 years, respectively. Takealot also delivered a strong performance, growing revenues 65% to US\$606m. Despite a challenging start to the year, our Classifieds and Payments & Fintech segments both reported solid results, with a sharp recovery to pre-pandemic levels by the second quarter. In the second half of the year, on the back of accelerated growth and our belief in the sector, we graduated our Edtech portfolio from the Ventures team. Edtech is now our fourth core segment, alongside Food, Classifieds, and Payments & Fintech.

We continued to invest and innovate, expanding the platforms we have built to provide broader product and service offerings to our customers. For example, offering pay and ship in our large classifieds markets, and extending our food delivery businesses into grocery and convenience delivery and other new verticals. We see huge potential to play an increasingly valuable role in people's everyday lives in this way.

For the first time, we are confirming an independent valuation of our Ecommerce portfolio of US\$39bn. This is almost double the valuation of a year ago and it has delivered an annual return in excess of 20% since 2008.

Food – iFood, Swiggy and Delivery Hero

In FY21, we capitalised on an accelerated consumer shift to online food delivery, achieving 70% growth in gross merchandise value (GMV) and 127% growth in revenues to US\$1,486m. iFood, majority owned by Prosus, grew revenues more than 200% year-on-year.

Despite the operational challenges of the pandemic, we achieved rapid growth outside of India, with our businesses gaining scale through the year. In India, where the COVID-19 impact has been significant, Swiggy worked hard to navigate the challenging operating environment and recovered to pre-pandemic levels by December 2020. More recently in India, people and communities have faced significant challenges and at a group level we are making further contributions to the country's response to COVID-19.

On the back of scaled food delivery platforms, iFood, Swiggy and Delivery Hero are innovating to build a broader on-demand delivery ecosystem, going beyond restaurant delivery to grocery and convenience delivery and increased logistics capabilities. We believe that food represents a significant growth opportunity that is still in its early stages.

Payments & Fintech - PayU

Our Payments & Fintech segment reported strong financial results for the year. Total Payment Value (TPV) increased 51% to US\$55bn, supported by a 38% increase in the number of transactions. Our core payments service provider business was profitable for the third year running.

Our Global Payments Operations division, mainly in Europe and Latin America, accelerated growth, increasing total transaction value by 51% year-on-year. In India, PayU's biggest market, TPV grew 42% to US\$27bn. Rapid diversification into financial services, education and bill payments offset the significant decline in travel and hospitality.

Classifieds – OLX Group

OLX Group operates some of the world's best classifieds businesses, with many now operating at scale and continuing to grow well ahead of global peers. Innovation is at the heart of our growth strategy, and we continued to expand the products and services that our classifieds platforms offer to our customers.

Classifieds was our most affected business at the start of the pandemic, with reduced demand for large purchases and lockdown restrictions limiting physical transactions. The team responded quickly, developing digital alternatives to help buyers and sellers continue to trade. For example, offering virtual inspections in our autos business, assisting businesses to move from offline to online, and extending financial assistance to business customers.

OLX Group became profitable overall in 2020 and remained so this year, despite the initial challenges of the pandemic and continued investment in products and services to drive long-term growth. Average monthly users reached 322m by year end, compared to 300m the previous year. Revenues grew 18% to US\$1.6bn, with 36% growth in the second half. In Russia, Avito invested to improve its market position and delivered a standout performance. Its revenues grew by 20% to US\$415m and its trading margins remained strong at 40%.

Education technology

Prosus was an early investor in edtech. More than five years ago, our Ventures team identified edtech as a significant opportunity. The size and growth of the sector, combined with falling technology costs and rising education costs, provide great potential for innovation and disruption at scale. Since 2016, we have built a world-class, global portfolio of edtech companies spanning primary, secondary, vocational and lifelong learning.

During the year, we stepped up our edtech exposure, announcing an investment in Eruditus and also our investment in Skillsoft via a special purpose acquisition company. Post year end, we announced an agreement to acquire Stack Overflow and a majority stake in GoodHabitZ – when combined with our existing portfolio, we will reach 90% of the Fortune 100 companies and be set to build the future of workplace learning.

After just five years of investment, we will reach well in excess of 500m learners every month in this rapidly growing sector and we see exciting opportunities to deepen their learning experience over time.

South African businesses

Takealot

The Takealot Group, comprising Takealot.com, Superbalist and Mr D Food, delivered a strong performance despite a challenging start due to the pandemic. The group grew revenues by 65% to US\$606m, while trading losses decreased to near breakeven. Mr D Food, delivered strong results as consumer demand shifted from in-restaurant dining to

online delivery. Mr D Food's order volumes grew 117%, resulting in a 103% growth in revenues year-on-year.

Media24

At the start of FY21, Media24 bore the full brunt of the pandemic as revenues fell in the already-fragile print business. Performance recovered significantly from the third quarter contributing to a much better than expected end to the year – albeit still down considerably against the prior year. This turnaround was underpinned by strong growth in digital subscribers and advertising, better-than-expected recovery at the print media portfolio, a boom in ecommerce fulfilment, significant gains in external media logistics revenue and excellent schoolbook orders – supported by the much leaner cost base and new operational models implemented in Q2.

Phuthi Mahanyele-Dabengwa, CEO, South Africa:

"We are committed to making a positive contribution to South Africa. We aim to add value to the everyday lives of South Africans through our well-loved companies like Takealot and Media24, as well as through the new companies we back. Our early-stage tech investment vehicle Naspers Foundry is helping to boost South Africa's nascent but vibrant tech ecosystem by backing tech companies with high growth potential. We are proud of Naspers Foundry's investments in SweepSouth, Aerobotics, Food Supply Network, The Student Hub, and WhereIsMyTransport, and we will announce more investments in due course."

Positively impacting the world

The past year has brought increased focus on the important role companies must play in society. As a group whose companies and associates now deliver products and services that improve everyday life for more than 2 billion users, we are well aware of the impact we can have on the world.

During the pandemic, our companies and associates have actively worked to protect and support our teams, partners, customers and the local communities we serve. In many instances, they have been a lifeline for customers, providing online solutions when lockdowns and social distancing limited access to everyday needs, such as education, food and vital supplies. At a group level, we quickly made meaningful contributions to the Indian and South African governments to help their response to COVID-19, donating R1.5bn of support to South Africa's response. We are proud of the efforts of all of our companies and associates to help those in need through challenging times.

Sustainability has always been at the core of who we are, what we do and who we partner with. Our commitment is in line with the expectations of our shareholders. Going forward, we aim to extend our commitment to sustainability through a greater focus on the material topics that have been highlighted by our stakeholders, so we can have a progressively greater positive impact. We have taken a first but significant step by becoming carbon neutral both at a group level and across our majority owned businesses through offsetting emissions by investing in carbon reduction projects.

Through our corporate social responsibility projects, such as the Prosus social impact challenge for accessibility (SICA) programme in India, we support the use of technology to solve social challenges. In South Africa, we are helping to address youth unemployment, through Naspers Labs, a development programme that provides young people with the training and skills to pursue tech careers.

For full details of the group's results, please visit <http://www.naspers.com/>

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About Naspers

Established in 1915, Naspers has transformed itself to become a global consumer internet company and one of the largest technology investors in the world. Through Prosus, the group operates and invests 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 Johannesburg Stock Exchange and Naspers is the majority owner of Prosus.

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

Naspers is also focused on stimulating South Africa's local tech sector through **Naspers Foundry**. This is a R1.4 billion investment vehicle that invests in early-stage technology companies that seek to address big societal needs. To help address youth unemployment in impoverished communities, in 2019, Naspers launched **Naspers Labs**, a development programme that provides young people with the training and skills to pursue tech careers.

Naspers has a primary listing on the Johannesburg 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).

For more information, please visit www.naspers.com.

Naspers Foundry

Naspers Foundry is a R1.4 billion early-stage business funding vehicle dedicated to growing South Africa-focused technology companies.

In 2019, Naspers Foundry invested R30 million in SweepSouth, an online home and business cleaning services platform that connects clients with trusted, reliable cleaners. Visit www.sweepsouth.com for more information.

In May 2020, Naspers Foundry invested R100 million in Aerobotics, an agritech company that provides tree crop health and yield intelligence data to the agricultural industry using drone and satellite-enabled AI technology. Visit www.aerobotics.com for more information.

In September 2020, Naspers Foundry closed a transaction in Food Supply Network on undisclosed terms. The independent B2B marketplace integrates ordering systems of manufacturers, distributors, and buyers (restaurants, hotels and retailers) of food products.

Visit <https://foodsupply.co.za/za/> for more information.

In November 2020, Naspers Foundry invested R45 million in online learning platform, The Student Hub. The company helps overcome the constraints of limited physical infrastructure and related resources by partnering with government accredited Technical and Vocational Education and Training ("TVET") colleges to help them deliver their courses online.

Visit <https://www.thestudenthub.co.za> for more information.

In June 2021, Naspers Foundry invested R42 million in mobility technology company WhereIsMyTransport. The company maps formal and informal public transport networks and uses this data and technology to improve the public transport experience for millions of consumers in high-growth megacities globally.

Visit <https://www.whereismytransport.com> for more information.

Naspers Labs

Naspers Labs is a youth development programme designed to transform and launch South Africa's unemployed youth into economic activity. Naspers Labs is evolving their offering to focus on digital skills and training, enabling young people to pursue tech careers.

Visit www.nasperslabs.org for more information.

Naspers for Good

Naspers for Good is a corporate philanthropy fund administered by a committee of employees in South Africa. Through the fund, Naspers forms partnerships with organisations that have a proven track record of delivering solutions for the most pressing challenges affecting our communities. Email causes@naspers.com for more information.

Response to COVID-19

Naspers contributed R1.5 billion of emergency aid in support of the South African government's response to the COVID-19 pandemic. This contribution consisted of R500 million towards the Solidarity Fund, and R1 billion worth of PPE sourced and distributed to South Africa's front-line healthcare workers. In addition, Naspers contributed R6.9 million to the Nelson Mandela Foundation's EachOne FeedOne programme to support families who have been impacted by COVID-19 with meals for a year.