



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 the group's 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 14 and 15 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.

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!

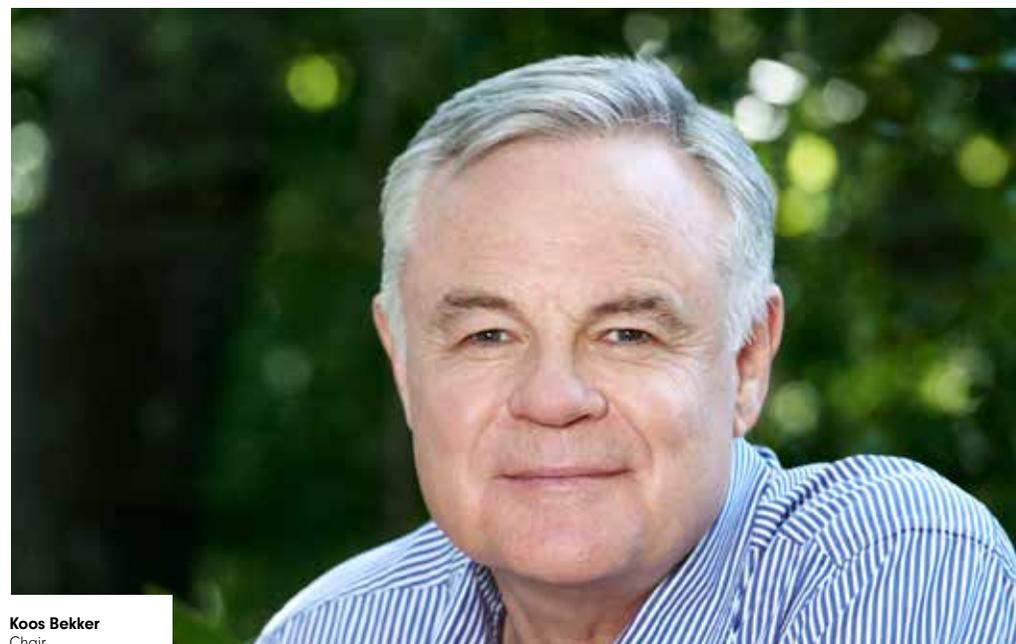
Board members provided valuable guidance and support during the year – an unusually active one in terms of meetings and decisions.

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

PROPOSED DIVIDEND

11

euro 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 page 53. We aim to conduct the group's business with integrity, applying appropriate corporate governance policies and principles. Where Prosus subsidiaries are governed by independent boards of directors, these apply suitable governance practices and their committees are mandated to comply with relevant requirements. Prosus has a legal compliance programme, detailed on page 84.

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

We continually evaluate areas where governance can be improved. This is detailed in our application of the Dutch Corporate Governance Code in the governance frameworks of Prosus in the governance report on page 79.

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, Prosus's 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 Prosus board and acted as lead independent director since August 2019. He was a director of Naspers Limited and various other group structures. He was also a member of the Prosus 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.

As announced on 29 April 2020, the board will nominate Ying Xu for appointment as an independent non-executive director of Prosus at the upcoming annual general meeting.

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 board rotation plan and the articles of association, Emilie Choi, Don Eriksson, Manisha Girotra, Rachel Jafta and Mark Sorour retire by rotation at the annual general meeting but, 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 236).

In compliance with Dutch law, shareholders will be asked to consider these proposals at the annual general meeting. Please see directors' curricula vitae on pages 77 and 78.

Dividend

(All figures in euro cents unless stated otherwise.)

The board recommends that shareholders are entitled to a gross payment, in the form of a capital repayment, of 11 euro cents per listed N ordinary share. Holders of A1 ordinary shares will receive a dividend distribution of 0.602 euro cents per share. Furthermore, the board recommends that holders of N ordinary shares as at 23 October 2020 (the Dividend Record Date) who do not wish to receive a capital repayment can make a choice to receive a dividend instead. A choice for one option implies an opt-out of the other option.

If confirmed by shareholders at the annual general meeting on 18 August 2020, elections to receive a dividend instead of a capital repayment will need to be made by holders of N ordinary shares by 9 November 2020. Capital repayments and dividends will be payable to shareholders recorded in the books on the Dividend Record Date and paid on 17 November 2020.

Capital repayments will be paid from share capital for Dutch tax purposes. No dividend tax will be withheld on the amounts of capital reductions paid to shareholders.

Holders of ordinary shares N electing to receive a dividend will receive a dividend declared from retained earnings. Dividends will be subject to the Dutch dividend tax rate of 15%.

Dividends payable to holders of ordinary shares N who elect to receive a dividend and who hold their listed N ordinary share through the listing of the company on the JSE will, in addition to the Dutch dividend withholding tax, be subject to South African dividend tax at a rate of up to 20%. The amount of additional South African dividend tax payable will be calculated by deducting from the 20% South African dividend tax otherwise due, a rebate equal to the Dutch dividends tax paid in respect of the dividend (without any right of recovery). Those shareholders, unless exempt from paying dividend tax or entitled to a reduced withholding tax rate in terms of an applicable tax treaty will be subject to a maximum of 20% total dividend tax.

The issued ordinary share capital as at 29 June 2020 was 1 624 652 070 N ordinary shares and 3 511 818 A1 ordinary shares.

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 61.

