

## **NASPERS LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 1925/001431/06)  
JSE share code: NPN ISIN: ZAE000015889  
**(Naspers)**

## **PROSUS N.V.**

(Incorporated in the Netherlands)  
(Legal Entity Identifier: 635400Z5LQ5F9OLVT688)  
AEX and JSE Share Code: PRX ISIN: NL0013654783  
**(Prosus)**

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## **NASPERS AND PROSUS ANNOUNCE THE INTENTION TO REMOVE THE CROSS-HOLDING STRUCTURE**

### **1. INTRODUCTION**

The board of directors of Naspers (the **Naspers Board**) and the board of directors of Prosus (the **Prosus Board**) are pleased to announce that Naspers and Prosus (together with their consolidated subsidiaries, the **Group**) intend to implement a proposed transaction in terms of which the cross-holding structure between Naspers and Prosus (the **Cross-Holding Structure**) will be removed (the **Proposed Transaction**). The implementation of the Proposed Transaction will enable the continuation of the share repurchase programme announced by the Group on 27 June 2022 (**Repurchase Programme**) at the Naspers level.

The Proposed Transaction is also intended to remove the complexity created by the Cross-Holding Structure while keeping the Naspers and Prosus Free-Float Effective Economic Interests (as defined below) the same as they are prior to the implementation of the Proposed Transaction. This will be achieved through aligning the legal ownership in Prosus with the current respective free-float effective economic interests.

The requisite approvals required to implement the Proposed Transaction have been obtained from the South African Reserve Bank in accordance with the South African Exchange Control Regulations.

### **2. BACKGROUND TO THE CROSS-HOLDING AND RATIONALE**

The Proposed Transaction is intended to address: (i) the limitation on the Repurchase Programme at the Naspers level arising from the Cross-Holding Structure, and (ii) the complexity arising from the Cross-Holding Structure.

The Repurchase Programme commenced on 27 June 2022 and, since inception, the Repurchase Programme has continued to create significant value for both the Naspers

and Prosus shareholders and as at 31 March 2023, resulted in a c. 18% reduction in the discount to NAV at a Naspers level and c. 16% at a Prosus level, unlocking c. US\$29 billion of value.

The Repurchase Programme is operating at both a Prosus and Naspers level to ensure that the Naspers Free-Float Effective Economic Interest and the Prosus Free-Float Effective Economic Interest (as defined below), remain in balance over time.

As the Repurchase Programme at the Naspers level is being implemented through acquisitions by one of its South African subsidiaries, there is, however, a limit under the South African Companies Act, 71 of 2008, as to the amount of Naspers shares that can be acquired in this manner pursuant to the Repurchase Programme. The Proposed Transaction will remove this limitation and enable the Repurchase Programme to continue at the Naspers level. This limitation does not apply to the Repurchase Programme at the Prosus level, which continues.

In addition, in August 2021 Naspers and Prosus completed an exchange offer in which Prosus issued new Prosus ordinary shares N (**Prosus Ordinary Shares N**) to the holders (**Naspers N Shareholders** or **Naspers Free-Float Shareholders**) of Naspers N ordinary shares (**Naspers N Ordinary Shares**) that accepted such exchange offer, in exchange for acquiring their Naspers N Ordinary Shares (the **Exchange Offer**).

The core objective of the Exchange Offer was to further reduce the oversized weight of Naspers in the Shareholder Weighted Index of the Johannesburg Stock Exchange (the **JSE SWIX**). Naspers was around 23% of the JSE SWIX immediately prior to the implementation of the Exchange Offer.

The implementation of the Exchange Offer:

- resulted in the Cross-Holding Structure in terms of which Naspers currently holds c. 60% of the issued Prosus Ordinary Shares N and Prosus currently holds c. 49% of the issued Naspers N Ordinary Shares;
- required the implementation of a cross-holding agreement between Naspers and Prosus on 27 May 2021 to ensure efficient and effective ongoing interaction between Prosus and Naspers through making distributions on a "terminal economic value" basis (the **Cross-Holding Agreement**). The "terminal economic value" distribution arrangements are entrenched in the Cross-Holding Agreement as well as through amendments to the articles of association of Prosus (the **Prosus Articles of Association**) and are referred to as the **Cross-Holding Arrangements**; and
- established the effective economic interests of the Naspers Free-Float Shareholders in the underlying Prosus portfolio currently at c. 43% (the **Naspers Free-Float Effective Economic Interest**) and the effective economic interest of the holders of the Prosus Ordinary Shares N (**Prosus Free-Float Shareholders** or **Prosus N Shareholders**) in the underlying Prosus portfolio currently at c. 57% (the **Prosus Free-Float Effective Economic Interest**), under the Cross-Holding Arrangements.

The introduction of the Cross-Holding Structure was a consequence of the Exchange Offer which, at the time, was considered by the Naspers Board and Prosus Board as one of the most feasible ways to reduce Naspers's weighting on the JSE SWIX. The Exchange Offer achieved this objective and Naspers's and Prosus's South African listed shares

represent approximately 9% of the JSE SWIX (down from 23% prior to the Exchange Offer).

The Group expected that the introduction of the Cross-Holding Agreement would reduce the complexity that comes with a cross-holding structure and clarify the market's understanding of the true economic interests under the Cross-Holding Structure. Since its implementation, however, the Cross-Holding Structure is widely seen as a negative by shareholders. A common shareholder view is that the Cross-Holding Structure introduces excessive complexity, contributes to the holding company discount, and should be removed.

The Naspers Board and Prosus Board believe that enabling the continuation of the Repurchase Programme at the Naspers level and removing the complexity arising from the Cross-Holding Structure, pursuant to the Proposed Transaction, will allow the Group to continue to create shareholder value.

### 3. OVERVIEW OF THE PROPOSED TRANSACTION

Currently, the Prosus Free-Float Effective Economic Interest is c. 57% and the Naspers Free-Float Effective Economic Interest is c. 43%, which is governed by the Cross-Holding Arrangements. The Prosus Free-Float Shareholders own their c. 57% effective economic interest partially through their direct ownership of Prosus Ordinary Shares N (c. 40%) and the balance (c. 17%) through Prosus's cross-holding of Naspers N Ordinary Shares.

It is currently expected that the implementation of the Proposed Transaction will involve the following key transaction steps:

- subject to obtaining the requisite approvals of the shareholders of Prosus (**Prosus Shareholders**), Prosus will undertake a capitalisation issue of (i) new Prosus Ordinary Shares N to Prosus Free-Float Shareholders (i.e. excluding Naspers), (ii) new unlisted Prosus ordinary shares B (**Prosus Ordinary Shares B**) to Naspers, and (iii) new unlisted Prosus ordinary shares A1 (**Prosus Ordinary Shares A**), to the holders of the issued Prosus Ordinary Shares A (collectively, the **Prosus Capitalisation Issue**). Naspers will antecedently and irrevocably waive its entitlement to Prosus Ordinary Shares N and consequently not receive new Prosus Ordinary Shares N under the Prosus Capitalisation Issue. Following the implementation of the Prosus Capitalisation Issue, Naspers's direct holding of Prosus Ordinary Shares N will be diluted such that it will be in line with the current Naspers Free-Float Effective Economic Interest of c. 43% under the Cross-Holding Arrangements and the Prosus Free-Float Shareholders' aggregate holding of Prosus Ordinary Shares N will increase such that it will be in line with the current Prosus Free-Float Effective Economic Interest of c. 57% under the Cross-Holding Arrangements;
- subject to obtaining the requisite approvals of Prosus Shareholders, the articles of association of Prosus will be amended to facilitate the implementation of the Prosus Capitalisation Issue, including the requisite share capital changes and to remove all reference to the Cross-Holding Arrangements;
- subject to obtaining the requisite approvals of the shareholders of Naspers (**Naspers Shareholders**), Naspers will undertake a capitalisation issue of (i) new Naspers N Ordinary Shares to Naspers Free-Float Shareholders (i.e. excluding Prosus), and (ii)

new unlisted A ordinary shares (**Naspers A Ordinary Shares**) to the holders of the issued Naspers A Ordinary Shares (the **Naspers Capitalisation Issue**). Prosus will antecedently and irrevocably waive its entitlement to Naspers N Ordinary Shares and consequently not receive new Naspers N Ordinary Shares under the Naspers Capitalisation Issue. Following the implementation of the Naspers Capitalisation Issue, Prosus's holding in Naspers will be diluted to a minimal level;

- subject to obtaining the requisite approvals of Naspers Shareholders, the memorandum of incorporation of Naspers will be amended to facilitate the implementation of the Naspers Capitalisation Issue, including to:
  - convert the Naspers N Ordinary Shares and Naspers A Ordinary Shares from par value to no-par value shares;
  - proportionally increase the number of authorised Naspers N Ordinary Shares and Naspers A Ordinary Shares to facilitate the implementation of the large-scale Naspers Capitalisation Issue; and
  - facilitate the subsequent, proportional share consolidation of Naspers N Ordinary Shares and Naspers A Ordinary Shares to reduce the large number of Naspers N Ordinary Shares and Naspers A Ordinary Shares in issue as a result of the Naspers Capitalisation Issue;
- Prosus will sell its resultant minimal holding of Naspers N Ordinary Shares into the market pursuant to which the Cross-Holding Structure will be removed. Subsequently, the Cross-Holding Agreement will be terminated in accordance with its existing terms.

Post-implementation of the Proposed Transaction the Prosus Free-Float Shareholders will, in aggregate, directly hold c. 57% of the issued Prosus Ordinary Shares N, and Naspers will directly hold c. 43% of the issued Prosus Ordinary Shares N (both aligned with the existing respective effective economic interests).

Application will be made for the Naspers N Ordinary Shares and Prosus Ordinary Shares N proposed to be issued on implementation of the Proposed Transaction to be admitted to listing and trading on Euronext Amsterdam and on the Main Board of the JSE and A2X Markets, as applicable.

As the tax position of the Group will remain the same following the implementation of the Proposed Transaction, the costs for the Group to implement the Proposed Transaction are not expected to be significant and pertain to advisory fees.

The Proposed Transaction will also be subject to the requisite regulatory approvals customary for the implementation of a transaction of this nature, other than the approval required for the implementation of the Proposed Transaction from the South African Reserve Bank which has already been obtained.

The full terms of the Proposed Transaction will be detailed in the requisite documents to be published by Prosus and Naspers in due course in order to obtain the requisite approvals of the Prosus and Naspers Shareholders, respectively.

The Proposed Transaction is expected to be implemented in Q3 of 2023.

#### 4. THE GROUP'S VOTING AND TAX POSITIONS

Naspers's voting interest and control of Prosus is determined by the total voting rights that Naspers has in Prosus pursuant to the Prosus Ordinary Shares N and the Prosus Ordinary Shares B that Naspers holds.

The current structure of the Prosus Ordinary Shares B will remain in place following the implementation of the Proposed Transaction and Naspers will retain control of Prosus with a c. 72% voting interest pursuant to the Prosus Capitalisation Issue.

Naspers will remain tax resident and domiciled in South Africa and Prosus will remain tax resident and domiciled in the Netherlands. Furthermore, Prosus's tax status in South Africa will remain unchanged. Prosus will continue to be controlled by Naspers, form part of the same group of companies as Naspers, and Prosus and its subsidiaries will remain Controlled Foreign Companies (CFC) of Naspers.

#### 5. SHAREHOLDER CONFERENCE CALL

Shareholders are advised that today Naspers and Prosus have made available a presentation on the Group's audited financial results for the year ended 31 March 2023, which presentation includes information on the Proposed Transaction (the **Results Presentation**), which can be accessed by shareholders at [www.naspers.com](http://www.naspers.com) or [www.prosus.com](http://www.prosus.com). Shareholders are also invited to register for a conference call during which Bob van Dijk, the Naspers and Prosus CEO, and Basil Sgourdos, the Naspers and Prosus CFO, will take participants through the Results Presentation. Details of the conference call are:

Date: 27 June 2023

Time: 16:00 SAST

Web pre-registration: shareholders are requested to pre-register for this conference call by visiting [www.naspers.com](http://www.naspers.com) or [www.prosus.com](http://www.prosus.com) and following the instructions provided.

Cape Town, South Africa

27 June 2023

JSE Sponsor: Investec Bank Limited

Legal Advisor: Webber Wentzel

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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. These include Takealot, Mr D Food, Superbalist, Autotrader, Property24 and PayU, in addition to Media24, South Africa's leading print and digital media business.

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 a level 1 American Depository Receipt (ADR) programme which trades on an over-the-counter basis in the US.

For more information, please visit [www.naspers.com](http://www.naspers.com).

### **Naspers Labs**

In 2019, Naspers Labs, a youth development programme designed to transform and launch South Africa's unemployed youth into economic activity, was launched. Naspers Labs focuses on digital skills and training, enabling young people to pursue tech careers.

### **Response to Covid-19**

Naspers contributed R1.5 billion of emergency aid to support 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 COVID-19 has impacted with meals for a year.

### **About Prosus**

Prosus is a global consumer internet group and one of the largest technology investors in the world. Operating and investing globally in markets with long-term growth potential, Prosus builds leading consumer internet companies that empower people and enrich communities.

The group is focused on building meaningful businesses in the online classifieds, food delivery, payments and fintech, and education technology sectors in markets including India and Brazil. Through its ventures team, Prosus invests in areas including health, logistics, blockchain, and social commerce. Prosus actively seeks new opportunities to partner with exceptional entrepreneurs using technology to improve people's everyday lives.

Every day, billions of customers use the products and services of companies that Prosus has invested in, acquired or built, including 99minutos, Airmeeet, Aruna, AutoTrader, Autovit.ro, Azos, BandLab, Bibit, Bilt, Biome Makers, Borneo, Brainly, BUX, BYJU'S, Bykea, Captain Fresh, Codecademy, Collective Benefits, Creditas, DappRadar, DeHaat, Detect Technologies, dott, EduMe, ElasticRun, eMAG, Endowus, Eruditus, EVERY, Facily, Fashinza, Flink, Foodics, Good Glamm Group, GoodHabitZ, GoStudent, Honor, iFood, Imovirtual, Klar, Kovi, LazyPay, letgo, Luno, Mensa Brands, Meesho, merXu, Movable, Oda, OLX, Otodom, OTOMOTO, Oxford Ionics, PaySense, PayU, Pharmeasy, Platzi, Property24, Quick Ride, Red Dot Payment, Republic, Sharebite, Shipper, ShopUp, SoloLearn, Stack Overflow, Standvirtual, Superside, Swiggy, Thndr, Tonik, Ula, Urban Company, Virgio, Vegrow, 6atchtower, and Wayflyer.

Hundreds of millions of people have made the platforms of Prosus's associates a part of their daily lives. For listed companies where we have an interest, please see: Tencent, Delivery Hero, Remitly, Trip.com, Udemy, Skillsoft, and SimilarWeb.

Today, Prosus companies and associates help improve the lives of more than two billion people around the world.

Prosus has a primary listing on Euronext Amsterdam (AEX:PRX) and secondary listings on the Johannesburg Stock Exchange (XJSE:PRX) and a2X Markets (PRX.AJ). Prosus is majority-owned by Naspers.

For more information, please visit [www.prosus.com](http://www.prosus.com).

### **Disclaimers**

*This announcement contains information within the meaning of Article 7(1) of the European Market Abuse Regulation (596/2014).*

Shareholders should note that the Naspers Board and Prosus Board each reserve the right, in their sole discretion, to decide not to proceed with the Proposed Transaction and, as such, the Proposed Transaction may or may not proceed.

This announcement is for information purposes only and is not intended to, and does not constitute or form part of, any offer to sell or otherwise dispose of, or the solicitation of an offer to buy, otherwise acquire or subscribe for, securities in or into any jurisdiction, including, but not limited to, the United States, and neither this document nor anything herein nor any copy thereof may be taken into or distributed, directly or indirectly, in or into any jurisdiction in which to do so would be prohibited by applicable law.

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold, directly or indirectly, in or into the United States absent registration under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Naspers and Prosus have not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and holders of any of the securities referred to herein will not be afforded the protections of the Investment Company Act.

The information contained in this announcement does not constitute or form a part of any offer to the public for the sale of, or subscription for, or an invitation, advertisement, or the solicitation of an offer to purchase and/or subscribe for, securities as defined in and/or contemplated by the South African Companies Act, No. 71 of 2008 ("**South African Companies Act**"). Accordingly, this announcement does not, nor does it intend to, constitute a "registered prospectus" or an advertisement relating to an offer to the public, as contemplated by the South African Companies Act and no prospectus has been, or will be, filed with the South African Companies and Intellectual Property Commission in respect of this announcement.

The information contained in this announcement constitutes factual information as contemplated in Section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, 37 of 2002, as amended ("**FAIS Act**") and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Prosus Ordinary Shares N and/or Naspers N Ordinary Shares or in relation to the business or future investments of Prosus and/or Naspers, is appropriate to the particular investment objectives, financial situations or needs of a prospective investor, and nothing contained in this announcement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. Prosus is not a financial services provider licensed as such under the FAIS Act.

In member states of the European Economic Area ("**EEA**") (each, a "**Relevant Member State**") no action has been undertaken or will be undertaken to make an offer to the public of securities requiring publication of a prospectus in any Relevant Member State in accordance with the prospectus exemption provided for in article 1(5)(g) of the Prospectus Regulation. For these purposes, the expression "Prospectus Regulation" means Regulation 2017/1129/EU (and amendments thereto) and includes any relevant implementing measure in the Relevant Member State.

This announcement does not constitute a prospectus within the meaning of the Prospectus Regulation and has not been approved by the Dutch Authority for the Financial Markets (Stichting Autoriteit Financiële Markten).

The release, publication, or distribution of this announcement in jurisdictions other than South Africa may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, any applicable restrictions or requirements. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, Prosus and Naspers disclaim any responsibility or liability for the violation of such requirements by any person.

It is the responsibility of each Shareholder (including, without limitation, nominees, agents and trustees for such persons) wishing to receive this announcement to satisfy themselves as to the full observance

of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requirements or formalities and paying any issue, transfer or other taxes due in such territories. Further information pertaining to the Proposed Transaction will be provided in due course pursuant to the documentation to be released by Prosus and Naspers in relation to the Proposed Transaction (the "**Transaction Documentation**").

The Transaction Documentation to be issued by Prosus and Naspers in respect of, among other things, the Proposed Transaction will be made available in due course, subject to applicable securities laws, on [www.prosus.com](http://www.prosus.com) and [www.naspers.com](http://www.naspers.com). Shareholders should have regard to the Transaction Documentation in respect of the Proposed Transaction.

Nothing contained in this announcement constitutes, or is intended to constitute, investment, tax, legal, accounting, or other professional advice.

### **Forward-looking statements**

This announcement contains statements about Prosus and/or Naspers that are, or may be, forward-looking statements. All statements (other than statements of historical fact) are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industries in which Prosus and/or Naspers operates or invests as well as markets generally; production; cash costs and other operating results; growth prospects and outlook for operations and/or investments, individually or in the aggregate; liquidity, capital resources and expenditure, statements in relation to the approval by shareholders or implementation of the Proposed Transaction and/or the benefits of the Proposed Transaction. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases. Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, implementation of the Proposed Transaction and/or the benefits of the Proposed Transaction, anticipated levels of growth, estimates of capital expenditures, acquisition and investment strategy, expansion prospects or future capital expenditure levels and other economic factors, such as, among others, growth, and interest rates.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Prosus and Naspers caution that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, returns and the developments within the industries and markets in which Prosus and/or Naspers operates and/or invests may differ materially from those made in, or suggested by, the forward-looking statements contained in this announcement. All these forward-looking statements are based on estimates, predictions, and assumptions, as regards Prosus or Naspers, all of which estimates, predictions and assumptions, although Prosus and Naspers believe them to be reasonable, are inherently uncertain and may not eventuate or eventuate in the manner Prosus and Naspers expect. Factors which may cause the actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include matters not yet known to Prosus and Naspers or not currently considered material by Prosus and Naspers.

Shareholders should keep in mind that any forward-looking statement made in this announcement or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Prosus or Naspers not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results, performance, or achievement to differ materially from those contained in any forward-looking statement is not known. Prosus and Naspers have no duty to, and does not intend to, update, or revise the forward-looking statements contained in this announcement or any other information herein, except as may be required by law. Any forward-looking statement has not been reviewed nor reported on by Prosus' external auditor, Naspers' external auditor or any other expert.



