STATEMENT BY THE BOARD OF DIRECTORS ON THE INTEGRATED ANNUAL REPORT

The audit committee has reviewed the integrated annual report and the board reviewed and approved it on 12 June 2020. In our view, the integrated annual report and financial statements fairly reflect the financial position of the group and its operations as at 31 March 2020.

On behalf of the board

Rachel Jafta
Chair
Cape Town
12 June 2020

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.
Our business
Media24 is Africa’s leading media group with interests in digital media and services, newspapers, magazines, ecommerce (online commerce), book publishing, printing and distribution.

REVENUE
R4.8bn

TRADING LOSS
R152m

3 337
EMPLOYEES

REVENUE PER SEGMENT
33% NEWS
24% LIFESTYLE
3% ON THE DOT
5% 24.COM
1% CAREERS24
22% ECOMMERCE
12% BOOKS
Claremont did not own the house in Parliament, he said this week that the house in Roodepoort, which is about 13km from Parliament – is owned by a shelf company that has Durban businessman Wessel Jacobs as its leader. Jacobs is the owner of Jacobs Capital, a private investment company in Durban, and is a trustee of Maimane’s family trust, which has been friends for years. Jacobs maintained that Maimane paid rent, but when asked for details of what this benefit constituted, said DA sources, could explain why Maimane listed W.

Maimane’s wife, Natalie, and their two children appear to live in the residence, instead of in one of the three parliamentary homes valued at nearly R4 million in a portfolio. Maimane did not respond to questions about what this benefit amounted to. Despite Maimane’s indication that a crime had been committed, according to a well-placed source, she found no indication that a crime had been committed. According to a well-placed source, she found no indication that a crime had been committed.

It is understood that there has been discomfort over Maimane’s home. Since then, there has been growing mobilisation for his removal as leader of the DA even before the party’s poor results in the May general elections, showing a 65% drop in voter support. Some within the DA say that the party leader, who will be able to turn its fortunes around. But Maimane and his backers have stood firm, saying he should stay on in the job. He has insisted that he will lead the DA into the 2021 elections and seek another term as leader. He has insisted that he will lead the DA into the 2021 elections and seek another term as leader.

He did not listen to us. What happens now must happen, “ said MP Glynnis Breytenbach is chairperson of the DA’s federal legal commission, which conducts disciplinary investigations and hearings. She is understood to have made known, and were only shared with Maimane.

“We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services.

We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter. We turn data into insights. We build communities through excellent journalism, smart technology and innovative services. We design solutions that work. We tell stories that matter.

Our Values
Courage
Accountability
Respect

Our Motto
We enrich lives 24/7.
CHAIR AND CHIEF EXECUTIVE’S REPORT

OVERVIEW

Media24’s business strategy for this financial year was built on the principles of simplicity and austerity as we set out to transition into a smaller, more profitable media business with a significant investment in ecommerce. Despite a tough economy and a print business in terminal decline, we have exceeded our expectations in virtually every area of the business.

Highlights included:

■ Media24 reduced its trading loss by 54% year on year (YoY) on the back of 2% revenue growth and disciplined cost management and maintained a healthy cash balance.

■ Our digital media business reduced its trading loss by 62% YoY and delivered record audience traffic. News24 posted an excellent performance and Netwerk24’s paying subscribers increased by 32% YoY.

■ Exceptional school textbook orders in Botswana and South Africa offset sluggish trade sales and almost doubled the trading profit of our books business versus the prior year.

■ Our distribution business deserves a special mention for its ongoing savings in developing a variable cost model.

■ Our television business reached new heights with advertising revenues doubling YoY and trading profit increasing fivefold as it continues to establish itself as a quality third-party content producer.

■ Contract Logistics grew ecommerce fulfilment volumes organically by 25% YoY, despite losing a third of its business when Spree merged with Superbalist in 2018.

■ We continued the carefully coordinated transition of our business and publishing models from print to digital by consolidating all our Afrikaans news operations – Netwerk24 and our Afrikaans newspapers – into a new division, Afrikaanse Nuus.

■ Keeping journalism at the heart of what we do and contributing to our democracy with responsible reporting that sets the agenda for public debate, our teams brought home over 60 local and international awards across formats, platforms and disciplines. More about our awards on page 29.

■ We continued our proud tradition of enriching lives beyond our products and services through our Volunteers24 and #1000ActsOfKindness programmes, both promoting the active involvement of our staff in philanthropic initiatives. In addition, our divisions ran several projects to promote literacy and education. More about this on page 15.

■ Our staff engagement levels improved to a record 77% in the annual staff survey. Full credit must go to the exceptional people of Media24 for their resilience in difficult trading conditions and for their whole-hearted commitment to the company.”

Ishmet Davidson, chief executive, Media24
whole-hearted commitment to the company. Without exception, our teams stepped up by remaining focused on our strategic vision and embracing changes with an innovative entrepreneurial spirit, while staying engaged and dedicated to the company. More details of our financial and operational performance appear in the business and financial performance sections on pages 30 to 32.

**SUSTAINABLE DEVELOPMENT**

We strive to build communities through excellent journalism, smart technology and innovative services while providing an acceptable return to our shareholders. As a responsible corporate citizen, we understand the importance of making a contribution beyond our core operations. We regularly review our progress in building a balanced, sustainable enterprise and identify areas for improvement. In the past year, we started a groupwide project to improve our sustainability initiatives. As a starting point, a complete gap analysis in the review period identified focus areas for FY21 that will also form the basis beyond our core operations. We regularly review our progress in building a balanced, sustainable enterprise and identify areas for improvement. In the past year, we started a groupwide project to improve our sustainability initiatives. As a starting point, a complete gap analysis in the review period identified focus areas for FY21 that will also form the basis.

**ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING**

We make good use of artificial intelligence and machine learning to optimise our businesses. Netwerk24, for example, uses multiple technologies and models focused on content prediction and subscription management. In another example, 24.com combines the power of advertising technology and analytics to profile and segment readers according to content consumption and commercial behaviour. These are integrated into the digital advertising sales technology to enhance targeting.
of work in the years ahead. We also remained focused on transformation as a strategic and commercial imperative, making substantial progress in strategic procurement, and contributing to skills and enterprise development. In line with our commitment to the environment, we continue to consider our impact.

**MANAGING SUSTAINABILITY**

The Media24 board determines the business strategy and is ultimately responsible for overseeing the group’s performance. Our management team provides leadership and implements agreed strategies, as guided by our code of business ethics and conduct.

Our sustainable development framework is built on our core competencies and company values – respect, integrity, courage and accountability – and a clear understanding of the key issues and concerns affecting our major stakeholders. These tie in with our risk management processes, which integrate financial and non-financial risk identification, management and monitoring. The board is also responsible for the integrity of integrated reporting.

The audit committee oversees sustainability issues and assists the board in its review by ensuring information in the integrated annual report is accurate and aligned to the financial results. In line with our previous integrated annual reports, Media24 will continue to record the group’s social, environmental and economic impact on the communities in which we operate.

**OUR PEOPLE**

Media24 employees are people with a passion for excellence in everything they do. We expect and encourage our staff to live by our company values. The record-high engagement level of our staff in the annual survey is testimony to our employees feeling valued at Media24. This is underpinned by other results in the survey noting that almost 74% of staff would recommend Media24 as an employer of choice, our score for managing change improving by 6% YoY to 71%, living-our-values scoring
84% and transformation 78%. We also believe in continuous learning and aim to attract and retain top talent in our industry to secure our leading market position. We build diverse teams to cater to our diverse customer base and help our staff learn from each other.

WELKOM YIZANI
Welkom Yizani, Media24’s broad-based black economic empowerment scheme, began trading its shares on the Equity Express Securities Exchange (EESE) in November 2018. In 2016, Naspers Limited, preference shareholder in Welkom Yizani, has waived R434m in preference share debt and accrued interest owed by Welkom Yizani under the scheme rules.

Accordingly, around 87 460 shareholders in the scheme could derive immediate economic benefit from their shares since 2017. To date, R283m has been paid to investors in dividends.

DIVIDEND
The board recommends that, subject to the approval of shareholders at the annual general meeting on 27 August 2020, a dividend of R42m (2019: R42m) be declared and paid to shareholders. Welkom Yizani’s annual general meeting is also on 27 August 2020. Subject to approval by its shareholders, the Welkom Yizani board recommends that an ordinary dividend of R6.2m (2019: R6.2m) be declared to ordinary shareholders. This will result in a dividend of 42.5 cents per ordinary share (2019: 42.5 cents per ordinary share), before dividend tax. After deducting dividend tax, Welkom Yizani shareholders will receive a net dividend of 34 cents per ordinary share (2019: 34 cents per ordinary share).

GOVERNANCE
Governance is essential for our business and our stakeholders. The board manages the group’s operations with integrity and by applying appropriate corporate governance practices. Where
remuneration. We continuously evaluate areas where governance can be strengthened at a corporate and subsidiary level. Details about our application of the King IV principles appear in the governance section on pages 40 to 57.

REGULATORY ENVIRONMENT
The Protection of Personal Information (PoPI) Act has not commenced in its entirety yet. Having been rushed through Parliament without any amendments, the Copyright Amendment Bill remains with the President to be signed into law. The adverse implications of this bill, particularly the introduction of a fair use exception, affects mainly our book-publishing business and, to a lesser extent, our news and magazine divisions. We continue to participate in initiatives to challenge the bill and the manner in which it was passed. The Competition Act has been amended to address concentration of ownership by promoting the market participation of small and medium businesses, and firms controlled by historically disadvantaged persons. Cabinet approved submission of the Employment Equity Amendment Bill, first announced in 2019, to Parliament. The amendments are aimed at empowering the minister of employment and labour, in consultation with sector stakeholders, to introduce provisions for setting sector-specific employment equity targets to speed up transformation in South Africa. We still await progress on the communications portfolio committee’s media transformation and diversity charter as well as any related policies to achieve diverse, but shared, outcomes by implementing BBBEE.

DIRECTORS
Under the company’s memorandum of incorporation, one third of non-executive directors retire annually and reappointment is not automatic. Rachel Jafta and Esmaré Weideman, who retire by rotation, are eligible and offer themselves for re-election. The board further recommends that shareholders appoint Trevor Petersen, Khomotso Mthimunye and Jo-Ann Held as audit committee members. Shareholders will be asked to consider these re-elections and appointments at the upcoming annual general meeting, notice of which is contained in this report. Brief biographical details of all directors are provided on page 40 and 41.

We thank our fellow board members for their sustained oversight, expertise and support. We also recognise the commitment, passion and excellence of Media24’s management team and all our employees. Their contributions are appreciated.

OUTLOOK
While we are celebrating the successes of the financial year and all our achievements, we also face the biggest uncertainty in our lifetimes – the impact of the global Covid-19 pandemic on our own people and businesses. From the earliest days of the pandemic, Media24’s first priority has been the health and safety of our people.

Accordingly, we acted quickly in instituting measures to limit the spread of the virus among staff, customers and others connected to our business, as well as implementing our business continuity plans. This enabled us to stay ahead of the infection curve and to easily adapt to the restrictions of the national lockdown and comply with regulations.

As the leading media company in South Africa, we consider it our responsibility
and moral obligation to publish accurate information that keeps the public informed. Equally important, we will continue to contribute to the spirit of solidarity, compassion and positivity by telling stories of hope. Media24 has pledged a contribution of R1m to the national Solidarity Fund. At the time of writing this report, it was clear that the pandemic was having a devastating effect on our already fragile print media operations with significant declines in both circulation and advertising. Facing a grim outlook for print media, we have introduced interventions to mitigate losses. However, we remain focused on future-proofing Media24 for sustainability in an increasingly digital landscape.

Rachel Jafta
Chair
12 June 2020

Ishmet Davidson
Chief executive
Media24 aims to build communities through excellent journalism, smart technology and innovative services.

1. We are building a diversified media company with interests in publishing, online services and ecommerce in South Africa.

2. We tell stories that matter, turn data into insights and design solutions that work.

3. It is part of our culture to employ only the best and we therefore aim to attract and retain top talent. People with a passion for excellence are the core of Media24.

4. We aim to contribute to the communities in which we operate.

HOW WE CREATE VALUE: OUR BUSINESS MODEL

As part of the process of integrated thinking, responsible corporate citizenship and sustainable development, we reflect on our business model relative to the six capitals: financial, human, social and relationship, manufactured, intellectual and natural. Together they provide a picture of the value we create for our key stakeholders through our business model.

INPUT: WHAT WE NEED TO CREATE VALUE

FINANCIAL CAPITAL
Balanced financial capital structure while maintaining optimal financial ratios.

HUMAN CAPITAL
Our employees’ skills, capabilities and experience, as well their drive and engagement, are key to our success.

SOCIAL AND RELATIONSHIP CAPITAL
The relationships we build with customers, communities, trade organisations and other groups we work with and contribute to.

MANUFACTURED CAPITAL
Public, leased and owned infrastructure, facilities, technologies and data leveraged across the group.

INTELLECTUAL CAPITAL
The patents, copyrights, trademarks, domain names, confidential information as well as institutional knowledge, systems, procedures and culture.

NATURAL CAPITAL
The natural resources we consume, such as energy and water.

MATERIALITY

In determining our reporting content, we are guided by our business strategy, risks, our operations and the concerns of our stakeholders. The material matters raised in our integrated annual report are issues on the board agenda that are methodically discussed and addressed. In addition, we consider the impact of our material matters on our business and our ability to create value for shareholders and other stakeholders. In FY20, we identified the following material matters: our operations, our people, our customers, our regulatory landscape and our social and environmental contributions.
HOW WE ADD VALUE: OUR STRATEGIC PRIORITIES

SMALLER, MORE PROFITABLE MEDIA BUSINESS WITH AN INTEREST IN ECOMMERCE
We contribute to economic growth by providing products and services to customers in our existing businesses and deliver sustainable returns to our investors.

ATTRACT THE BEST TALENT
Media24 aims to employ the best creative people, engineers, sales people and other personnel. We believe in continuous learning. We do this by investing in digital media and ecommerce as well as other diversified businesses.

USE OUR EXPERTISE TO BENEFIT LOCAL COMMUNITIES
At Media24, we are committed to using our skills, resources and people to benefit communities in which we operate. More details are available in our corporate social responsibility section.

USE OUR BRANDS’ REACH TO DIVERSIFY
Our brands are established, trusted and respected. We are leveraging their power and popularity with diverse revenue-generating initiatives such as events, brand extensions and more.

GROW DIGITAL REACH AND DEEPEN USER ENGAGEMENT
We measure the engagement and loyalty of our audiences by the time they spend on our apps and websites. We constantly aim to develop this by improving the user experience. We are also migrating our users and clients from print to digital and expanding our data-analytics capability to better understand our audiences and offer advertisers targeted solutions.

WORK WITH REGULATORS AND INDUSTRY BODIES
Media24 has a wide range of stakeholders. Refer to our stakeholder engagement section for details of our current interactions.

OUTCOMES FOR OUR KEY STAKEHOLDERS

FINANCIAL CAPITAL:
We manage our finances rigorously to maximise performance. In the review period:
Revenue: R4.8bn
Trading loss: (R152m)
Core headline earnings: R25m
Net asset value: R1.3bn

HUMAN CAPITAL:
In the past year:
- We employed 3 337 employees: 1 372 men and 1 965 women.
- Our total investment in skills development was R37m.
- 2 878 employees were trained.
- We paid R1.47bn in salaries, wages and employee benefits.
- For our employment equity status: 62% of all employees are black.

SOCIAL AND RELATIONSHIP CAPITAL:
- Direct and indirect taxes paid: R71m.
- Level 3 BEE contributor.
- Media24 Academy: 12 graduates joined one-year internship and six were employed by Media24.
- Volunteers24: staff contributed 773 days of voluntary work to the value of R1.2m.

MANUFACTURED CAPITAL:
From offices to warehouses to technology, we invest in and maintain a range of infrastructures. Our investment in machine learning and artificial intelligence most notably improves products and services, enhances the customer experience and increases operational efficiencies.

INTELLECTUAL CAPITAL:
Digital market leadership:
- Total digital audience grew by 28% to 2.1m average daily unique users.
- Netwerk24 subscribers grew by 32% YoY to almost 60 000 (Piano.WAN-IFRA).
- Engagement: Netwerk24 at 26’32” vs 23’14” in 2019; News24 at 20’26” vs 18’22” in 2019

NATURAL CAPITAL:
Energy-efficient initiatives include:
- Movement-activated and energy-efficient lighting.
- Energy-efficient air conditioners.
- Power-factor correction and load balancing.
Media24 strives for open and proactive engagement with key stakeholders to remain relevant to the South African agenda, which in turn seeks to overcome the socio-economic challenges facing our country. We have a range of stakeholders who are partners in our business. These include our employees, customers, shareholders, business partners, industry bodies, government and investors. We use various methods to engage with our key stakeholders, encouraging dialogue and feedback. The table below illustrates our continuous efforts to strengthen relations with our stakeholders.

### Shareholders

<table>
<thead>
<tr>
<th>Why we engage</th>
<th>How do we engage with this group?</th>
<th>What are the main issues raised?</th>
<th>What is our response?</th>
</tr>
</thead>
<tbody>
<tr>
<td>To keep shareholders informed of company developments and strategy implementation.</td>
<td>Media24 and Welkom Yizani annual general meetings.</td>
<td>Welkom Yizani share price in the market.</td>
<td>Shareholder education on share trading being based on principle of willing buyers and sellers.</td>
</tr>
<tr>
<td>To build on Media24’s profile as a responsible corporate citizen.</td>
<td>Media24 integrated annual report distributed to Welkom Yizani shareholders.</td>
<td>Shareholder assistance in Cape Town via a walk-in centre. Welkom Yizani’s call and walk-in centre is in Johannesburg.</td>
<td>At the annual general meeting and in the integrated annual report, management explains Media24’s strategy to create shareholder value.</td>
</tr>
<tr>
<td>To retain and build on the trust placed in the company.</td>
<td>Media24 (<a href="http://www.media24.com">www.media24.com</a>), Welkom Yizani (<a href="http://www.welkomyizani.co.za">www.welkomyizani.co.za</a>) and Equity Express Securities Exchange (<a href="http://www.eese.co.za">www.eese.co.za</a>) websites.</td>
<td>Communication via post, if necessary.</td>
<td>Duplicated call centre structure in Cape Town is not cost effective. In busy periods, additional call centre agents are available.</td>
</tr>
</tbody>
</table>
### Employees

<table>
<thead>
<tr>
<th>Why we engage</th>
<th>How do we engage with this group?</th>
<th>What are the main issues raised?</th>
<th>What is our response?</th>
</tr>
</thead>
</table>
| ■ To provide a safe, positive and inspiring work environment.  
■ To understand and respond to staff needs and concerns.  
■ To provide strategic direction and clarity on our people’s contributions.  
■ To retain the best talent.  
■ To provide leadership, training and development. | ■ Direct engagement on performance and development, and other needs.  
■ Regular communication via the 24/7 newsletters.  
■ Employment equity forums monitor and drive transformation and staff interests.  
■ Regular staff meetings and national roadshows to which all staff are invited.  
■ Annual staff survey invites employees to share their opinions.  
■ Annual events to recognise our employees’ excellence. | ■ Uncompetitive remuneration.  
■ Limited training budgets.  
■ Lack of transformation.  
■ Internal Afrikaans communication seen as barrier to true transformation.  
■ Personal health, safety and job security during the Covid-19 pandemic. | ■ We take care to reward talent.  
■ We provide free online training via Naspers’s MyAcademy to all staff.  
■ We have an employment equity plan identifying barriers to transformation, with appropriate action plans.  
■ Internal communications are done in English and Afrikaans.  
■ Protective measures to ensure staff safety (health information, work from home where possible, personal protective equipment for staff like journalists and distribution workers who must be in the field to do essential work). |

### Customers

<table>
<thead>
<tr>
<th>Why we engage</th>
<th>How do we engage with this group?</th>
<th>What are the main issues raised?</th>
<th>What is our response?</th>
</tr>
</thead>
</table>
| ■ To gain a better understanding of our customers’ aspirations and needs.  
■ To deliver relevant and useful products and services to our customers.  
■ To ensure we maintain high service levels. | Because we have a range of customers, we use different methods of engagement:  
■ Subscription and customer call centre.  
■ Social media.  
■ Focus groups.  
■ Events.  
■ Emails and letters to editors.  
■ Consumer/market research.  
■ Surveys and Net Promoter Score.  
■ Regular presentations on market trends. | Readers/users:  
■ Content preferences and cover prices.  
■ Platform choices for content consumption.  
■ Limited print stock in retail.  
■ Deliveries of print titles.  
Advertisers:  
■ Uncompetitive advertising rates.  
■ Efficacy and return on investment of print as advertising medium.  
Shoppers:  
■ Delivery queries, quality and refunds.  
Ecommerce fulfilment clients:  
■ Delivery queries and rates. | Readers/users:  
■ Editors consider and respond to feedback.  
■ Continued focus on better user experience.  
■ Cost efficiencies to keep cover prices affordable.  
■ Constant demand planning to minimise sell-outs and returns.  
Advertisers:  
■ Proposals include audience profiles and reach/engagement to justify advertising rates.  
■ Post-campaign analysis and feedback.  
Ecommerce fulfilment clients:  
■ Monitoring performance against service-level agreements.  
■ Regular meetings with clients. |
## Industry bodies

<table>
<thead>
<tr>
<th>Why we engage</th>
<th>How do we engage with this group?</th>
<th>What are the main issues raised?</th>
<th>What is our response?</th>
</tr>
</thead>
<tbody>
<tr>
<td>To build strategic business partnerships.</td>
<td>Participate in Publishers Support Services (PSS) and engagement with/representation in various organisations, e.g., Audit Bureau of Circulations of South Africa (ABC), Publishers Research Council, Press Council of South Africa (PCSA), South African National Editors’ Forum (Sanef), and Association of Independent Publishers (AIP).</td>
<td>Threats to press freedom in proposed legislation.</td>
<td>Submissions on proposed legislation through industry bodies.</td>
</tr>
<tr>
<td>To learn from best practice and share information that will benefit the industry.</td>
<td></td>
<td>Media co-regulation.</td>
<td>Support of media co-regulation through PCSA and press ombudsman.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transformation of the media.</td>
<td>Protection services for journalists provided where necessary.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Safety of journalists.</td>
<td>Establish print media consumption metrics.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Efficacy and relevance of print media as advertising medium.</td>
<td>Support Sanef and PCSA funding initiatives.</td>
</tr>
</tbody>
</table>

## Regulatory bodies

<table>
<thead>
<tr>
<th>Why we engage</th>
<th>How do we engage with this group?</th>
<th>What are the main issues raised?</th>
<th>What is our response?</th>
</tr>
</thead>
<tbody>
<tr>
<td>To ensure we operate lawfully as per applicable regulations.</td>
<td>Regular engagement with stakeholders such as Government Communication and Information System (GCIS), Competition Commission and Tribunal, and the Companies and Intellectual Property Commission.</td>
<td>Proposed regulation and legislation.</td>
<td>Continuous monitoring of proposed amendments to legislation/regulation and formulate response plans.</td>
</tr>
<tr>
<td>To ensure we have positive relationships with regulatory bodies.</td>
<td></td>
<td>Transformation of the print media sector.</td>
<td>Submissions on proposed regulation and legislation.</td>
</tr>
<tr>
<td>To protect our business from possible adverse policy and legislative provisions.</td>
<td></td>
<td>Biased media reporting.</td>
<td>Maintain transformation credentials.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Competition law compliance.</td>
<td>Strict adherence to regulations.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Data privacy and cybersecurity.</td>
<td>Legal compliance and data-privacy programmes.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BBBEE laws and regulations.</td>
<td>Competition law, data-privacy and cybersecurity training and awareness for all employees who handle data.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Proactive BBBEE compliance, management and enhancement.</td>
</tr>
</tbody>
</table>
OUR CONTRIBUTION TO OUR COMMUNITIES
CORPORATE SOCIAL RESPONSIBILITY

Media24 has a proud tradition of enriching lives beyond our products by supporting communities through projects directly related to their expressed needs.

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 support of Marvel Technologies in developing online learning resources for teachers and learners; and Via Afrika supporting the establishment of the WritePublishRead self-publishing platform.

The emphasis is on encouraging our business units to lead in social investments. At corporate level, one key project involves providing the life-skills development component of the WeCode24 programme, which trains learners at underserved schools in the Western Cape in coding. The service provider for this project is RLabs, which received supplier development funding from Media24.

We sponsor all the major Afrikaans arts festivals – KKNK (Klein Karoo Nasionale Kunstfees), Aardklop, Suidoosterfees, Vrystaat Kunstfees and the Stellenbosch Woordfees – with operational support and free marketing, coverage and advertising. We also support educational charities and projects; provide free media coverage and advertising for registered non-governmental organisations (NGOs), charities and public-interest campaigns; and make donations (books, stationery, newspapers and magazines) and present a winter school for learners and schools in historically disadvantaged communities; as well as coordinating educational bursary funds.

With our Volunteers24 programme, all staff are entitled to three days’ paid leave per year (on a voluntary basis) for charity work and their contributions are acknowledged in performance reviews. This year, staff contributed 773 days of voluntary work to the value of R1.2m. In the review period, we launched the #1000ActsofKindness project, linked to Volunteers24. This encourages assistance in kind, rather than monetary donations. Every month, the top three projects were rewarded with a cash donation to the winners’ charity of choice. Staff submitted 120 projects during the year, with around 1 600 employees participating.

R24.7M CONTRIBUTED TO ENRICHING LIVES IN FY20

At Media24:

- We respect human rights.
- We support black-owned businesses by actively seeking such suppliers.
- We conduct business fairly, ethically and with integrity.
- Our code of business ethics and conduct defines our culture.
## HOW WE CREATE VALUE

<table>
<thead>
<tr>
<th>Sector and initiatives</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EDUCATION</strong></td>
<td></td>
</tr>
<tr>
<td>Literacy: Various projects support literacy, including sponsorship of advertising space (Beeld promotes the use of newspapers as learning material in schools), donations (books, newspapers and stationery) as well as assistance and support to schools and universities. Our publications also support charities and community projects with cash donations and donating publications for use at fund-raising drives and awareness events.</td>
<td><strong>R6.3m</strong> (donations of material and publications) <strong>R0.6m</strong> (cash donations and professional services at no cost)</td>
</tr>
<tr>
<td>WeCode24: This programme provided training in coding skills for learners at underserved schools in the Western Cape. Our contribution funds the life-skills development programme.</td>
<td><strong>R0.3m</strong> (cost of programme content, venue hire and workshop)</td>
</tr>
<tr>
<td><strong>ARTS AND CULTURE</strong></td>
<td></td>
</tr>
<tr>
<td>Festivals: Media24 supports the arts, particularly Afrikaans national arts festivals, with operational and marketing support, media coverage and free advertising space.</td>
<td><strong>R4.7m</strong> (Media24 contribution, including free advertising space)</td>
</tr>
<tr>
<td><strong>CHARITY</strong></td>
<td></td>
</tr>
<tr>
<td>NGOs, registered charities and public-interest campaigns (eg #EnoughIsEnough, #AmINext and #RealMenDont campaigns against gender-based violence) are supported with media coverage and free advertising space.</td>
<td><strong>R9.8m</strong> (value of free advertising)</td>
</tr>
<tr>
<td>Sector and initiatives</td>
<td>Contribution</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>VOLUNTEERS24</td>
<td></td>
</tr>
<tr>
<td>■ Staff use their entitled three days’ paid leave to support NGOs or causes close to their hearts.</td>
<td></td>
</tr>
<tr>
<td>■ The most deserving projects in our #1000ActsOfKindness programme, selected each month, receive a cash donation for the charity or organisation of the winners’ choice.</td>
<td>R1.2m (monetary value of volunteer time) R0.2m (cash donations for winning charity projects)</td>
</tr>
<tr>
<td>ENTERPRISE DEVELOPMENT</td>
<td>R0.6m (cash donation)</td>
</tr>
<tr>
<td>■ Media24 contributed to Marvel Technologies, which has developed a professional improvement programme for teachers that includes access to digital training and community-created and shared resources via the Zibuza.net platform.</td>
<td></td>
</tr>
<tr>
<td>■ Via Afrika contributed to the WritePublishRead self-publishing platform, which gives first-time authors in previously unpublished languages training in writing skills and assistance to publish their work in digital format for readers on mobile phones or other digital devices.</td>
<td></td>
</tr>
<tr>
<td>COVID-19 HEALTH AND POVERTY RELIEF</td>
<td>R1m (cash donation) R500 000 (cash donation) R765 000 (cash donation)</td>
</tr>
<tr>
<td>As the leading media company in South Africa, we take our responsibility and moral obligation during the Covid-19 pandemic very seriously. We are committed to provide ongoing, accurate information and updates. In the spirit of solidarity and compassion, we also tell stories of hope and made a cash donation to the national Solidarity Fund, established by the government to provide relief to the most destitute. We made two more major Covid-19 relief donations in April 2020: R500 000 to the Eat Out Restaurant Relief fund, founded by our New Media division to support a feeding scheme run by the restaurant industry, which had been severely affected by the national lockdown and R765 000 to the Botswana government’s relief fund through Collegium Publishers, our book publishing subsidiary in that country.</td>
<td></td>
</tr>
</tbody>
</table>
As a media group, we understand that the world in which we operate is continuously changing. We also understand that achieving our objectives depends on how well we navigate risks and opportunities as they arise amid the uncertainties and unexpected circumstances we face as a business every day.

While standards and frameworks are helpful, no risk management system or combined assurance model can give us absolute certainty that we fully understand all risks and opportunities. Although we strive to be effective in managing the risks posed to meeting our objectives, we acknowledge that there is always an element of uncertainty. We have recorded failures in the past and are likely to face some misses in future, given the residual risk we tolerate in pursuing value. Equally, we cannot be sure that we identify every opportunity soon enough to take full advantage.

Opportunities and risks matter most where they have the greatest impact on value, in its broadest sense, for our stakeholders. Therefore, we select opportunities and assess, manage and accept risks primarily on the basis of their potential impact on determined value drivers.

**How We Create Sustainable Value**

We are committed to good corporate governance and to applying the principles of King IV. These principles promote responsible corporate citizenship and sustainable development based on ethical leadership.

As part of the process of integrated thinking, responsible corporate citizenship and sustainable development, we look at stakeholder value creation in the broadest definition from the points of financial, social and environmental impact – as captured by the six capitals model. In setting our strategy, we evaluate opportunities and select objectives that we consider to be the best sustainable value drivers for our stakeholders. We achieve these objectives through responsibly using the various capitals to achieve a net positive impact on each.

**Risk Culture**

Using an objective-driven risk-based approach, we promote a culture where robust risk and opportunity management processes are understood to create and sustain competitive advantage. Therefore, we view these processes not as separate activities, but rather integrated into daily decisionmaking and good governance practices.

As a subsidiary of the Naspers group, we align our practices and policies to those of the broader group. Our risk management framework, system and processes draw on internationally recognised best business practices and frameworks. Risk management programmes are embedded in our operations. We promote sharing knowledge on issues and good management practice between businesses in the group. Our risk analysis focuses on the impact of risk on our objectives while not losing sight of opportunities. We continuously enhance our control and monitoring measures to prevent or detect risks at the earliest stage. For risks we are not prepared to tolerate, we act to reduce our vulnerability. Depending on the importance of the risk relative to tolerance levels, active risk management varies by form and extent. Where we can, we explore ways to share or transfer risk. We run adequate insurance programmes to mitigate the risk of sudden losses caused by insurable risk events.
RISK GOVERNANCE
The board, assisted by various committees (shown above), is responsible for the governance of risk and tasked with oversight and defining the parameters within which our group creates value for stakeholders. These parameters include policies and charters governing the process and responsibilities for managing risk and opportunities as well as risk tolerance levels. The risk committee assists the board to ensure risk is governed in a way that supports the group in setting and achieving its strategic objectives.

Annually, the board approves the risk committee charter and risk management policy. The responsibility for managing risk in line with approved parameters lies with the owner of risk: in our case, executive management, assisted by the finance function. Executive management and heads of finance of each business are required to submit an annual formal written report on the extent to which they have implemented the group’s policies. Any notable exceptions are summarised and reported to the risk committee. Group internal audit and risk support assess the effectiveness of the system of risk management and internal control, and may also provide advice and guidance to the business.

RISK MONITORING
The board is kept updated on key developments affecting risks and opportunities. It ensures that adequate levels of assurance are provided on significant residual risks versus set tolerance levels. The board is satisfied with the effectiveness of the risk management process.

We provide a consolidated view of our risk profile below, linked to the six capitals and indicate key developments since last year.
We are a for-profit organisation that aims to build communities through excellent journalism, smart technology and innovative services. We invest in developing businesses to provide useful goods, products and services to customers and deliver a sustainable return to investors. Through our operations, we contribute to economic growth and employment opportunities in South Africa and Africa. Within the parameters set by the board, we aim to maximise opportunities in print media while positioning Media24 for a sustainable future. We do this by investing in digital media and ecommerce as well as other diversified businesses.

We aim to:
- invest in our countries of operation by creating business for local suppliers, employing people and giving governments their due via taxes and levies
- manage our assets and liabilities conservatively in the interests of our investors and other stakeholders, and in line with board-approved risk appetite
- focus on investing in business models and new technologies that hold promise for future growth and have the potential to scale
- report on our financial position and performance accurately in line with applicable accounting standards, and
- comply with relevant company laws and regulations.

Key risks to this capital, include:
- economic and political market disruptions
- fierce local and international competition and non-traditional players in the media sector
- shrinking circulation and advertising revenues in our print publications
- digital operations that fail to reach required scale to generate substantial profits
- credit risk, counterparty risk, fraud-related crimes and theft
- financial misstatement and/or failure to accurately disclose in our public reports, and
- business disruption as a result of Covid-19 pandemic.

Measures to manage these key risks and maximise opportunities, include:
- we monitor economic and political developments as best possible and adjust measures to reduce our vulnerability
- we try to understand our consumers’ preferences and emerging trends, and tailor our offerings accordingly
- through robust planning and monitoring, we take action early to ensure we have the funds and resources to realise our ambitions
- reduce our dependency on advertising revenue through our diversification strategy into the ecommerce market, digital services and subscription models (online market)
- we invest funds and manage our cash and funding needs in line with our group and the Naspers treasury policy, which sets minimum standards to mitigate risk of counterparty default
- ensuring our forward exchange contracts are in line with group policy
- we take measures to prevent and detect fraud through strict internal controls on fund management processes
- we operate an effective internal control environment
- an anonymous whistleblower line is in place to report irregular activity, and
- the audit committee oversees the effectiveness of combined assurance.

Key developments:
Global market disruptions, mainly as a result of the global Covid-19 pandemic together with a weak South African economic outlook may impact our ability to deliver returns for our capital providers and contribute to economic growth and employment.
Our employees’ skills, capabilities and experience, as well as their drive and engagement, are key to our success.

We aim to:

■ attract and retain high-calibre individuals to execute our strategy and build sustainable businesses
■ 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 ongoing development and growth of our businesses by encouraging and facilitating continual skills development
■ develop core business skills in emerging technologies and media
■ be fair and responsible in our remuneration practices under a pay-for-performance strategy
■ encourage diversity in our teams and thinking, and
■ comply with relevant labour laws.

Key risks to this capital, include:

■ failing to attract and retain talent to execute strategy
■ non-compliance with applicable health and safety, labour and employment equity, and black economic empowerment (BEE) legislation
■ physical and mental health issues related to pandemics and associated lockdowns or other restrictions
■ inability of existing staff to adapt promptly to changes in market and innovation, and adapt business strategies accordingly
■ unfair treatment and remuneration, and
■ inadequate development of employees.

Measures to manage these key risks and maximise opportunities, include:

■ building a compelling employee value proposition to attract and retain talent, including learning and development initiatives, training and employee wellness initiatives
■ annual engagement surveys to understand where we can improve
■ compensation and incentive plans to attract key skills and reward exceptional performance
■ support for work-from-home arrangements, parental leave and flexible working hours
■ employee wellness benefits available
■ engineering internships and partnerships with training organisations
■ setting and monitoring BEE and employment equity targets
■ our legal compliance programme ensures we comply with applicable occupational health and safety, labour, economic empowerment, transformation and diversity laws, and
■ 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.

Key developments:

Global Covid-19 pandemic may affect employee engagement and efficiency. Work-from-home policies and travel restrictions will remain in place as we monitor the situation. For journalists and distribution workers who work outside the home, various safety measures are in place. Our existing employee wellness programme offers confidential support and counselling to employees and immediate family members.
**Social and relationship capital**

We act in line with our values and code of business ethics and conduct. We strive to build effective internal and external stakeholder relationships.

**We aim to:**
- contribute to socio-economic development in South Africa and Africa
- create a diverse, sustainable network of BEE suppliers and procurement partners
- build trust and maintain our businesses’ licences to operate and use their brands
- cultivate an ethical culture
- engage with our stakeholders and respond to legitimate and reasonable issues
- meet the requirements of regulatory and financial authorities and participate in developing policies that benefit societies, and
- sustain corporate social initiatives that are focused, targeted and linked to business strategy.

**Key risks to this capital, include:**
- unethical behaviour in breach of our code of business conduct and ethics, including bribery, corruption and unfair treatment of stakeholders
- loss of consumer trust – such as fake news, failing to deliver on our service promise, data-security breaches, non-compliance and inferior products
- non-compliance with laws and regulations, specifically company law, data privacy, anti-bribery and anti-corruption, competition law, taxes and duties, consumer protection, anti-money-laundering, and international sanctions
- failure to maintain sustainable businesses that contribute to socio-economic development
- biased or unfair reporting in our media operations, and
- defamation lawsuits.

**Measures to manage these key risks and maximise opportunities, include:**
- code of business ethics and conduct in place with an anonymous whistleblowing line
- continuous engagement with regulators and industry bodies, and implementing a robust legal compliance programme
- anti-bribery and anti-corruption initiatives included in the legal compliance programme
- measuring and monitoring strength of customer relationships and strategy, ensuring customer satisfaction
- adopting measures to protect customers (including existing frameworks and policies, training and awareness) and ensuring customer privacy and data security are managed and monitored, including measures to protect against cyberthreats
- managing stakeholder relationships and responding to legitimate and reasonable issues raised by key stakeholders
- editorial control measures to verify sources and facts
- adherence to the South African Press Code
- media ombudsmen
- maintaining editorial independence, and
- corporate social investment programmes that benefit the community and the business, such as learning and internship opportunities for students, and contributing to the human, intellectual and financial capitals of the business in the long term.

**Key developments:**
Our journalists have played a vital role in keeping communities informed about Covid-19, ways to stay safe and healthy, and updates to government initiatives and regulations
We donated R1m to the Solidarity Fund, and encouraged staff to continue their volunteering efforts by supporting local organisations that provide food relief.

We made two more major Covid-19 relief donations in April 2020: R500 000 to the Eat Out Restaurant Relief Fund, founded by our New Media division to support a feeding scheme run by the restaurant industry, which had been severely affected by the national lockdown; and, R765 000 to the Botswana government’s relief fund through Collegium Publishers, our book publishing subsidiary in that country.
Manufactured capital is key to our services and operations and may include:

- offices, distribution centres and warehouse buildings, and furniture and equipment
- information and technology infrastructure and equipment
- distribution networks
- public infrastructure such as roads for delivering goods
- vehicles, and
- stock.

**We aim to:**

- ensure office buildings, warehouses, vehicles and equipment are efficient and well maintained, continuously enhance measures on security and fire-prevention infrastructure, and ensure businesses are adequately covered for insurable risks
- operate a secure and resilient technological infrastructure
- avoid obsolescence of products and services through effective procurement and stock management
- minimise excessive investment in stock, and
- manage our outsource partners to deliver on agreed service levels.

**Key risks to this capital, include:**

- destruction or impairment of assets due to natural or human-induced disasters
- technical failures and cyber-incidents causing disruption
- stock obsolescence, including excessive write-offs or asset impairments due to poor planning, maintenance or safeguarding
- unforeseen capacity constraints from risks affecting the supply chain, logistics and processes (physical and electronic), and
- substandard product/service offering.

**Measures to manage these key risks and maximise opportunities, include:**

- robust business planning and working capital management
- comprehensive short-term insurance
- physical security measures to protect assets
- business-continuity planning, including disaster-recovery and testing
- rigorous testing of information and technology systems and app changes
- real-time cyberthreat monitoring and regular cyber-incident response testing
- supplier and external service provider selection
- regular performance evaluations of contracted service providers
- business and resource planning, including information and technology investment
- asset maintenance programmes, and
- focusing on customer experience, quality content and service excellence.

**Key developments:**

Outsourcing branch administration and logistics and shifting our IT infrastructure to the cloud reduces our fixed-cost base and improves our resilience against cyber-attacks, but increases our dependency on outsourced service suppliers.

Cybercrime remains rampant and requires significant ongoing focus and investment to protect our data and manage cybersecurity risks.

Our expansion in efashion (online fashion retail) requires higher investments in working capital - the global Covid-19 pandemic may impact on the efashion supply chain and net realisable value of inventory.
# HOW WE CREATE VALUE

## 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.

### We aim to:
- use intellectual capital to drive competitive advantage through customer-focused development and innovation strategies
- adequately protect our intellectual capital and not infringe on the rights of others
- produce, acquire and publish valuable content for consumption by our customers through our various platforms
- cultivate a positive, innovative and ethical culture in the group, and
- build intellectual capital by continuously investing in our people and knowledge-sharing programmes throughout the group.

### Key risks to this capital, include:
- ineffective response, including insufficient innovation, to meet our customers’ changing demands and consumption patterns
- improper use and/or inadequate protection of customer privacy, sensitive data and other confidential information
- failing to meet targets due to lack of innovation
- loss of market share, revenue and opportunities through infringement, theft or misuse of IP rights
- reputational damage or liability due to fake news, infringement, theft or misuse of IP and rights of third parties by any of our businesses, and
- insufficient creation of intellectual capital due to inadequate human resources development and culture.

### Measures to manage these key risks and maximise opportunities, include:
- developing strategically important IP assets as well as attracting, managing and developing talent, encouraging innovation and managing performance to meet targets
- protecting IP rights against infringement through effective cybersecurity measures guided by our global security policy
- group IP guidelines in place with monitoring and support from Naspers
- editorial control measures to verify sources and facts, and
- continuous monitoring of Media24’s name and brands to detect unauthorised use or accreditation.

### Key developments:
The Copyright Amendment Bill affects mainly our book-publishing businesses and, to a lesser extent, our news and magazine divisions. It contains numerous problematic sections, including providing for an exception in which fair use of a work is allowed for purposes such as reporting current events, teaching and education and, in certain instances, where the reproduction of an entire textbook is allowed. This bill will likely prevent creators from enforcing their rights and remove their ability to be remunerated for their work.
We acknowledge that we are required to act in an environmentally responsible way. We are mindful of consuming electricity, fuel and especially water in our daily operations. As a media company, we publish and distribute paper-based books, newspapers and magazines, while our ecommerce businesses sell fashion products and distribute goods to customers.

We aim to:
- comply with laws and regulations on the environment
- act in an environmentally responsible manner – adhere to water-preservation initiatives in South Africa, a water-stressed country, and
- enhance our digital offering as an alternative to printed publications.

Key risks to this capital, include:
- depletion of the earth’s natural resources
- negative effects on society from pollution and global warming, and
- fines, penalties or new regulations, fees and taxes related to use of natural resources.

Measures to manage these key risks and maximise opportunities, include:
- adopting appropriate environmentally sustainable practices to minimise the impact on natural capital, for example through energy- and water-saving initiatives as well as recycling
- endeavour to source paper from certified sustainable suppliers
- measuring our carbon footprint
- independent safety, health and environmental audits to ensure ongoing compliance with laws and regulations, and
- continuously optimising operations to minimise consumption and waste.

Key developments:
No change.

KEY AREA OF FOCUS IN THE YEAR – IMPROVING OUR CYBER-RESILIENCE

THE PAST YEAR
Media24 implemented and operationalised its cybersecurity policy. In support of our digital strategy and given the global trend of rising cyber-criminal activity, we recognise the importance of continuously enhancing our cyber-resilience capabilities. During the year, we implemented new end-point protection technology that predicts and prevents the execution of advanced threats and malware. The group also adopted the CIS (Centre for Internet Security) top 20 critical security controls to help Media24 achieve improved cybersecurity defence.

GOING FORWARD
Improving our cybersecurity resilience remains a priority for Media24. In the coming year, the group will implement new adaptive multifactor authentication to further combat the increase in phishing attacks. We will continue to strengthen our 24-hour security operations centre, which monitors security information and events in real time. Through regular cyber-simulation exercises, we ensure that our cybersecurity incident response team can respond quickly to a threat, should it arise. Penetration testing, ethical hacks and internal phishing campaigns are performed continuously to validate our cybersecurity improvements and proactively identify new vulnerabilities.
COVID-19: BUSINESS RECOVERY STRATEGY
Through its subsidiary executive management teams, the group has acted swiftly to mitigate the impacts of Covid-19 on our businesses. As a group, we have adopted fit-for-purpose business continuity plans, using South African government and World Health Organization guidelines.
A key stakeholder – our employees – were mobilised to work remotely where possible. Customer-facing processes have adopted protective measures as required by local and global authorities. In keeping with regulatory requirements, management has established a Covid-19 committee to oversee the return-to-work project, which will ensure compliance. We are continually monitoring the evolution and impact of the pandemic on South Africa and the society at large, and tailoring our business resumption response to ensure we align with national and global requirements.

DATA PRIVACY
Data privacy remains a high priority. The Media24 data-privacy programme is on track in anticipation of the full enactment of the PoPI Act, expected mid-2020. PoPI will make provision for a grace period of one year from the commencement date for compliance. Media24’s general counsel manages data privacy for the group and is responsible for ensuring and monitoring compliance with applicable data protection laws, with support from the group’s IT function and divisional chief financial officers tasked with legal compliance in their respective business units.

SUSTAINABILITY
Sustainability is a key area of focus for all our businesses, and includes considering our impact on the communities in which we operate and the broader global ecosystem. At Media24, we have made progress in recent years to reduce our carbon footprint and we continue to look at
ways we can enhance measurement and further manage this footprint. Aligned with the Naspers group, we completed a gap analysis and identified focus areas for the year ahead for Media24’s sustainability efforts regarding our key stakeholder groups, namely customers, employees, shareholders, regulators, the media, suppliers and the community.

ASSURANCE STATEMENT
Our combined assurance model is designed and implemented to cover key risks through a combination of assurance service providers and functions as appropriate for our group. An overview of combined assurances per key risk is reported to the audit and risk committees. Our internal audit function is outsourced to Naspers, with the Media24 group head of internal audit and risk support reporting functionally to the Media24 audit committee, which approves and oversees the risk-based internal audit coverage plan. Where required, external parties such as forensic or data-analytics experts support this function. Other external assurance providers are enlisted as needed. 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.
HIGHLIGHTS OF THE PAST YEAR

<table>
<thead>
<tr>
<th>REVENUE (R'M)</th>
<th>TRADING LOSS (R'M)</th>
<th>FREE CASH FLOW (R'M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 714</td>
<td>334</td>
<td>383</td>
</tr>
<tr>
<td>4 789</td>
<td>152</td>
<td>12</td>
</tr>
</tbody>
</table>

2019 2020

2019 Employer of Choice

LEVEL 3 BBBEE CONTRIBUTOR

SAGEA AWARD SEVENTH TIME IN EIGHT YEARS

LEVEL 3 BEE

77% STAFF ENGAGEMENT

PERFORMANCE IN 2020

DIGITAL AUDIENCE UP 28% YEAR ON YEAR

MOST TRUSTED DIGITAL NEWS BRAND IN SOUTH AFRICA (REUTERS INSTITUTE)

VIA CHANNEL GREW PROFIT FIVEFOLD

SUBSCRIPTIONS UP 32% YEAR ON YEAR

Read more on pages 30 to 32.
Our digital properties received numerous awards at the annual Bookmarks Awards, including a Black Pixel for 24.com as joint best digital publisher, the fourth consecutive year it has received this honour.

We were recognised at the Standard Bank Sikuvile Journalism Awards, including for journalist of the year and best investigative journalism; the Diageo SA Responsible Drinking Media Awards; Direct Marketing Association of South Africa (DMASA) Assegai Integrated Marketing 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.

At the WAN-IFRA African Digital Media Awards, 24.com won for best native advertising/branded content campaign, with our lifestyle division as runner-up; News24 won for best use of online video (including virtual reality); and Netwerk24 was runner-up in the best website or mobile service category.

The #Guptaleaks team of News24, Daily Maverick and amaBhungane won the Global Shining Light Award of the Global Investigative Journalism Network. The winner of the 2019 FIPP Rising Stars Award was Mbali Soga, editor of True Love.

NB Publishers won the prestigious Association of American Publishers’ International Freedom to Publish | Jeri Laber Award for demonstrating courage and fortitude in defending freedom of speech for The President’s Keepers.

At the MOST Awards, our lifestyle division was named best media owner in the magazine category and Ads24 as best media owner in the newspapers and marketing services categories.

Media24 won 11 awards at the ATKV Mediaveertjies, including all but one of the awards in the reading category and one in the listening category.

Media24 also received the South African Graduate Employers Association Award for best place to work in the media for the fourth consecutive year.
OUR BUSINESS PERFORMANCE

OVERVIEW
Media24 posted excellent results for the financial year, growing revenue 2% to R4.8bn and reducing the trading loss by 54% to R152m – both year on year (YoY). This performance was underpinned by growth in ecommerce revenue, exceptional school textbook orders and stringent cost management throughout the company. This offset the impact of a strained economy and continued structural declines in print media. Our growth portfolio (detailed below) performed especially well by more than halving its trading loss YoY as our investment in ecommerce (online retail) and streamlining our digital media operations started to deliver results.

The national lockdown to counter the Covid-19 pandemic began on 26 March, just before financial year-end. As a result, this had a minimal impact on the year ended 31 March 2020. However, the pandemic is having a devastating effect on our already fragile print media operations with significant declines in both circulation and advertising.

Facing a grim outlook for print media, we have introduced interventions to mitigate losses as we continue our strategic journey to build a sustainable future for Media24 in an increasingly digital landscape and will align our plans and strategies to the post-pandemic business realities as they emerge.

OPERATIONAL REVIEW
Our print media division delivered strong results, with cost efficiencies at our newspapers, magazines and distribution divisions offsetting structural declines in circulation and advertising revenues. We maintained our leading position in newspaper and magazine circulation, as well as advertising market share. Media24 publishes four of the top 10 newspapers (as measured by paid-for circulation) and six of the top 10 magazines in the country. Our journalists and newspapers won seven Standard Bank Sikuvile Journalism Awards, including SA story of the year, journalist of the year and investigative journalism to City Press journalists, Sipho Masondo and Dewald van Rensburg, for their breaking story and coverage of dealings at VBS Mutual Bank. Beeld won the prestigious Frewin Award and City Press shared the Joel Mervis trophy.
Our newspaper and magazine advertising sales teams dominated the advertising industry’s MOST Awards, winning the media owner of the year award in their respective categories, with Ads24 also winning the marketing services category.

24.com, home to our digital media brands, continued to entrench itself as the premier news destination for South Africans. On the back of exceptional election and Covid-19 pandemic coverage, which delivered record traffic for News24 and Netwerk24, total average monthly unique browsers have grown 29% since April 2019 to 19.5m and average monthly pageviews by 14% to 508m. Almost 90% of this traffic came from mobile devices and apps.

News24 turned in an excellent performance, boosted by the Reuters Institute naming it the most trusted digital news brand in South Africa. Netwerk24, offering access to breaking news in Afrikaans and the content of our Afrikaans newspapers and magazines, grew subscribers by 32% YoY to 59 912 and remained the biggest paywall news site in South Africa. The News24 reporters who contributed to the multi-award-winning series of #GuptaLeaks exposés on state capture were co-winners of the Global Shining Light Award from the Global Investigative Journalism Network, considered the world’s most prestigious award in this field. For the fourth consecutive year, 24.com was named joint winner of the Black Pixel as best digital publisher at the annual IAB Bookmarks Awards. The news and commercial teams also received two WAN-IFRA African Digital Media Awards and were runners-up in four other categories.

Collegium and Via Afrika benefited from excellent school textbook orders in Botswana and solid orders in South Africa. However, changes to the payout policy under the National Student Financial Aid Scheme (NSFAS) continued to hurt sales of academic textbooks. Although the trade publishing sector felt the strain of a sluggish economy, NB Publishers retained its market leadership and won several literary awards. These included the Association of American Publishers’ International Freedom to Publish | Jeri Laber Award for Jacques Pauw’s The President’s Keepers. Jonathan Ball Publishers became the market leader in its sector with a strong run of bestsellers, including The Stellenbosch Mafia by Pieter du Toit, which sold over 20 000 copies and topped local charts for more than 12 weeks.

Afrikaans lifestyle and entertainment television channel VIA remains the most popular lifestyle channel among DStv prime-time viewers, reaching 295 000 daily viewers in January 2020. Advertising revenue more than doubled YoY and contributed to a fivefold improvement in its profit performance versus the prior year.

As the largest online fashion retailer in the country, Fashion United SA Proprietary Limited (FUSA)/Superbalist is well positioned to capitalise on the considerable ecommerce growth in the country.

Contract Logistics, our full-service distributor of online sales, is also benefiting from this trend, with a 25% increase in volumes YoY from ecommerce fulfilment despite losing the Spree account in the prior year when the latter merged with Superbalist.

Careers24, our online job classifieds portal, is feeling the impact of a strained economy and slowdown in hiring, particularly in the small and medium business sectors. However, this has been offset by strong renewals from existing clients.
Media24’s businesses are segmented into the mature portfolio (newspapers, magazines, book publishing and distribution) and the growth portfolio (digital media, ecommerce, ecommerce fulfilment, job classifieds and online services).

From October 2018, our online fashion business Spree merged with fellow Naspers online brand Superbalist to form South Africa’s largest online fashion destination, FUSA (trading as Superbalist), in which Media24 owns 51%. The current period therefore includes consolidated FUSA results.

Media24’s revenue increased by 2% YoY to R4.8bn, while the trading loss decreased by 54% to R152m. Core headline results improved from a loss of R190m to a profit of R25m over the period. These results were mainly due to FUSA, combined with ongoing cost management across the business and the non-recurrence of write-offs in the prior year.

Despite the mature portfolio following global trends with a YoY revenue decline of R312m (-7%) and a trading profit decrease of R61m (-19%) to R262m, it still outperformed expectations. This reflected ongoing cost management across the portfolio and 7% revenue growth from higher textbook orders, partially offsetting the decline in advertising and circulation revenues (-11% and -9% respectively).

Trading losses from the growth portfolio reduced 52% to R250m after closing the news aggregators, streamlining our digital operations and the non-recurrence of prior-year write-offs. Revenue from this portfolio grew 30% YoY, as Media24 begins to reap the benefits of consolidating FUSA’s results. The growth portfolio contributed 28% (2019: 21%) of total revenue.

Cash from operating activities improved by R397m due to the reduced trading loss for the period and lower investment in working capital. Media24 has a well-capitalised balance sheet, with R1.1bn of cash resources available to continue funding our operations as the Covid-19 crisis continues.

SUMMARISED AND COMPLETE ANNUAL FINANCIAL STATEMENTS
The summarised annual financial statements appear on pages 69 to 85. The complete annual financial statements for the year to 31 March 2020 are available on www.media24.com. A printed copy is available from the group CFO, Mobasheer Patel, at the registered office of the company (details on page 102).
We value our people. Our products and services depend on the creativity, insights and courage of our staff, particularly journalists and engineers. Without them, we would not be able to serve our communities.

**EMPLOYEES BY RACE FY19**
- Black: 36%
- White: 1%
- Foreign: 63%

**EMPLOYEES BY RACE FY20**
- Black: 37%
- White: 1%
- Foreign: 62%

**EMPLOYEES BY GENDER FY19**
- Male: 59%
- Female: 41%

**EMPLOYEES BY GENDER FY20**
- Male: 59%
- Female: 41%

**AS AT 31 MARCH WE EMPLOYED 3 337 EMPLOYEES**

**SAGEA AWARD:**
In 2019, Media24 was named Sagea employer of choice among graduates for the seventh time in eight years.

**DIVERSITY AND INCLUSION:**
Staff experience of diversity and inclusion improved from 77% to 79% in our annual companywide survey.

**COVID-19 RESPONSE:**
Our first priority was the safety of our people. Thanks in part to our precautionary measures, no employee contracted Covid-19 in the course of their work duties.

**R37M WAS SPENT ON TRAINING AND DEVELOPMENT IN FY20 (FY19: R26M)**
OUR EMPLOYEE VALUE PROPOSITION

At Media24:

■ Our work environment is designed to promote collaboration, with open-plan offices where possible.
■ We encourage work/life balance by giving staff the option of working from home and flexible working hours, where operational requirements can accommodate this.
■ We invest in the continuous development of our people.
■ We reward employees fairly and formalised our fair-pay policy this year. We aim to offer equal pay for work of equal value, giving strong consideration to performance when determining equal value.
■ We offer short- and medium-term incentives to attract and retain key talent (particularly engineers).
■ We encourage employees to contribute to sustainability and innovation initiatives.
■ We respect the rights of our employees and celebrate their diversity.
■ We encourage employees to report, through secure channels, any areas where the group might be failing in its business conduct and values.

We have a strong focus on employee engagement. In the past year, our participation rate was 86% and the overall engagement score in the annual staff survey was 77% (up from 75%). Importanty, 74% of our staff would recommend Media24 as an employer of choice (2019: 69%).

We made good progress on diversity initiatives. In the past year, we ran intensive two-day diversity workshops for managers, with a focus on understanding and overcoming the impact of ‘isms’ in the workplace and building an inclusive climate. This was followed by a drive to build awareness of psychological safety in our teams, and to identify and improve areas where perceptions of safety were lower. Our commitment to combating discrimination and stigma by creating safe spaces was reinforced with a talk – livestreamed across the company – by a double amputee who had survived a suicide attempt. Finally, all staff were encouraged to familiarise themselves with our dignity at work policy by completing an online course that deals with harassment and bullying in the workplace.

SKILLS DEVELOPMENT

Media24 invested R37m (2019: R26m) in developing 2 878 employees over the past year. Despite tough trading conditions, we increased our investment in training, launching a flagship year-long training programme – the Future Skills Programme – to equip our junior leaders for a future in which artificial intelligence (AI) is mainstream.

All our people have access to online learning through MyAcademy (the Naspers online learning platform). In the past year, our staff have completed 2 150 online courses, the most popular of which focused on leadership, engineering, data science and AI. These courses are preparing our staff to operate and lead in a future workplace where our business is digital.

We offer staff bursaries for part-time study towards degrees and diplomas and invested R3.7m in bursaries for higher education, benefiting 142 people in the company in the review period. Staff also attend local and international conferences to keep abreast of industry developments. Other training initiatives include leadership development and management coaching.
Beneficiaries of Media24 Academy initiatives over the past year

We developed and ran accredited programmes in digital publishing and web design for 40 AIP members with funding of R650 000 from the Fibre Processing and Manufacturing (FP&M) Seta.

An 11-month development programme for nine journalists with disabilities was hosted in partnership with ThisAbility, a non-profit organisation that publishes a newspaper by journalists with disabilities.

As part of the Media24 Academy - graduates in media, 12 graduates were selected for a one-year internship and they completed it successfully; six were placed in fulltime or fixed positions with Media24.

Future Skills Programme was launched, with an initial cohort of 22. This is a year-long programme that aims to prepare our future leaders to manage in a world where AI is mainstream.

EMPLOYMENT EQUITY

The group complies with labour legislation in South Africa. Media24’s statutory reports are submitted to the relevant government departments timeously.

Media24 maintained or improved representation of black employees at all levels of management, but fell slightly short of its target of 23% black (African) employees in management in the review period, achieving 22%. Appropriate and representative consultative forums protect the interests of employees across the group and provide valuable input for decisionmaking.

We achieved the majority of our targets in our employment equity plan(1) submitted to the Department of Employment and Labour:

- 59% of employees are women – on target
- 63% of staff are black – on target
- 1.8% of staff have disabilities – exceeding the 1.6% target
- 40% black staff in top management – missed target of 60%, and
- 55% black staff in management – exceeding the 54% target.

Note

(1) Media24 employment equity plan excludes Fashion United SA Proprietary Limited employees.
HEALTH AND SAFETY
Occupational health and safety, and employee wellness, are important to Media24, as these promote the physical and mental wellbeing of staff, which in turn affects productivity. Our employee wellness programme offers telephonic and face-to-face counselling to staff and their immediate families countrywide; we run wellness days that offer confidential on-site health screening (blood pressure, body mass index, cholesterol, blood sugar and HIV testing) as well as personalised wellness advice to each participant; all permanent employees have the option of medical cover and access to the Discovery Vitality programme that offers discounts, incentives and rewards for healthy eating and exercising.

We had 48 injuries on duty in the reporting period, resulting in an injury-frequency rate of 0.002% per 100 000 hours worked during the year. All incidents reported were minor, and we recorded no fatalities in the review period.

- We perform regular risk assessments of health and safety conditions at our facilities.
- We aim to have an injury-free workplace.
- We train people at our high-risk facilities in health and safety matters.
- We monitor management’s health and safety systems through regular operational, internal and external auditing, and reporting processes.
- Because a healthy workforce contributes to business success, we provide optional medical aid and wellness programmes to our employees.
- We comply with relevant laws and regulations.

THE WORKPLACE
Implementing a healthy, safe workplace at all our facilities is a priority. Health and safety committees ensure compliance with applicable regulations, in line with local legislation where required. The manager responsible for on-site health and safety ensures committee members are trained and the committee operates effectively. Regular occupational health and safety risk-control audits are conducted by operational management and improvements made as required. In the past year, significant matters were reported to, and monitored by, Media24’s risk committee (a board committee).

Our distribution operations make extensive use of contractors and organisers. As most of
these workers are from previously disadvantaged communities, training is regularly reviewed to ensure they can perform their jobs safely and effectively. The Media24 risk committee also monitors significant related issues in the workplace.

Our response to the outbreak of the Covid-19 pandemic prioritised the safety and wellbeing of our people. The measures we implemented started with restrictions on international and then local travel. We introduced hand-sanitising stations and a communication campaign aimed at helping our people to avoid infection, while testing our business continuity plans. We then transitioned rapidly to having 85% of our staff working from home, while the journalists and distribution workers engaged in essential services and working outside the home were issued with personal protective equipment. By the time the national lockdown took effect, we had been in full work-from-home mode for over a week. Regular email updates to all our staff, and check-ins by their managers, have kept the teams focused, productive and engaged during the lockdown. Throughout the period, potential Covid-19 cases among staff have been monitored and tracked, with due respect for the privacy of affected individuals. Thanks in part to our precautionary measures, no employee contracted Covid-19 in the course of their work duties.

**MONITORING**

Media24 monitors the buildings in which it operates, and conducts regular health, safety and environmental compliance audits, as well as building scans. Injuries on duty are stringently monitored, and the company aims to have no injuries or deaths on duty.

**WELLNESS**

The group’s wellness programmes take a preventative approach to employee health. Regular eye and hearing tests are performed on drivers and staff exposed to noise. Professional independent psychological and social support is provided for employees.

Media24 offers wellness days, in partnership with a leading health insurance company, at many of its offices across South Africa. Health services include hypertension and blood sugar testing (for diabetes), cholesterol testing, HIV/Aids counselling
and testing, and a number of risk-control programmes.

Our conditions of service give staff more flexibility in their choice of medical cover.

**TRANSFORMATION**

Transformation is a strategic and commercial imperative for Media24. We invest in strategic procurement, and skills and enterprise development. Our initiatives focus on developing relevant skills and progressive procurement practices, the latter including preferred procurement from black-owned and BEE-compliant service providers. We have made substantial progress in meeting our transformation aims. According to our latest BEE scorecard, Media24 attained a level 3 status with a 110% procurement recognition on BEE spend under the revised codes. The group scored 5 points for socio-economic development and black people’s economic interest is now 65.38% (56.15% in the prior year). Suppliers’ BEE performance is evaluated against specific criteria and must be improved annually. Media24 achieved 22.56 out of 25 points for preferential procurement of goods and services from all suppliers.

Welkom Yizani, Media24’s BBBEE scheme, began trading its shares on the Equity Express Securities Exchange (EESE) in November 2018. In 2016, Naspers Limited, preference shareholder in Welkom Yizani, has waived R434m in preference share debt and accrued interest owed by Welkom Yizani under the scheme rules. Accordingly, 87 460 shareholders in the scheme could derive immediate economic benefit from their shares since 2017. To date, R283m has been paid to investors in dividends.

**ENVIRONMENTAL COMMITMENT**

We reduce, reuse and recycle to limit our impact on the environment. Media24’s operations are diverse – each type of business has a unique impact on the environment and therefore requires different solutions to limit this impact.

Our largest impact on the environment is our use of carbon-based electricity. Our focus therefore remains on energy efficiency and measuring our carbon footprint. We have also invested heavily in generators and uninterrupted power supplies to ensure seamless operation during power outages.
Media24 operations are primarily based in South Africa, where the main source of electricity is coal. These operations measure their gross carbon footprint in scope 1 and 2 emissions under the Greenhouse Gas Protocol (GHG Protocol), the accepted international standard for accounting and reporting on emissions.

In line with our commitment to the environment, we monitor scope 1 and 2 emissions. This year, our carbon footprint increased by 23% to 12 326 tonnes of CO₂e (2019: 10 008 tonnes of CO₂e). 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 minimise our impact on the environment. We also perform regular risk assessments to identify operations where our direct impact is most significant.

South Africa has largely recovered from the severe drought of the past four years but remains water stressed. Media24 continues to play its part by being a responsible water user and adhering to restrictions, including continued awareness campaigns and initiatives to reduce the use of potable water.

We have a number of energy-efficiency initiatives, including movement-activated and energy-efficient lighting as well as energy-efficient air conditioning. We also recycle to limit our impact on the environment. We recycle all unsold newspapers and magazines. Through our online and print publications, we regularly publish informative articles to educate consumers on ecofriendly ways to live.

In addition to recycling, it is in our commercial interest to use paper efficiently, limit paper destined to be recycled and minimise unsold products. Media24 uses printers with a Sustainable Forestry Initiative Chain of Custody certification and almost all our print work uses paper from sustainable sources.

We use responsible service providers to recycle and dispose of our electronic waste. In the past year, there were no environmental accidents, and no environmental fines were imposed by government. The group continues to refine its processes for managing its impact on the environment.
OUR BOARD OF DIRECTORS

The board manages the group’s business with integrity and by applying appropriate corporate governance practices.

RACHEL JAFTA
Rachel (59) holds the degrees MEcon and PhD from Stellenbosch University and is a professor in economics at that university. She chairs the Cape Town Carnival Trust and the board of Naspers Labs NPC, is a member of the South African Economic Society and serves on the management committee of the Bureau for Economic Research at Stellenbosch University. Since 2015, she has served on the international advisory council of Fondação Dom Cabral Business School, Brazil. Rachel joined Naspers as a director in 2003 and was appointed an independent non-executive director of Media24 in 2007 (tenure of 12 years). She has chaired the Media24 board since April 2013. From September 2019, she serves on the board of Prosus.

KHOMOTSO MTHIMUNYE
Khomotso (54) has a BComptHons degree from Unisa and a Higher Diploma in Tax Law from the University of the Witwatersrand. She is a chartered accountant with over 20 years’ experience and a member of the Independent Regulatory Board for Auditors, South African Institute of Chartered Accountants and Institute of Directors in Southern Africa. She is a member of the council of the University of KwaZulu-Natal. She has served on the boards of public and private-sector companies, and worked in the mining and financial services industries for BHP Billiton SA, Standard Corporate & Merchant Bank and Absa. She was appointed a Media24 director on 17 April 2019.

MOBASHEER PATEL
Mobasheer (43) holds a BCom degree from the University of the Witwatersrand as well as a BComHons and Higher Diploma in Auditing from the University of Johannesburg. He qualified as a chartered accountant in 2001 and joined Old Mutual. He held several senior and board positions, including CFO of Old Mutual Wealth & Investments. Mobasheer was appointed CFO of Media24 in September 2018 and as executive director on 1 December 2018.

TREVOR PETERSEN
Trevor (64) is a chartered accountant with over 30 years’ experience. He obtained a BComHons in Financial Management from the University of Cape Town. He was an executive partner at PricewaterhouseCoopers Inc. and currently serves on the board of Mediclinic International plc. He joined the Media24 board as an independent non-executive director on 1 July 2015.
JO-ANN HELD

Jo-Ann (39) obtained a BComLaw from Stellenbosch University. She is a media entrepreneur who has presented and produced TV and online media properties for 19 years. She is a goodwill ambassador for UNICEF and a director of the advisory board of Stellenbosch University Business School, Village and Life, and M&C Saatchi Abel. She joined Media24 as an independent non-executive director on 1 January 2014.

ISHMET DAVIDSON

Ishmet (54) holds a BCom degree and MBA from the Edinburgh Business School at Scotland’s Heriot Watt University, among other qualifications. He has 23 years’ experience in the publishing industry and joined Media24 in 2012 as head of community newspapers. He became head of its news division in 2014, after which media distribution company On the Dot and Media24’s magazine division were added to his responsibilities. He was appointed CEO and executive director of Media24 on 1 October 2018.

KOOS BEKKER

Koos (67) started the M-Net/MultiChoice pay-television business that grew to cover most of Africa. He was also a founder of the cellular telephony group MTN. Koos became chief executive of Naspers in 1997 and led the group until 2014, during which time it expanded into the internet. At present, he is non-executive chair of Naspers and Prosus, listed on the Johannesburg and Amsterdam stock exchanges. The group is now valued at around US$80bn and is the biggest investor in the internet not based in either the US or China. Investments span across more than 80 countries and key focus areas for future growth include classifieds, online food delivery, payment systems and education. 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. Koos is a director of Media24, Naspers, Prosus and Tencent Holdings.

ESMARÉ WEIDEMAN

Esmaré (58) obtained the degrees BCom and BJournalismHons (both cum laude) from Stellenbosch University. She has over 25 years’ experience as a journalist, political writer and editor. She was editor-in-chief of Media24’s flagship weekly magazines Huisgenoot, YOU and DRUM before being appointed chief executive of Media24 in 2011, until her retirement in September 2018. Esmaré rejoined Media24 as a non-executive director on 1 April 2019.
# DIRECTORS AND ATTENDANCE AT MEETINGS

<table>
<thead>
<tr>
<th>Name</th>
<th>Date first appointed in current position</th>
<th>Date last appointed</th>
<th>Five board meetings held during the year. Attendance:</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>R C C Jafta</td>
<td>9 February 2007</td>
<td>26 August 2019</td>
<td>5</td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>T D Petersen</td>
<td>1 July 2015</td>
<td>26 August 2019</td>
<td>5</td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>K R Mthimunye(1)</td>
<td>17 April 2019</td>
<td>26 August 2019</td>
<td>4</td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>J C Held</td>
<td>1 January 2014</td>
<td>26 August 2019</td>
<td>5</td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>J P Bekker</td>
<td>1 April 2015</td>
<td>26 August 2019</td>
<td>5</td>
<td>Non-executive</td>
</tr>
<tr>
<td>E Weideman</td>
<td>1 April 2019</td>
<td>26 August 2019</td>
<td>5</td>
<td>Non-executive</td>
</tr>
<tr>
<td>I M Davidson</td>
<td>1 October 2018</td>
<td>26 August 2019</td>
<td>5</td>
<td>Executive</td>
</tr>
<tr>
<td>M Patel</td>
<td>1 December 2018</td>
<td>26 August 2019</td>
<td>5</td>
<td>Executive</td>
</tr>
</tbody>
</table>

**Note**

(1) Appointed as a non-executive director on 17 April 2019.
## COMMITTEES AND ATTENDANCE

<table>
<thead>
<tr>
<th>Project committee</th>
<th>Human resources and remuneration committee(1)</th>
<th>Nomination committee(1)</th>
<th>Audit committee(1)</th>
<th>Risk committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>No meetings held during the year.</td>
<td>Four meetings during the year. Attendance:</td>
<td>Four meetings during the year. Attendance:</td>
<td>Four meetings during the year. Attendance:</td>
<td></td>
</tr>
<tr>
<td>R C C Jafta</td>
<td>✓ – ✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
</tr>
<tr>
<td>K R Mthimunye(2)</td>
<td>✓ – ✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
</tr>
<tr>
<td>J C Held</td>
<td>✓ – ✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
</tr>
<tr>
<td>J P Bekker</td>
<td>✓ – ✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
</tr>
<tr>
<td>T D Petersen</td>
<td>✓ – ✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
</tr>
<tr>
<td>I M Davidson</td>
<td>✓ – ✓ ✓ 4</td>
<td>✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
</tr>
<tr>
<td>M Patel</td>
<td>✓ – ✓ ✓ 4</td>
<td>✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
<td>✓ 4 ✓ 4</td>
</tr>
</tbody>
</table>

**Notes**
- ✓ Member
- (1) Executive director(s) attend meetings by invitation.
- (2) Appointed as member with effect from 17 April 2019.
Media24 is focused on sound corporate governance and effective leadership. The board of directors manages the group’s business with integrity by applying appropriate corporate governance 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 ethical culture across the organisation. 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 critical to the sustainability of the group.

Media24 is a leading media group in Africa. It is a subsidiary of Naspers Limited, listed on the JSE Limited’s stock exchange (JSE) and London Stock Exchange (LSE). Media24 complies with the JSE Listings Requirements as well as legislation applicable to publicly listed companies in South Africa (where applicable to a subsidiary of a company listed on the JSE).

Our independent board of directors has its own governance practices and committees that comply with relevant governance and regulatory requirements. The board’s audit, risk, human resources and remuneration, and nomination committees fulfill key roles in ensuring good corporate governance. The composition of the board and its committees is reviewed annually and, where required, amended. The group uses independent external advisers to monitor regulatory developments to enable management to make recommendations to the Media24 board on matters of corporate governance.

GOVERNANCE FRAMEWORK AND APPLICATION OF KING IV
The Media24 board is the focal point and custodian of the group’s corporate governance systems. The board and its committees must ensure that the principles and practices of King IV are applied and embedded in the governance practices of group companies.

A disciplined reporting structure ensures that the Media24 Holdings board is fully apprised of subsidiary activities, risks and opportunities. Business and governance structures have clear approval frameworks.

Governance and progress are monitored by the Media24 audit and risk committees and reported to the Media24 board.

In the review period, we enhanced our systems and processes to align to King IV principles. A comprehensive analysis of our governance framework against King IV shows that the group complies with all key elements. Minor instances of principles that are not applicable or have not been applied are explained.

DECLARATION BY THE BOARD IN TERMS OF KING IV
In line with the overriding principle in King IV of ‘apply and explain’, to the best of its knowledge, the board believes the group has satisfactorily applied, or is embedding, processes that support the principles of King IV.

BUSINESS ETHICS
Our code of business ethics and conduct was reviewed during the year and is available at www.media24.com. No significant amendments were made. Media24 is committed to conducting its business on the basis of complying with the law, with integrity and proper regard for ethical business practices. Ensuring group companies adopt appropriate processes with supporting policies and procedures is an ongoing process. Management focuses on policies and procedures that address key ethical risks, such as conflicts of interest, accepting inappropriate gifts and unacceptable business conduct.

The human resources and remuneration committee is the overall custodian of business
ethics. Disciplinary codes and procedures of group companies ensure compliance with policies and practices that underpin the code of business ethics and conduct. Media24 applies zero tolerance to code violations by taking the necessary action, including improving the control environment or instituting disciplinary, criminal or civil action. Unethical behaviour by senior employees, as well as the manner in which that company’s disciplinary code was applied, is reported to this committee. During the year, no cases of alleged unethical conduct were reported to the committee. Media24 has an ethics officer as the central point of contact for advice on related queries, improprieties, allegations and complaints. The ethics officer reports on related matters via the Media24 executive management team to the human resources and remuneration committee.

A whistleblowing facility enables all employees to anonymously report unethical conduct in the workplace. All stakeholders are able to report unethical behaviour and wrongdoing anonymously and confidentially through this facility. Details of the whistleblower line appear on the Media24 website.

This year, a groupwide online training programme helped equip our staff with the knowledge of our code of ethics and the whistleblower process, as well as our anti-harassment policy. Staff received regular personalised reminders to complete the training and progress was monitored by top management. Future focus areas include an ethics re-awareness campaign.

STAKEHOLDER RELATIONSHIPS
We manage external and internal stakeholder relationships in an inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the business. Stakeholder management is included in progress reports and updates at board meetings and is reported to the Naspers social, ethics and sustainability committee. Media24 does not have a social and ethics committee as required by the Companies Act. It is exempted from this requirement as it is a subsidiary of Naspers Limited, which has a social, ethics and sustainability committee dealing with related responsibilities on behalf of Media24 and other subsidiaries. The chair of the Media24 board and its chief executive are members of the Naspers social, ethics and sustainability committee and report to that committee on the triple context (people, planet and profit) on behalf of Media24. Reporting by the chief executive on social and ethics issues to the Media24 board is continually being enhanced. An overview of our stakeholders and stakeholder engagement appears on pages 12 to 14.

SUSTAINABLE DEVELOPMENT AND CORPORATE CITIZENSHIP
Media24’s commitment to sustainable development and corporate citizenship is articulated in its sustainable development policy. To support the board in fulfilling its governance role, the risk committee receives reports on Media24’s sustainability approach and initiatives, using the six-capitals framework. We recognise that sustainable development and economic, social and environmental protection are global imperatives that present both opportunities and risks for business. In building a company that empowers people and enriches communities, corporate citizenship is integral to the way we do business. An overview of our capitals and value creation appears on pages 20 to 25. In the past year, management enhanced its level of reporting to the risk committee on responsible corporate citizenship and sustainable development using the six-capitals framework.

GENDER AND RACIAL DIVERSITY STATEMENT
Media24’s diversity policy has been in place since November 2017 and is reviewed annually. In
developing this policy at board level, we considered key aspects of diversity, including making good use of differences in the skills, geographical and industry experience, background, race, gender and other distinctions between members of the board. While no specific targets have been set for race or gender diversity due to the complex nature of our businesses, we are focused on achieving the appropriate balance of knowledge, skills, experience, diversity and independence.

**LEGAL COMPLIANCE FRAMEWORK**

Media24’s general counsel is the group’s legal and compliance officer. Legal compliance is her responsibility and she oversees this function for all subsidiaries, supported by the chief financial officers of business units and subsidiaries. The board has delegated oversight of legal compliance to the risk committee. To assist this committee in discharging its responsibility, the general counsel reports on compliance matters to the committee which, in turn, reports to the board. Legal compliance is a standing agenda point.

A key focus area in FY20 was to improve alignment of policies and implement strengthened legal compliance processes consistent with King IV and in anticipation of the enactment of the Protection of Personal Information (PoPI) Act. The Media24 board adopted the enhanced Naspers group legal compliance, anti-bribery and anti-corruption, sanctions, export controls and competition compliance policies in November 2017. These are reviewed annually.

A quarterly legal compliance report is provided to the Media24 risk committee. This includes an overview of key compliance risk areas and mitigating measures, key regulatory developments, and material compliance incidents and investigations.

Planned areas of future focus for legal compliance include continuing to raise awareness across the group. Improvements to the framework will be made based on emerging risks, feedback from monitoring activities and a greater focus on protection of personal information, competition and fair dealing. With internal audit, we continue to focus on our assurance framework. The internal audit function monitors the adequacy and effectiveness of the Media24 group’s compliance procedures from time to time.

**PENALTIES**

There were no material or repeated regulatory penalties, sanctions or fines for contravening statutory obligations. There were no inspections by environmental regulators or findings of non-compliance with environmental laws.

**OUR BOARD**

**Composition**

Media24 has a unitary board with oversight and control functions. Its charter sets out a clear division of responsibilities. As required by King IV, the majority of board members are non-executive directors and the majority of non-executive directors are independent of management. To ensure no one individual has unfettered powers of decisionmaking and authority, the roles of chair and chief executive are separate, ensuring a clear division of responsibilities.

At 31 March 2020, the board comprised four independent non-executive directors, two non-executive directors and two executive directors. Six directors (75%) were from previously disadvantaged groups and four (50%) were female. Biographical details of all directors appear on pages 40 and 41. The board’s diversity policy is discussed on page 45.

**How the board adds value**

- Steering and providing strategic direction to the group, and monitoring management’s implementation and progress towards strategic objectives.
- Monitoring ethical conduct across the group.
- Monitoring key compliance with applicable laws and adopted codes and standards.
- Setting appropriate risk appetite thresholds and monitoring key risks and mitigation plans.
- Ensuring fair and responsible remuneration processes and policies are implemented.
- Monitoring stakeholder engagement and relationships.
- The board is assisted by its committees in fulfilling its duties.
THE CHAIR
The chair, Rachel Jafta, is an independent non-executive director.

Trevor Petersen was reappointed lead independent director on 12 June 2020. The lead independent director deals with all matters not dealt with by the chair, including:
- Managing potential conflicts of interest.
- Leading in the absence of the chair.
- Serving as a sounding board for the chair.
- Acting as an intermediary between the chair and other members if necessary.
- Strengthening independence on the board.

The chair guides the board as a whole and ensures it is efficient, focused and operates as a unit. The responsibilities of the chair include:
- Providing leadership to the board without limiting the principle of collective responsibility for decisions, while being aware of the 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 on the board.
- In conjunction with the chief executive, representing the board in communicating with shareholders, other stakeholders and – indirectly – the general public.
- Assisted by the board and its committees, ensuring the integrity and effectiveness of the governance process.
- Maintaining regular dialogue with the group’s chief executive on operational matters and continually consulting with other directors on any matter of concern, including managing conflicts of interest.
- In consultation with the chief executive and company secretary, ensuring appropriate content and order of the agendas of board meetings and that directors receive documentation promptly.
- Ensuring directors are properly informed about issues arising from board meetings and that relevant information is submitted to the board.
- Acting as a facilitator at board meetings to ensure a sound flow of opinions; the chair ensures adequate time is scheduled for discussions, and that they lead to logical and acceptable conclusions.
- Monitoring how board members work together and how individual directors perform and interact at meetings. The chair meets with directors annually to evaluate their performance.
- Chairing general meetings and ensuring these proceed in an orderly and efficient manner; ensuring the proper conduct of business at meetings to promote meaningful discussion.
- Ensuring that directors discuss the reports provided by committees to the board.
- With the assistance of the company secretary, ensuring all directors follow their induction and training programmes.
- Pre-approve all dealings in Welkom Yizani Investments (RF) Limited shares by directors and key management members of the company and its subsidiaries.

THE CHIEF EXECUTIVE
The chief executive reports to the board and is responsible for the day-to-day business of the group as well as implementing policies and strategies adopted by the board. Chief executives and general managers of the various businesses assist him in this task. Board authority conferred on management is delegated through the chief executive, in line with 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. Ishmet Davidson, chief executive since October 2018, has no professional commitments outside the Media24 group. Succession planning for this role is considered annually.

The functions and responsibilities of the chief executive include:
- Developing the company strategy for consideration, determination and approval by the board.
- Developing and recommending to the board annual business plans and budgets that support the company’s long-term strategy.
- Monitoring and reporting to the board on the performance of the company.
- Establishing an appropriate organisational
structure for the company to execute its strategic planning.

- Recommending/appointing the executive team and ensuring proper succession planning and performance appraisals take place.
- Ensuring the company complies with relevant laws, governance principles, business ethics and appropriate best practice, and that any failure to do so is justifiably explained.

**INDUCTION AND DEVELOPMENT**

An induction programme is held for new members of the board and committees. This programme, tailored to the specific needs of individual appointees, involves industry- and company-specific orientation and includes meetings with senior management. Board members are also exposed to relevant trends in technology.

The company secretary supports the chair with the induction and orientation of directors and arranges specific training if required. The company will continue with directors’ development to build on expertise and develop an understanding of the business.

**CONFLICTS OF INTEREST**

Potential conflicts are appropriately managed to ensure that candidate and existing directors have no conflicting interests between their obligations to the company and personal interests. Any interest in contracts with the company must be formally disclosed and documented. Directors must also adhere to Media24’s policy on trading in Naspers, Prosus and Welkom Yizani shares.

**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.

**BOARD MEETINGS AND ATTENDANCE**

The board meets at least four times a year and when required. The project committee (previously the executive committee) attends to specific, urgent matters that cannot be postponed until the next scheduled board meeting. The board held five meetings in the review period, with details of attendance shown on page 42. The company secretary acts as secretary to the board and its committees, and attends all meetings. Members of executive management attend meetings by invitation.

Non-executive directors meet at least once annually without the chief executive, director responsible for the finance function and the chair to discuss the performance of these individuals.

**EVALUATION**

The nomination committee evaluates the performance of the board and its committees, as well as the chair of the board, against their respective mandates and charters. This is not facilitated externally.

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. In FY20 it was agreed that the formal evaluations will take place on an annual basis again.

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 2020 formal evaluation process showed that the board and its committees had functioned well and discharged their duties as per mandates in their charters. The board is satisfied that the evaluation process is improving its performance and effectiveness. The board concluded that it was satisfied with the performance and effectiveness of the board, as well as the performance and effectiveness of its committees and the chair.

In addition, 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 that 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.

BOARD COMMITTEES
While the board remains responsible and accountable for the performance and affairs of the company, it delegates certain functions to its committees and management to assist in properly discharging its duties. Appropriate structures for these delegations are in place, supported by monitoring and reporting systems.

Each committee acts against agreed, written terms of reference. The chair of each committee reports at each scheduled board meeting. These chairs are independent non-executive directors and are required to attend annual general meetings to answer questions. Established board committees for audit, risk, human resources and remuneration, and nominations operated during the financial year as detailed below.

Attendance at meetings and members in office per committee for the review period are on page 43.

PROJECT COMMITTEE (PREVIOUSLY THE EXECUTIVE COMMITTEE)
This committee comprises a majority non-executive directors, one being the chair of the board (who also chairs this committee), plus two executive directors. It acts on behalf of the board in managing specific matters when the board is not in session, subject to statutory limits and the board’s limitations on delegation. The committee did not meet in the past year. The committee fulfilled its remit during the year. The board concurred.

AUDIT COMMITTEE
This committee, chaired by Trevor Petersen, comprises only independent non-executive directors. All members are financially literate and have substantial business and financial acumen. The committee held four meetings during the year. The chief executive, director responsible for the finance function, Media24’s head of internal audit, and general manager: Naspers finance attend committee meetings by invitation.

Both the internal and external auditors have unrestricted access to the committee through the chair. These auditors also report their findings to the committee with members of executive management not present. The chair of the board may not be a member of the audit committee, but may attend meetings by invitation.

This committee has the following responsibilities, in addition to its statutory responsibilities under the Companies Act:

- Review and approve for presentation to and approval by the board the company’s integrated annual report, annual financial statements, interim and provisional reports, and any other company press releases with a material financial or internal control impact.
- Disclose in the integrated annual report any significant matters considered by the audit committee in the annual financial statements, and how these were addressed by the committee.
- Review the documented assessment of the viability of the company and group as going concerns, making relevant recommendations to the board.
- Receive all the external auditor’s reports directly from the external auditor.
- Annually review the external audit and disclose the committee’s views on the quality of this audit with reference to indicators of audit quality, as could be included in inspection reports issued by external audit regulators.
- Evaluate the lead partner of the external auditor, who will be subject to regular rotation as required by applicable regulations.
Present the committee’s conclusions to the board on the nomination for appointment as external auditor, preceding the annual request to shareholders to approve this appointment.

Approve the external auditor’s terms of engagement and remuneration; evaluate and comment on the external auditor’s audit plans, scope of findings, identified issues and reports.

Develop a policy for the board to approve non-audit services performed by the external auditor, and approve these services in line with this 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.

Evaluate the effectiveness of the internal audit function, including its purpose, activities, scope, adequacy and costs, and approve the annual internal audit plan and any material changes.

Monitor the management of financial and other risks impacting the integrity of external reports issued by the company.

Based on information provided by the various assurance providers, evaluate the efficiency of internal financial controls and disclose the committee’s views on the efficiency of the design and application of internal financial controls, and about the nature and extent of any significant gaps in the design, application or execution of internal financial controls that led to actual financial loss, fraud, corruption or errors. Such views are reported to the board and in the integrated annual report.

Approve and recommend to the board for its approval the internal audit charter, which is reviewed annually.

Monitor the internal audit function and assist the board in discharging the following responsibilities:

- setting the direction for internal audit arrangements required to provide objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes
- ensuring arrangements for internal audit provide for the necessary skills and resources to address the complexity and level of risk faced by the company, and that internal audit is supplemented by specialists as required
- confirming the appointment or dismissal of the head of the group’s internal audit function and periodically reviewing his/her performance
- monitoring that internal audit follows an approved risk-based internal audit plan, reviews the organisational risk profile regularly, and proposes appropriate amendments to the internal audit plan
- ensuring internal audit annually provides a statement on the effectiveness of the company’s governance, risk management and control processes
- ensuring this function is subjected to an external, independent quality review every five years, and
- obtaining confirmation annually from the head of the function that internal audit conforms to a recognised industry code of ethics.

Review internal audit and the risk committee’s reports.

Review procedures to ensure compliance with the requirements of relevant stock exchanges, where applicable to Media24.

Review procedures in light of King IV, and specific disclosures recommended by King IV.

Monitor compliance with board-approved group levels of authority.

Evaluate:

- legal matters that may affect the financial statements, and
- significant matters 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 on all unfinished matters reported by internal and external auditors.

Establish procedures for the receipt, retention and treatment of complaints received on accounting, internal control and auditing matters, risk management and management of possibly fraudulent activities, including procedures for confidential, anonymous reporting by employees on questionable matters.
Annually evaluate the performance and appropriateness of the finance function and the expertise and experience of the director responsible for this function. Results of the review are disclosed in the integrated annual report.

Combined assurance: assist the board in fulfilling the following responsibilities:

- ensuring arrangements for assurance services are effective in achieving specific objectives:
  - enabling an effective internal control environment
  - supporting the integrity of information used for internal decisionmaking by management, the board and its committees, and
  - supporting the integrity of internal reports
- ensuring a combined assurance model is applied that incorporates and optimises the various assurance services and functions and, when taken as a whole, supports the objectives for assurance
- ensuring the combined assurance model is designed and implemented to effectively cover the company’s significant risks and material matters through a combination of assurance service providers and functions as appropriate for the company, and
- disclosing in the integrated annual report the arrangements in place for combined assurance and the committee’s views on their effectiveness.

Report to shareholders at the annual general meeting on how the committee has fulfilled its duties under the Companies Act during the year.

Execute assignments commissioned by the board.

Annually review and assess the committee’s charter and, if appropriate, recommend required amendments for approval by the board.

Annually assess whether the committee performed its responsibilities according to its charter and report on these findings to the board.

Monitor related party transactions within authority levels approved by the board.

### HUMAN RESOURCES AND REMUNERATION COMMITTEE

This committee is chaired by Trevor Petersen, an independent non-executive director. The committee comprises two independent non-executive directors and one non-executive director. Its main objective is to fulfil the board’s responsibility for strategic human resources issues, particularly the appointment, remuneration and succession of the most senior executives. The committee held four meetings in the review period. The chief executive and general manager: human resources attend meetings by invitation. The remuneration report appears on pages 58 to 63.

### NOMINATION COMMITTEE

The main objective of this committee is to assist 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 two independent non-executive directors and one non-executive director. The chair of the board, Rachel Jafta, an independent non-executive director, chairs this committee. The committee held four meetings in the review period. The chief executive attends meetings by invitation.

<table>
<thead>
<tr>
<th>Name</th>
<th>Qualifications</th>
<th>Four meetings during the year. Attendance:</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trevor Petersen</td>
<td>BComHons (financial management) (University of Cape Town) and CA(SA)</td>
<td>4</td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>Rachel Jafta</td>
<td>M Econ and PhD (Stellenbosch University)</td>
<td>4</td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>Koos Bekker</td>
<td>BAHons, honorary doctorate in commerce (Stellenbosch University), LLB (University of the Witwatersrand) and MBA (Columbia University, New York)</td>
<td>4</td>
<td>Non-executive</td>
</tr>
</tbody>
</table>
KEY FOCUS AREAS DURING THE YEAR
The committee’s key focus areas during the year included:
■ Assessing the composition of the board with regards to executing its duties effectively.
■ Assessing compliance with the committee’s charter.
■ Assessing the independence of non-executive directors serving for nine years or longer for consideration by the board.
■ Reviewing and recommending the audit committee members to the annual general meeting for shareholder approval.
■ Assessing the effectiveness of the board, its members and the committees through a board evaluation process.

RESPONSIBILITIES
This committee’s main responsibilities are to:
■ Annually review the board and committee charters and, if appropriate, recommend required amendments for approval by the board.
■ Determine for approval by the board:
  ■ the policy for diversity at board level
  ■ restrictions on the number of listed company boards on which a director may serve
  ■ the service period of directors
  ■ retirement and succession of directors, and
  ■ a policy on seeking independent professional advice by individual board members.
■ Review annually the structure, size and composition of the board and, where appropriate, make recommendations to the board. Several factors are taken into account when considering the composition of the board:
  ■ appropriate mix of knowledge, skills and experience, including business, commercial and industry experience needed to govern the company
  ■ appropriate mix of executive, non-executive and independent non-executive members
  ■ need for a sufficient number of members who qualify to serve on committees of the board
  ■ need to secure a quorum at meetings
  ■ regulatory requirements, and
  ■ diversity as set out in the board diversity policy.
■ Make recommendations to the board on appointing new directors. For all nominations, a fit-and-proper test must be conducted. Nominated candidates must complete the required declarations in compliance with the JSE Listings Requirements, and any other exchange on which the company’s shares are listed, where applicable.
■ Identify and nominate candidates to fill board vacancies.
■ Approve the role and responsibilities of the chair and lead independent director and ensure a succession plan is in place for the chair.
■ Formally evaluate annually the board and individual directors, to make disclosures in the integrated annual report as required by King IV, to establish whether the service of any director should be terminated. This includes a recommendation to the board about reappointing directors who retire by rotation at the annual general meeting on the basis of their performance, including attendance at meetings of the board and its committees, as well as evaluating the independence of directors who have served for over nine years and making

<table>
<thead>
<tr>
<th>Name</th>
<th>Qualifications</th>
<th>Four meetings during the year. Attendance:</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trevor Petersen</td>
<td>BCommHons (financial management) (University of Cape Town) and CA(SA)</td>
<td>4</td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>Rachel Jafta</td>
<td>MEcon and PhD (Stellenbosch University)</td>
<td>4</td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>Koos Bekker</td>
<td>BAHons, honorary doctorate in commerce (Stellenbosch University), LLB (University of the Witwatersrand) and MBA (Columbia University, New York)</td>
<td>4</td>
<td>Non-executive</td>
</tr>
</tbody>
</table>
the necessary disclosures in the integrated annual report.

- Formally evaluate every year, the performance of the chair of the board and make recommendations to the board where necessary.
- Review the allocation of roles and associated responsibilities, composition and effectiveness of committees of the board collectively, and make recommendations to the board on:
  - the continuance (or not) of the service of any director as a member of any committee
  - effective collaboration through cross-membership of committees
  - ensuring adequate coverage of all matters delegated by the board, and
  - ensuring an efficient approach on matters dealt with by more than one committee.
- Evaluate annually whether the committee has fulfilled its responsibilities against its charter, and report these findings to the board.
- Evaluate annually the performance and independence of the company secretary, and make necessary recommendations to the board.

**KEY FOCUS AREAS GOING FORWARD**

Focus areas for the committee going forward will continue to include, but will not be limited to:

- Assessment of the composition of the board to execute its duties effectively.
- The review and recommendation of the audit committee members to the annual general meeting for shareholder approval.
- Evaluation of the board, including structure, size, composition, balance of skills, and experience and diversity of the board and its committees.
- Assessing the independence of directors, especially those serving for nine years or longer.

The committee fulfilled its remit during the year. The board concurred.

**RISK COMMITTEE**

This committee comprises three independent non-executive directors with risk management skills and experience, the chief executive and director responsible for the finance function. It is chaired by Trevor Petersen, an independent non-executive director. The chair of the board may be a member and serve as chair of this committee. The committee held four meetings in the past financial year. The general counsel, chief information officer, Media24’s head of internal audit and risk support, and general manager: Naspers finance attend meetings by invitation.

<table>
<thead>
<tr>
<th>Name</th>
<th>Qualifications</th>
<th>Four meetings during the year. Attendance:</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trevor Petersen</td>
<td>BComHons (financial management) (University of Cape Town) and CA(SA)</td>
<td>4</td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>Khomotso Mthimunye</td>
<td>BComptHons (University of South Africa)</td>
<td>4</td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>Jo-Ann Held</td>
<td>BComLaw (Stellenbosch University)</td>
<td>4</td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>Ishmet Davidson</td>
<td>BCom and MBA (Heriot Watt University)</td>
<td>4</td>
<td>Executive</td>
</tr>
<tr>
<td>Mobasheer Patel</td>
<td>BCom (University of the Witwatersrand), BComHons and Higher Diploma in Auditing (University of Johannesburg)</td>
<td>4</td>
<td>Executive</td>
</tr>
</tbody>
</table>

**Note**

(1) Appointed on 17 April 2019.

**KEY FOCUS AREAS DURING THE YEAR**

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

- Assessing compliance with the committee’s charter.
- Recognising material risks to which the group is exposed and ensuring that the culture, policies and systems are implemented and functioning effectively.
- Implementing and monitoring the processes of risk management and for integrating this into day-to-day activities.
- Ensuring risks are adequately identified,
evaluated and managed at the appropriate level in each business, and that their individual and joint impact on the Media24 group is considered via the enterprise risk management process.

- Particularly focusing on data privacy and cybersecurity, and sustainability.

**RESPONSIBILITIES**

The committee’s main responsibilities are to:

- Review and approve for recommendation to the board a risk management policy and plan developed by management. These are reviewed annually.
- Monitor implementation of the policy and plan, ensuring an appropriate enterprisewide risk management system is in place with adequate and effective processes that include strategy, ethics, operations, reporting, compliance, I&T and sustainability.
- Make recommendations to the board on risk indicators, levels of risk tolerance and risk appetite (namely, the board’s propensity to take appropriate levels of risk) as well as the maximum potential loss the group has the capacity to tolerate.
- Monitor that risks are reviewed by management, and management considers and implements appropriate responses to identified risks, to ensure these are managed within the levels of risk tolerance and appetite approved by the board.
- Exercise ongoing oversight of risk management and ensure that the following results are achieved:
  - assessment of risks and opportunities arising from the operating environment, and resources used and impacted by the group
  - assessment of opportunities and potential negative impacts on achieving group objectives
  - assessment of the group’s dependence on resources
  - design and implementation of appropriate risk responses
  - establishment and implementation of business-continuity arrangements to enable the group to operate under volatile conditions, and to withstand and recover from acute shocks, and
  - integration and embedment of risk management in the business activities and culture of the group.
- Ensure risk management assessments are performed regularly by management (and include assessments required above).
- Ensure a general statement to the board about the effectiveness of the group’s governance and system of risk management and internal control is issued by internal audit and reviewed prior to submission to the board by this committee to enable the board to annually assess the risk management and control systems and processes.
- Review and approve the legal compliance policy and recommend this to the board for approval.
- Oversee compliance in a way that:
  - it is understood in terms of the obligations it creates, and the rights and protection it affords
  - compliance management takes a holistic view of how applicable laws and non-binding rules, codes and standards relate to one another, and
  - the regulatory environment is continually monitored and appropriate responses to changes and developments are formulated.
- Review and approve the I&T charter and recommend this to the board for approval.
- Oversee I&T management in a way that results in:
  - integration of people, technologies, information and processes across the company
  - integration of I&T risks into risk management of the entire company
  - arrangements to support business resilience
  - proactive monitoring of intelligence to identify and respond to incidents, including cyber attacks and adverse social media events
  - management of the performance and risks of third-party and outsourced service providers
  - assessment of the value delivered to the company through significant investments in I&T, including evaluation of projects throughout
their life cycles and evaluation of significant operational expenditure

- responsible disposal of obsolete I&T in a way that considers environmental impact and information security
- ethical and responsible use of I&T, and compliance with relevant laws.

- Oversee the management of information in a way that results in:
  - leveraging information to sustain and enhance the company’s intellectual capital
  - an information architecture that supports confidentiality, integrity and availability of information
  - protecting the privacy of personal information, and
  - ongoing monitoring of information security.

- Oversee the management of technology in a way that results in:
  - technology architecture that enables achieving strategic and operational objectives
  - management of risks in sourcing technology, and
  - monitoring and appropriately responding to developments in technology, including exploitation of potential opportunities and management of disruptive effects on the company and its business model.

- Review reporting on risk management, I&T management and compliance management to be included in the integrated annual report, ensuring it is current, comprehensive and relevant.

- Annually evaluate whether the committee has fulfilled its responsibilities in terms of its charter, reporting these findings to the board.

Media24 dissolved its safety, health and environment committee of the board at the end of FY19. While the safety and health of our people remains a priority, so does protecting the environment; the nature of our businesses presents a low risk to individuals, as well as a low impact on the environment, and therefore does not require the ongoing attention of a standing board committee. The risk committee has assumed the following responsibilities for safety, health and environment:

- Approve the framework, policy and guidelines for environmental, health and safety management.
- Review and monitor implementation of group policies on environmental, health and safety issues.
- Monitor key indicators of accidents and incidents.
- Review the company’s compliance with policies, guidelines and applicable local and international standards as well as relevant local laws on environmental, health and safety issues.
- Review annual reporting on these issues.

**KEY FOCUS AREAS GOING FORWARD**

An ongoing focus on the management of changes in the risk environment, in particular in relation to legal compliance, sustainability and information, and technology-related risks such as those in relation to cybersecurity and data privacy (specifically implementation of the PoPI Act). Impact of the global Covid-19 pandemic on the business will also be a focus.

The committee fulfilled its remit during the year. The board concurred.

**INTERNAL CONTROL SYSTEMS**

As part of the overall management of risk, the group operates a system of internal controls in all material subsidiaries and joint ventures to prevent, detect and mitigate risks. This system is designed to provide reasonable assurance on the achievement of company objectives, including the integrity and reliability of financial statements; safeguarding, verifying and maintaining accountability of its assets; and detecting fraud, potential liability, loss and material misstatement while complying with regulations.

For entities in which we do not have a controlling interest, the directors representing Media24 on these boards seek assurance that significant risks are managed and systems of internal control are effective.

All control systems have shortcomings, including the possibility of human error or flouting control measures. Even the best internal control system therefore only provides partial assurance that
risk will be mitigated. Management regularly reviews risks and the design and effectiveness of the internal control system to address these. Management is assisted by work and reports from internal audit on the adequacy and operational effectiveness of controls, which may indicate opportunities for improvement. The external auditor also considers elements of the internal control system as part of its audit and communicates deficiencies when identified.

The board reviewed the effectiveness of controls for the year ended 31 March 2020 – principally through a process of management self-assessment that culminated in formal confirmation by executive management. Input from the risk management process and reports from internal audit and the external auditor were considered. Where necessary, programmes for corrective actions have been initiated. Nothing has come to the attention of the board, external or internal auditors to indicate any material breakdown in the functioning of internal controls in the review period.

**INTERNAL AUDIT**

An independent internal audit function is in place in the group. The head of internal audit and risk support reports to the chair of the Media24 audit committee, and administratively to the head of internal audit of Naspers.

**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 Media24’s independent external auditor to group entities. It also sets out services that may not be performed by the independent external 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 firm provides a service where it:

- functions in the role of management of the company, or
- audits its own work, or
- serves in an advocacy role for the company.

**INFORMATION AND TECHNOLOGY (I&T) GOVERNANCE**

The risk committee assists the board in overseeing I&T-related matters, and I&T governance is a standing point on its agenda. I&T objectives have also been included in its charter. The committee considers the risk register as well as reports on I&T from the chief information officer, internal and external audit, and our legal compliance function.

As a subsidiary of Naspers, we act in line with its good governance guidelines, which include I&T-related matters. At a Media24 group level, we annually submit a formal report on the extent to which we have implemented the principles, signed off by chief executives and chief financial officers in the group. Any notable exceptions are summarised and reported to the risk committee.

Integrating people, technologies and processes
across our businesses remains a priority on our
digital transformation journey. The technology
operating model consists of two distinct segments.
The first is shared technology services, including
overall enterprise resource planning (ERP) (SAP),
editorial solutions and commodity technology
services such as desktop support, infrastructure
and network management. The second is our
consumer-facing technology teams that focus
on products serving our customers. The latter is
decentralised, enabling agility across the business
segments. We use a cloud-centric approach
and invest in some of the latest and most
relevant engineering technologies in our product
development efforts.

Media24 has a comprehensive code of business
ethics and conduct. In addition, operational
boundaries in dealing with I&T are subject to
the group’s legal compliance policy. Our risk
management practices ensure that risks to the
ethical and responsible use of I&T are identified and
assessed. Our ongoing data-privacy programme
ensures that the personal information of our
suppliers, customers and employees is stored and
processed ethically, and in a manner consistent
with applicable privacy laws. A key focus for the
new financial year remains the PoPI Act, aimed
at protecting personal information from misuse
by natural and juristic persons in South Africa,
although this is yet to come into force.

Internal audit provides assurance to
management, the audit committee and board on
the effectiveness of I&T governance, based on the
quality of controls to manage identified risks and
reduce vulnerability. To support the board in fulfilling
its governance role, the risk committee receives
reports on I&T management and, in turn, reports to
the board.

COMPANY SECRETARY

The company secretary, Lurica Jacquet, is
responsible for guiding the board on discharging
its responsibilities in terms of legislation and
regulatory requirements. Directors have unlimited
access to her advice and services. She plays an
active role in the company’s corporate governance
and ensures that, in line with relevant laws, the
proceedings and affairs of the board, the company
and, where appropriate, shareholders are properly
administered. She is also the company’s delegated
information officer. The company secretary
monitors directors’ dealings in Naspers, Prosus
and Welkom Yizani shares and ensures adherence
to closed periods. She attends all board and
committee meetings.

SHAREHOLDERS

The board encourages shareholders to attend the
annual general meeting (notice of which is on page
103), where they can put questions to the board,
management and the chairs of board committees.
The company’s website, www.media24.com,
provides the latest and historical financial and other
information, including financial reports.
In our remuneration report, we aim to demonstrate the link between our strategy, performance and remuneration philosophy. We include a total view of executive remuneration, the short-term incentive goals of executive directors and information on how we assess performance throughout the company.

In compliance with King IV guidance, we split our remuneration report into three sections:

I Background statement: An overview of pay outcomes for FY20 and our approach for FY21.
II Remuneration policy: Disclosure on the components of our executive pay packages.
III Implementation report: Details of how we implemented this policy in FY20.

Our remuneration philosophy underpins our company strategy and enables us to achieve our business objectives. Our commitment to pay for performance and create shareholder value drives our remuneration activities and supports the ownership mentality and spirit of entrepreneurship in our business. We believe in aligning our remuneration structures with the level of skills, expertise and seniority applicable to the position.

We endeavour at all times to balance the need to compete for the very best talent with the need to pay fairly and responsibly. We welcome the opportunity to discuss this policy and its outcomes with our stakeholders.

T D Petersen
Chair: Human resources and remuneration committee
12 June 2020

PART I: BACKGROUND STATEMENT
Role of the human resources and remuneration committee
This committee, chaired by Trevor Petersen, comprises a minimum of two independent non-executive directors and one non-executive director. The chair is an independent non-executive director. Its main objective is to fulfil the board’s responsibility for strategic human resources issues in the group, particularly the appointment, remuneration and succession of the most-senior executives. The committee held four meetings in the past financial year.

The names of members in office for the review period and meetings attended are:

<table>
<thead>
<tr>
<th>Member</th>
<th>Qualifications</th>
<th>Four meetings during the year</th>
<th>Attendance</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trevor Petersen</td>
<td>BComHons (financial management) (University of Cape Town) and CA(SA)</td>
<td>4</td>
<td></td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>Rachel Jafta</td>
<td>MEcon and PhD (Stellenbosch University)</td>
<td>4</td>
<td></td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>Koos Bekker</td>
<td>Bachelor, honorary doctorate in commerce (Stellenbosch University), LLB (University of the Witwatersrand) and MBA (Columbia University, New York)</td>
<td>4</td>
<td></td>
<td>Non-executive</td>
</tr>
</tbody>
</table>

RESPONSIBILITIES
This committee’s main responsibilities are to:
- Determine and approve the group’s general remuneration policy for recommendation to the Media24 board, which must be tabled at each annual general meeting for a non-binding advisory vote by shareholders.
Prepare an annual remuneration report for inclusion in the company’s integrated annual report, which first needs to be approved by the Media24 board.

Annually review and approve the remuneration packages of the most-senior executives, including incentive schemes and increases, ensuring they are appropriate and in line with the remuneration policy.

Annually review and approve overall annual salary increases for the company.

Annually appraise the performance of the chief executive.

Annually review the remuneration of non-executive directors of the board and its committees. Proposals are recommended to the board for final approval by shareholders at the annual general meeting. Remuneration must be approved by shareholders in advance.

Fulfil delegated responsibilities under the Media24 group’s share-based incentive plans, for example appointing trustees and compliance officers.

Approve amendments to the Media24 group’s share-based incentive plans.

Approve most-senior appointments and promotions.

Review incidents of unethical behaviour by senior managers and the chief executive.

Annually review the company’s code of business ethics and conduct.

Annually review the committee’s charter and, if appropriate, recommend required amendments for approval by the board.

Perform an annual self-assessment of the effectiveness of the committee, reporting these findings to the board.

Review employment equity and skills development plans in the workplace.

The committee fulfilled its remit during the year. The board concurred with this assessment.

KEY FOCUS AREAS DURING THE YEAR

- Discharging its functions in terms of its charter.
- Ensuring that Media24 has a market-competitive remuneration policy, structure and tools to attract and retain the best talent for its digital businesses.
- Considering independent external advice on non-executive directors’ fees.
- Introducing clawback provisions into the short-term incentive agreement for the chief executive.
- Ensuring succession plans are in place for the chief executive and key positions across the group.

OUR PAY PRINCIPLES

- We believe in pay for performance; we are comfortable with bigger rewards for those who make the greatest contribution.
- Remuneration must be aligned with shareholder outcomes.
- Remuneration must incentivise achieving strategic, operational and financial objectives in the short and long term.
- We strive to be consistent; our reward package elements are broadly the same.
- Our reward systems must help attract and retain the best talent in our market, fairly and responsibly.
- We consider market practices, needs of the business and calibre of the individual when implementing our pay framework.

The way we structure pay is purposely linked to our strategy and to delivering sustainable growth to our shareholders.

Our pay principles are applied through three key elements:

- Guaranteed pay (total cost to company or TCTC): Salary plus cash and non-cash benefits.
- Short-term incentives (STI): An annual incentive plan that pays out only on performance against strategic, operational and financial objectives.
- Long-term incentives (LTI): A longer-term incentive that pays out based on the growth in value at a Media24 or Naspers level, whichever is applicable.

Executive pay is weighted towards variable pay (short- and long-term incentives), with every award subject to individual performance and overall performance of Media24.

Our approach to long-term incentives ensures that executive reward is directly linked to growth in shareholder value.

Executives receive payouts under our long-term incentive plans either when the value of the underlying Media24 assets or those of the broader Naspers group increase.
OUR REMUNERATION STRUCTURE
We outline the three elements of pay for our executive directors below. The same principles are applied to employees across the company.

The human resources and remuneration committee considers whether the remuneration policy continues to achieve its objectives of aligning pay with shareholder outcomes.

<table>
<thead>
<tr>
<th>Meeting</th>
<th>Key decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 April 2019</td>
<td>■ Annual salary increase mandate for Media24.</td>
</tr>
<tr>
<td></td>
<td>■ Annual performance incentive; key performance indicators for senior executives for the new financial year.</td>
</tr>
<tr>
<td>14 June 2019</td>
<td>■ Performance and total remuneration review of senior executives and editors.</td>
</tr>
<tr>
<td></td>
<td>■ Decision on prior-year performance and short-term incentive payout, salary increases and long-term incentive awards.</td>
</tr>
<tr>
<td></td>
<td>■ Considered annual share-based incentive scheme awards to be made to employees in Media24.</td>
</tr>
<tr>
<td></td>
<td>■ Review of appreciation rights (AR) scheme valuations by PwC.</td>
</tr>
</tbody>
</table>

PART II: REMUNERATION POLICY
Business performance and remuneration outcomes for FY20
The company’s financial performance is detailed in the summarised consolidated and separate annual financial statements on pages 69 to 85 and in the annual financial statements on the Media24 website.

Executive director remuneration in FY20

<table>
<thead>
<tr>
<th>Element</th>
<th>Ishmet Davidson</th>
<th>Mobasheer Patel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost to company (TCTC)</td>
<td>R4 283 120</td>
<td>R3 971 013</td>
</tr>
<tr>
<td>STI (actual)</td>
<td>R4 427 495</td>
<td>R4 028 016</td>
</tr>
<tr>
<td>LTI (fair value awarded this year)</td>
<td>R15 912 647</td>
<td>R1 158 788</td>
</tr>
<tr>
<td>Total single figure value</td>
<td>R24 623 262</td>
<td>R9 157 817</td>
</tr>
</tbody>
</table>

Shares vested in FY20:
Ishmet Davidson: 6 001 Naspers options; 0 Media24 appreciation rights
Mobasheer Patel: 1 586 Naspers options; 0 Media24 appreciation rights

Implementation of the policy in FY21
Below we show the remuneration package of executive directors for FY21 as approved by the committee in June 2020.

<table>
<thead>
<tr>
<th>Element</th>
<th>Ishmet Davidson</th>
<th>Mobasheer Patel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost to company (TCTC)</td>
<td>R4 427 495</td>
<td>R4 028 016</td>
</tr>
<tr>
<td>STI (cap)</td>
<td>R4 427 495</td>
<td>R4 028 016</td>
</tr>
<tr>
<td>LTI (fair value awarded this year)</td>
<td>R10 669 985</td>
<td>R2 042 968</td>
</tr>
<tr>
<td>Total single figure value</td>
<td>R19 524 075</td>
<td>R10 099 000</td>
</tr>
</tbody>
</table>

Notes
(a) No salary increase proposed for FY21.
(b) STI is capped at 100% of TCTC.
(c) Approved on 1 July 2020.
OUR REMUNERATION POLICY
In this section, we present the remuneration policy for our executive directors and an overview of the groupwide remuneration policy.

REMUNERATION AND EMPLOYMENT POLICIES
Recruitment policy
On appointing a new executive director, the package will typically be in line with the policy outlined above. To facilitate recruitment, it may be necessary to ‘buy out’ remuneration forfeited on joining the company. This will be considered case by case and may comprise cash or share options/appreciation rights.

Termination policy
Payments in lieu of notice may be made to executive directors, comprising salary or total cost to the company (South African employees) for the unexpired portion of the notice period. These payments may be phased. On cessation, there is no automatic entitlement to an annual performance-related incentive (bonus), however, the committee retains the discretion to award a bonus to a leaver during the financial year, taking into account the circumstances of their departure. There is no entitlement to a particular severance package in the service contract of executive directors or senior managers.

Service contracts
Executive directors’ service contracts comply with terms and conditions of employment in South Africa. Details of the date of appointment and relevant notice period are shown below.

<table>
<thead>
<tr>
<th>Element</th>
<th>Ishmet Davidson</th>
<th>Mobasheer Patel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of appointment</td>
<td>1 October 2018</td>
<td>1 September 2018</td>
</tr>
<tr>
<td>Notice period</td>
<td>Three months</td>
<td>Three months</td>
</tr>
</tbody>
</table>

Ensuring a fair and responsible approach to pay
To ensure a fair and reasonable approach to remunerating executive directors, the committee takes the same approach used for the wider employee group.

A number of factors are considered, including:
- Individual performance.
- Company affordability and trading environment.
- The relative contribution of the job to overall business success.
- Market pay benchmarking is used as an additional reference point. Individual performance is the primary determining factor in granting a pay increase, and pay increases are not granted without a satisfactory level of performance.
- Similarly, the operational performance of the business and its ability to pay are considered when the quantum of any increase is considered.

Our remuneration structure
We have outlined the three elements of pay for our executive directors below. The same principles are applied to senior employees across the company, where appropriate.

Total cost to company (TCTC)
- Comprising base salary and benefits. Reflects the performance and contribution of the individual and market value of the role.
- Salary is paid monthly in cash.
- Benefits include a mix of cash and non-cash elements, including pension, medical and other optional benefits
- We also provide a range of lifestyle and wellness benefits that do not form part of TCTC. These seek to support the overall physical and mental wellness of our employees.
- Fixed pay is reviewed annually and any increases are typically effective from 1 July.
- A number of factors are considered in the review process to ensure they are fair, sensible and market competitive: personal performance, scope and nature of the role, relevant companies in the national media and technology sectors, and local economic indicators such as inflation and the relevant labour market.

VARIABLE PAY
Short-term incentives
- Participants are eligible to receive awards under the discretionary annual performance-related incentive scheme for achieving company financial and operational objectives as well as personal performance.
The purpose is to ensure executive alignment and focus on the annual board-approved business plan. Achieving these annual plans will cumulatively drive long-term shareholder value.

Performance measures for each executive director are tailored to their roles and responsibilities.

The short-term incentive opportunity for each executive is agreed annually in advance of the financial year. Any payout is based on verifiable targets aligned to the business plan, risk management policy and strategy. Annual short-term incentive opportunity levels for executive directors are set at a maximum of 100% of TCTC.

Payouts are made in cash.

The committee has discretion to make appropriate adjustments to an individual’s annual short-term incentive agreement to ensure it reflects the underlying financial performance of the company.

Target setting: when determining targets used for our annual performance incentive plan, we consider a number of reference points including the board-approved business plan and past performance.

Long-term incentives

Longer-term awards make up a sizeable portion of total compensation and are designed to incentivise delivery of sustainable long-term growth and align with our shareholders.

Awards are normally granted annually to executive directors under two types of longer-term incentive schemes:

- appreciation rights (ARs), and
- share options (SOs).

Detailed scheme rules set out the operation and governance of each scheme.

Appreciation rights (ARs):

- no ARs were allocated during the year as they currently have a negative value.

Share options (SOs):

- awards are made based on the share price on the date of grant
- SOs deliver value based on growth in the share price over a specified period, with vesting typically over a four-year period (25% vesting each year) and a term of ten years
- value is only delivered if there has been an increase in the share price from the date of grant, and
- once an award vests, participants can buy company shares at the predetermined strike price and will gain value from any increase in the price.

Performance management

- Pay for performance is one of the pillars of our reward philosophy. Personal and business performance (including its financial results) are the determining factors in whether an individual receives a TCTC increase, an annual performance-related incentive payout and/or a long-term incentive in the form of share options or appreciation rights.

- Our executives are eligible to participate in a performance-related short-term incentive programme. This is an annual programme and, after achieving pre-approved business and personal goals, participants may receive an annual performance-related incentive payment.

- Performance goals are directly aligned with approved business plans.

- Personal goals are determined as an outcome of the annual business-planning process. As budgets and operating plans are designed before the end of the financial year, so too are individual performance goals. These goals, if achieved, drive accomplishment of the financial and operating plan of the business and how it is delivered.

- We encourage managers to converse with their people throughout the financial year to ensure their plans are on track. At the end of this period, both the performance of the business and the individual’s achievement of personal goals are considered, which may translate into paying an annual performance-related incentive. Any performance-related incentive payments reflect the overall performance of the business where appropriate. Individuals who have performed well against their performance-related incentive goals are eligible to be considered for a long-term incentive grant and a pay increase.

Non-executive directors’ remuneration policy

The fee structure for non-executive directors has been designed to ensure we attract, retain and appropriately compensate a diverse and
experienced board. Non-executive directors receive an annual fee as opposed to a fee per meeting, which recognises their ongoing responsibility for effective control of the company. Remuneration is reviewed annually, and is not linked to the company’s share price or performance. Non-executive directors do not qualify for share allocations under the group’s incentive schemes.

**Non-executive directors’ terms of appointment**
The board has clear procedures for appointing and orientating directors. The nomination committee periodically assesses skills represented on the board and determines whether these meet the company’s needs. Annual self-evaluations are done by the board and its committees. Directors are invited to give their input in identifying potential candidates. Members of the committee propose suitable candidates for consideration by the board, after a fit-and-proper evaluation for each candidate.

**Retirement and re-election of directors**
All non-executive directors are subject to retirement and re-election by shareholders every three years. Additionally, they are subject to election by shareholders at the first suitable opportunity for interim appointments. The names of non-executive directors submitted for election or re-election are accompanied by brief biographical details to enable shareholders to make an informed decision. The reappointment of non-executive directors is not automatic.

For the full remuneration policy, go to www.media24.com.

---

**PART III: IMPLEMENTATION REPORT**
In this section, we outline how our remuneration policy for executive directors was implemented in the review period and how we intend to apply it in the next financial year. All decisions on executive remuneration are in line with our remuneration policy for the review period.

**Executive directors’ total remuneration for FY20 and planned for FY21**

<table>
<thead>
<tr>
<th>Element</th>
<th>Ishmet Davidson</th>
<th>Mobasheer Patel</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>FY21</td>
<td>FY20</td>
</tr>
<tr>
<td>Total cost to company (TCTC)</td>
<td>R4 283 120</td>
<td>R4 427 495</td>
</tr>
<tr>
<td>STI (actually)*</td>
<td>R4 427 495</td>
<td>R4 427 495</td>
</tr>
<tr>
<td>LTI (fair value awarded this year)</td>
<td>R15 912 647</td>
<td>R10 669 985</td>
</tr>
<tr>
<td>Total single figure value</td>
<td>R24 623 262</td>
<td>R19 524 975</td>
</tr>
</tbody>
</table>

* STI is capped at 100% of TCTC.

**NON-EXECUTIVE DIRECTORS’ FEES**
No non-executive directors’ fees are paid to directors of Media24 Holdings Proprietary Limited.

**KEY FOCUS AREAS GOING FORWARD**
Key focus areas for the year ahead include, but are not limited to:
- Discharging its functions in terms of its charter.
- Ongoing monitoring of market developments to ensure our remuneration structure allows us to compete for talent in the digital arena, and that our offering is compelling, fair and responsible. The aforesaid will also have regard to the impact of the global Covid-19 pandemic on the business.
REPORT OF THE AUDIT COMMITTEE for the year ended 31 March 2020

The audit committee submits its report, as required by section 94 of the Companies Act 71 of 2008 (the Act).

MEMBERS OF THE AUDIT COMMITTEE AND ATTENDANCE AT MEETINGS

The audit committee comprised the following non-executive directors during the past year: Trevor Petersen, Jo-Ann Held and Khomotso Mthimunye. All members act independently as described in section 94 of the Act.

The committee meets at least three times per year in line with its charter. In the review period, four meetings were held.

<table>
<thead>
<tr>
<th>Name</th>
<th>Qualifications</th>
<th>Four meetings during the year.</th>
<th>Attendance:</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trevor Petersen</td>
<td>BComHons (financial management)</td>
<td>4</td>
<td></td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>(chair)</td>
<td>(University of Cape Town) and CA(SA)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jo-Ann Held</td>
<td>BComLaw (Stellenbosch University)</td>
<td>4</td>
<td></td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>Khomotso Mthimunye</td>
<td>BComHons (University of South Africa)</td>
<td>4</td>
<td></td>
<td>Independent non-executive</td>
</tr>
</tbody>
</table>

FUNCTIONS OF THE AUDIT COMMITTEE

The audit committee has adopted formal terms of reference, delegated to it by the board, as its committee charter.

The committee has discharged the functions in terms of its charter and prescribed by the Act as follows:

- Reviewed the interim and year-end financial statements, culminating in a recommendation to the board to adopt them. In the course of its review, the committee:
  - took appropriate steps to ensure that the financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Act

- considered and, when appropriate, made recommendations on internal financial controls
- dealt with concerns or complaints relating to accounting policies, internal audit, the auditing or content of annual financial statements, and internal financial controls, and
- reviewed legal matters that could have a significant impact on the organisation’s financial statements.

- Reviewed the external audit report on the annual financial statements.
- Approved the internal audit charter and audit plan.
- Reviewed the internal audit and risk management reports, and, where relevant, made recommendations to the board.
- Evaluated the effectiveness of risk management, controls and governance processes.
- Verified the independence of the external auditor, nominated PricewaterhouseCoopers Inc. (PwC) as the auditor for 2020 and noted the appointment of Viresh Harri as the designated auditor.
- Approved the audit fees and engagement terms of the external auditor.
- Determined the nature and extent of allowable non-audit services and approved contract terms for the provision of non-audit services by the external auditor.

KEY AREAS OF FOCUS DURING THE YEAR

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

- Discharging its functions in terms of its charter.
- Ensuring the group and its subsidiaries continue to operate as going concerns.
- Assessing impact of changes to accounting standards.
- King IV recommendations.
FINANCIAL STATEMENT REPORTING ISSUES
The audit committee’s main responsibility for the group’s financial reporting is to review, with management and the external auditor, the appropriateness of the group’s annual financial statements with its primary focus being 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 annual financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the group’s position and performance, business model and strategy.

The significant judgements, issues and conclusions reached/actions taken by the audit committee for the 2020 annual financial statements are outlined below. The significant judgements and issues are broadly comparable in nature to prior years. Each of these matters was discussed with the external auditor.

<table>
<thead>
<tr>
<th>Significant reporting matter</th>
<th>Conclusions reached/Actions taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recoverability of trade receivables</td>
<td>IFRS 9 requires that financial assets measured at amortised cost are assessed for impairment at the end of each reporting period. Specific provisions for each customer are created with reference to their recoverability. The allowance for impairment includes the impact of Covid-19 on the collectability of the trade receivables due to the trade restrictions imposed on the group’s businesses and the economic uncertainty. The Covid-19 impact is based on information currently available and may change as the full economic impact of Covid-19 unfolds in the coming months. The committee was in agreement with the adequacy of the amount provided. Refer to note 10 for further detail.</td>
</tr>
<tr>
<td>Inventory valuation</td>
<td>IAS 2 requires that inventory is carried at the lower of cost and net realisable value. Provisions have been raised against inventory where inventory is considered obsolete and the expected selling prices have declined. The group’s inventory write-downs take into account the impact of trading restrictions as a result of the global Covid-19 pandemic. The Covid-19 impact is based on information currently available and may change as the full economic impact of Covid-19 unfolds in the coming months. The committee was in agreement with the adequacy of the amount provided. Refer to note 9 for further detail.</td>
</tr>
<tr>
<td><strong>Valuation of goodwill</strong></td>
<td>Goodwill is assessed annually for impairment as in terms of IAS 36. Goodwill is allocated to each cash-generating unit that are expected to benefit. The key assumptions used are cash flow projections, growth and discount rates. The value in use calculation includes the impact of Covid-19 on the cash flow projections and discount rate applied. The Covid-19 impact is based on information currently available and may change as the full economic impact of Covid-19 unfolds in the coming months. The committee was in agreement with the assessments performed. Refer to note 5 for further detail.</td>
</tr>
<tr>
<td><strong>Valuation of investment in Media24 Proprietary Limited</strong></td>
<td>The investment is assessed annually for impairment. The key assumptions used are cash flow projections, growth and discount rates. The value in use calculation includes the impact of Covid-19 on the cash flow projections and discount rate applied. The Covid-19 impact is based on information currently available and may change as the full economic impact of Covid-19 unfolds in the coming months. The committee was in agreement with the R61m impairment booked. Refer to accounting policies and note 2 of the Media24 Holding Proprietary Limited annual financial statements for further detail.</td>
</tr>
<tr>
<td><strong>Going concern</strong></td>
<td>The annual financial statements are prepared on the going concern basis. 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 group has sufficient financial flexibility given its 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 next financial year. The Covid-19 impact is based on information currently available and may change as the full economic impact of Covid-19 unfolds in the coming months. The committee was in agreement with the assessment performed. Refer to note 36 in Media24’s complete annual financial statements at <a href="http://www.media24.com">www.media24.com</a> for further details.</td>
</tr>
</tbody>
</table>
INTERNAL AUDIT
The audit committee oversees the group’s annual financial statements and the reporting process, including the system of internal 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 enable it to discharge its duties. Furthermore, the audit committee oversees cooperation between the 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 head of internal audit of Naspers. 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.

ATTENDANCE
The internal and external auditors, in their capacity as auditors to the group, attended and reported at all meetings of the audit committee. The group’s risk support function was also represented. Certain directors and relevant senior managers attended meetings by invitation.

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 risk management processes and systems of internal control of the group were effective for the year under review. No material weaknesses in financial control of the company were reported for the year under review.

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

INDEPENDENCE OF EXTERNAL AUDITOR
PwC was reappointed as auditor of the company until the next annual general meeting. PwC and its predecessor firms have been the auditors of Media24 since its incorporation in 1950. 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 24 to the annual financial statements on www.media24.com.

All non-audit services were approved by the committee during the current financial year in line 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 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 auditor.

EXPERTISE AND EXPERIENCE OF THE DIRECTOR RESPONSIBLE FOR THE FINANCE FUNCTION
The audit committee has satisfied itself that the chief financial officer has the appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skills set of the finance function met the group’s requirements.

INTEGRATED 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:

- 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 audit committee receives assurance from the risk committee that risk management activities are sufficiently addressed and effective.

- 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 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 audit committee determined that it had discharged its legal and other responsibilities for the review period as outlined in its remit. The board concurred with this assessment.

**KEY AREAS OF FOCUS GOING FORWARD**

The committee’s key focus areas for FY21, include:

- discharging its functions in terms of its charter
- assessing impact of changes to accounting standards
- King IV recommendations
- focusing regularly on the group’s working capital requirements and ensuring the group and its subsidiaries continue to operate as going concerns
- reviewing the basis and approach for impairment testing, and

T D Petersen  
Chair: Audit committee  
12 June 2020
STATEMENT OF RESPONSIBILITY BY 
THE BOARD OF DIRECTORS

The summarised consolidated financial statements of the group are the responsibility of the directors of Media24 Holdings Proprietary Limited. In discharging this responsibility, they rely on the management of the group to prepare the summarised consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), IAS 34 Interim Financial Reporting, as set out in note 1 to the summarised consolidated annual financial statements, and the Companies Act of South Africa. As such, 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 annual financial statements and are satisfied that the systems and internal financial controls implemented by management are effective.

The going concern basis has been adopted in preparing the financial statements. The impact of Covid-19 has been considered by the directors as part of their going concern assessment. The directors have no reason to believe that the group will not be a going concern in the foreseeable future based on available cash resources, current forecasts, which may change as Covid-19 unfolds, and the measures put in place to manage the risks associated with Covid-19. The preparation of the summarised consolidated financial statements was supervised by the group’s chief financial officer, Mobasheer Patel 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 summarised consolidated financial statements. The directors believe that all representations made to the independent auditor during its audit were valid and appropriate. PricewaterhouseCoopers Inc.’s audit report is presented on page 70.

The summarised consolidated financial statements were approved by the board of directors and were signed on its behalf by:

R C C Jafta  
Chair  
12 June 2020

M I Davidson  
Chief executive
REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF MEDIA24 HOLDINGS PROPRIETARY LIMITED

OPINION
The summary consolidated financial statements of Media24 Holdings Proprietary Limited, set out on pages 69 to 85, of the Media24 Holdings Proprietary Limited 2020 abridged integrated annual report to the shareholders of Welkom Yizani, which comprise the summary consolidated statement of financial position as at 31 March 2020, the summary consolidated income statement, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and the summary consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Media24 Holdings Proprietary Limited for the year ended 31 March 2020.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the basis described in note 1 to the summary consolidated financial statements, and requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
The summary 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 summary 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 ANNUAL FINANCIAL STATEMENTS AND OUR REPORT THEREON
We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 12 June 2020.

DIRECTORS’ RESPONSIBILITY FOR THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the International Financial Reporting Standards, as set out in note 1 to the summary 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 summary 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 Inc.
Director: V Harri
Registered auditor
Cape Town, South Africa
12 June 2020
**SUMMARISED CONSOLIDATED INCOME STATEMENT**

for the year ended 31 March

<table>
<thead>
<tr>
<th>Notes</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td>Revenue from contracts with customers</td>
<td>12</td>
<td>4 788 937</td>
</tr>
<tr>
<td>Cost of providing services and sale of goods</td>
<td>(3 475 769)</td>
<td>(3 517 931)</td>
</tr>
<tr>
<td>Selling, general and administration expenses</td>
<td>(1 506 507)</td>
<td>(1 571 718)</td>
</tr>
<tr>
<td>Other gains – net</td>
<td>13</td>
<td>(28 477)</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td></td>
<td>(221 816)</td>
</tr>
<tr>
<td>Interest received</td>
<td></td>
<td>78 423</td>
</tr>
<tr>
<td>Interest paid</td>
<td></td>
<td>(8 424)</td>
</tr>
<tr>
<td>Other finance costs – net</td>
<td></td>
<td>(4 591)</td>
</tr>
<tr>
<td>Share of equity-accounted results – associated companies</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Share of equity-accounted results – joint ventures</td>
<td></td>
<td>19 984</td>
</tr>
<tr>
<td>Impairment of equity-accounted investment</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Profits on acquisitions and disposals</td>
<td>14</td>
<td>30 334</td>
</tr>
<tr>
<td><strong>Loss before taxation</strong></td>
<td></td>
<td>(106 090)</td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
<td>(34 946)</td>
</tr>
<tr>
<td><strong>Loss for the year</strong></td>
<td></td>
<td>(141 036)</td>
</tr>
</tbody>
</table>

**Attributable to:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity holders of the group</td>
<td>(48 216)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(92 820)</td>
</tr>
<tr>
<td><strong>(141 036)</strong></td>
<td><strong>(305 533)</strong></td>
</tr>
</tbody>
</table>
## SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March

<table>
<thead>
<tr>
<th>Note</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>Loss for the year</td>
<td>(141 036)</td>
<td>(305 533)</td>
</tr>
<tr>
<td>Total other comprehensive loss, net of tax, for the year</td>
<td>(125 992)</td>
<td>(4 956)</td>
</tr>
<tr>
<td>Foreign currency translation reserve</td>
<td>3 430</td>
<td>(6 881)</td>
</tr>
<tr>
<td>Actuarial remeasurement reserve</td>
<td>10 526</td>
<td>24 390</td>
</tr>
<tr>
<td>Fair value reserve</td>
<td>8</td>
<td>(139 948)</td>
</tr>
<tr>
<td>Total comprehensive loss for the year</td>
<td>(267 028)</td>
<td>(310 489)</td>
</tr>
<tr>
<td>Attributable to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity holders of the group</td>
<td>(174 237)</td>
<td>(259 493)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(92 791)</td>
<td>(50 996)</td>
</tr>
<tr>
<td>Total</td>
<td>(267 028)</td>
<td>(310 489)</td>
</tr>
</tbody>
</table>
## SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 March

<table>
<thead>
<tr>
<th>Notes</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>Balance at the beginning of the year</td>
<td>1 108 698</td>
<td>1 156 882</td>
</tr>
<tr>
<td>Total comprehensive loss for the year</td>
<td>(174 237)</td>
<td>(259 493)</td>
</tr>
<tr>
<td>Changes in other reserves</td>
<td>561 023</td>
<td>72 171</td>
</tr>
<tr>
<td>Movement in share-based compensation reserve</td>
<td>11 107</td>
<td>(1 267)</td>
</tr>
<tr>
<td>Movement in other reserves</td>
<td>572 056</td>
<td>93 526</td>
</tr>
<tr>
<td>Movement in retained earnings</td>
<td>19 827</td>
<td>21 879</td>
</tr>
<tr>
<td>Dividends paid to shareholders</td>
<td>(41 967)</td>
<td>(41 967)</td>
</tr>
<tr>
<td>Changes in non-controlling interest</td>
<td>(147 824)</td>
<td>139 138</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>(92 791)</td>
<td>(50 996)</td>
</tr>
<tr>
<td>Dividends paid to minorities</td>
<td>(17 961)</td>
<td>(6 210)</td>
</tr>
<tr>
<td>Movement in non-controlling interest in reserves</td>
<td>(37 072)</td>
<td>196 344</td>
</tr>
</tbody>
</table>

| Balance at the end of the year | 1 347 660 | 1 108 698 |

**Comprising:**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital and premium</td>
<td>4 866 667</td>
<td>4 866 667</td>
</tr>
<tr>
<td>Accumulated loss</td>
<td>(2 881 235)</td>
<td>(2 810 879)</td>
</tr>
<tr>
<td>Share-based compensation reserve</td>
<td>22 120</td>
<td>11 013</td>
</tr>
<tr>
<td>Existing control business combination reserve</td>
<td>(3 419 634)</td>
<td>(3 433 479)</td>
</tr>
<tr>
<td>Capital contribution</td>
<td>3 075 548</td>
<td>2 516 912</td>
</tr>
<tr>
<td>Actuarial remeasurement reserve</td>
<td>(24 262)</td>
<td>(34 333)</td>
</tr>
<tr>
<td>Fair value reserve</td>
<td>(339 698)</td>
<td>(199 750)</td>
</tr>
<tr>
<td>Other reserves</td>
<td>5 448</td>
<td>2 017</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>42 706</td>
<td>190 530</td>
</tr>
<tr>
<td>Total</td>
<td>1 347 660</td>
<td>1 108 698</td>
</tr>
</tbody>
</table>
### SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March

<table>
<thead>
<tr>
<th>Notes</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>756 241</td>
<td>1 088 550</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>240 983</td>
<td>343 353</td>
</tr>
<tr>
<td>Goodwill</td>
<td>229 101</td>
<td>258 464</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>122 271</td>
<td>169 979</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>—</td>
<td>2 239</td>
</tr>
<tr>
<td>Investments in joint ventures</td>
<td>31 967</td>
<td>22 149</td>
</tr>
<tr>
<td>Investments and loans</td>
<td>118 904</td>
<td>257 253</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>13 015</td>
<td>35 113</td>
</tr>
<tr>
<td>Current assets</td>
<td>2 163 734</td>
<td>2 236 471</td>
</tr>
<tr>
<td>Inventory</td>
<td>359 951</td>
<td>447 139</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>452 061</td>
<td>495 083</td>
</tr>
<tr>
<td>Other receivables</td>
<td>114 458</td>
<td>84 908</td>
</tr>
<tr>
<td>Contract assets</td>
<td>5 299</td>
<td>2 916</td>
</tr>
<tr>
<td>Related party receivables</td>
<td>3 220</td>
<td>5 696</td>
</tr>
<tr>
<td>Loans and receivables</td>
<td>908 869</td>
<td>989 591</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>2 807</td>
<td>656</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>219 391</td>
<td>210 482</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2 919 975</strong></td>
<td><strong>3 325 021</strong></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital and reserves attributable to the group's equity holders</td>
<td>1 304 954</td>
<td>918 168</td>
</tr>
<tr>
<td>Share capital and premium</td>
<td>4 866 667</td>
<td>4 866 667</td>
</tr>
<tr>
<td>Other reserves</td>
<td>(680 478)</td>
<td>(1 137 620)</td>
</tr>
<tr>
<td>Accumulated loss</td>
<td>(2 881 235)</td>
<td>(2 810 879)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>42 706</td>
<td>190 530</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1 347 660</strong></td>
<td><strong>1 108 698</strong></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>385 025</td>
<td>398 227</td>
</tr>
<tr>
<td>Long-term liabilities</td>
<td>20 871</td>
<td>17 607</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>25 728</td>
<td>31 580</td>
</tr>
<tr>
<td>Post-employment medical liability</td>
<td>294 048</td>
<td>297 182</td>
</tr>
<tr>
<td>Cash-settled share-based payment liability</td>
<td>2 822</td>
<td>1 145</td>
</tr>
<tr>
<td>Provisions</td>
<td>41 556</td>
<td>50 713</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>1 187 290</td>
<td>1 818 096</td>
</tr>
<tr>
<td>Trade payables</td>
<td>233 620</td>
<td>286 334</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>641 853</td>
<td>629 656</td>
</tr>
<tr>
<td>Contract liabilities</td>
<td>131 271</td>
<td>142 842</td>
</tr>
<tr>
<td>Related party payables and loans</td>
<td>5 299</td>
<td>2 916</td>
</tr>
<tr>
<td>Post-employment medical liability</td>
<td>28 670</td>
<td>23 992</td>
</tr>
<tr>
<td>Taxation</td>
<td>—</td>
<td>99</td>
</tr>
<tr>
<td>Current portion of long-term liabilities</td>
<td>25 679</td>
<td>3 931</td>
</tr>
<tr>
<td>Loans from group companies</td>
<td>96 715</td>
<td>666 040</td>
</tr>
<tr>
<td>Provisions</td>
<td>23 339</td>
<td>41 726</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2 919 975</strong></td>
<td><strong>3 325 021</strong></td>
</tr>
</tbody>
</table>
### SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March

<table>
<thead>
<tr>
<th>Notes</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from/(used in) operations</td>
<td>21</td>
<td>48 743</td>
</tr>
<tr>
<td>Interest costs paid</td>
<td></td>
<td>(8 933)</td>
</tr>
<tr>
<td>Interest income received</td>
<td></td>
<td>79 147</td>
</tr>
<tr>
<td>Dividends received from investments and equity-accounted companies</td>
<td></td>
<td>34 719</td>
</tr>
<tr>
<td>Taxation paid</td>
<td>(21 279)</td>
<td>(21 067)</td>
</tr>
<tr>
<td><strong>Net cash generated from/(utilised in) operating activities</strong></td>
<td></td>
<td>132 397</td>
</tr>
<tr>
<td><strong>Cash flows from investment activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment acquired</td>
<td></td>
<td>(16 553)</td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td></td>
<td>2 894</td>
</tr>
<tr>
<td>Intangible assets acquired</td>
<td></td>
<td>(1 013)</td>
</tr>
<tr>
<td>Proceeds from sale of intangible assets</td>
<td></td>
<td>9 000</td>
</tr>
<tr>
<td>Acquisition of subsidiaries/business</td>
<td>18</td>
<td>(13 216)</td>
</tr>
<tr>
<td>Disposal of subsidiaries</td>
<td></td>
<td>(1 751)</td>
</tr>
<tr>
<td>Acquisition of associates</td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Disposal of associates</td>
<td></td>
<td>3 142</td>
</tr>
<tr>
<td>Additional investment in existing joint venture</td>
<td></td>
<td>(5 667)</td>
</tr>
<tr>
<td>Cash movement in other investments and loans</td>
<td></td>
<td>(43 742)</td>
</tr>
<tr>
<td><strong>Net cash utilised in investing activities</strong></td>
<td></td>
<td>(66 906)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayments of long-term loans</td>
<td></td>
<td>(7 725)</td>
</tr>
<tr>
<td>Repayments of capitalised finance lease liabilities</td>
<td></td>
<td>(38 151)</td>
</tr>
<tr>
<td>Intergroup and related party loans raised</td>
<td></td>
<td>32 920</td>
</tr>
<tr>
<td>Outflow from share-based compensation transactions</td>
<td></td>
<td>(8 320)</td>
</tr>
<tr>
<td>Additional investment in existing subsidiaries</td>
<td></td>
<td>(15 000)</td>
</tr>
<tr>
<td>Dividends paid by subsidiaries to non-controlling shareholders</td>
<td></td>
<td>(17 961)</td>
</tr>
<tr>
<td>External dividends paid</td>
<td></td>
<td>(6 295)</td>
</tr>
<tr>
<td><strong>Net cash (utilised in)/generated from financing activities</strong></td>
<td></td>
<td>(60 532)</td>
</tr>
<tr>
<td>Net increase/(decrease) in cash and cash equivalents</td>
<td></td>
<td>4 959</td>
</tr>
<tr>
<td>Foreign exchange translation adjustments on cash and cash equivalents</td>
<td></td>
<td>3 950</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td></td>
<td>210 482</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td></td>
<td>219 391</td>
</tr>
</tbody>
</table>
NOTES TO THE SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2020

1. BASIS OF PREPARATION
The summarised consolidated financial statements are prepared in accordance with the requirements of the Companies Act, applicable to summary financial statements. The summarised consolidated financial statements have been prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated annual financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, except for the adoption of the following new accounting standards and amendments to IFRS that became effective and were adopted by the group during the current financial year, being: IFRS 16 Leases.

2. PREPARATION
The preparation of the summarised consolidated financial statements was supervised by the chief financial officer, Mobasheer Patel CA(SA). Any reference to future financial performance included in this summarised consolidated financial statements, has not been reviewed or reported on by the company's auditor.

3. REPORT OF THE INDEPENDENT AUDITOR
These summarised consolidated financial statements for the year ended 31 March 2020 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated financial statements from which these summarised consolidated financial statements were derived. A copy of the auditor’s report on the consolidated financial statements is available for inspection at the company’s registered office or the company’s website on www.media24.com, together with the financial statements identified in the auditor’s respective reports.

4. USE OF ESTIMATES AND ASSUMPTIONS
In preparing these summarised consolidated financial statements, the significant judgement made by management in applying the group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2019.

5. ADOPTION OF NEW AND AMENDED 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 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 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 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 retained earnings on 1 April 2019.

The group has applied the following practical expedients, as permitted by IFRS 16’s transitional provisions:

- 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 (accordingly 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 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 in terms of IAS 17 until the end of their lease terms (ie lease payments continue to be expensed on a straight-line basis for these leases).
- 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.

On transition to IFRS 16, the group recognised right-of-use assets of R59m and lease obligations of R64m. 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 9.8%.

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 buildings 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**

<table>
<thead>
<tr>
<th>1 April</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
</tr>
<tr>
<td>Restated</td>
<td>R’000</td>
</tr>
<tr>
<td>Operating lease commitments under IAS 17</td>
<td></td>
</tr>
<tr>
<td>Operating lease commitment at 31 March as disclosed(1)</td>
<td>145 727</td>
</tr>
<tr>
<td>Discounted using the incremental borrowing rate as at 1 April 2019</td>
<td>103 103</td>
</tr>
<tr>
<td>Recognition exemptions</td>
<td></td>
</tr>
<tr>
<td>Short-term leases</td>
<td>(39 542)</td>
</tr>
<tr>
<td>Lease liabilities recognised as at 1 April 2019</td>
<td>63 561</td>
</tr>
<tr>
<td>Less: Current portion of lease liabilities</td>
<td>(35 511)</td>
</tr>
<tr>
<td>Non-current portion of lease liabilities</td>
<td>28 050</td>
</tr>
</tbody>
</table>

**Note**

(1) The group disclosed these lease commitments on an undiscounted basis in the consolidated annual financial statements for the year ended 31 March 2019.

6. PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment, except for the adoption of IFRS 16 (+R59m) and transfer to held for sale (-R98m) as disclosed in notes 5 and 11, is mainly due to depreciation for the period (-R84m) and operational acquisitions and disposals (+R21m).

7. GOODWILL

<table>
<thead>
<tr>
<th>31 March</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td>Cost</td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>299 074</td>
</tr>
<tr>
<td>Acquisition of subsidiaries/business</td>
<td>—</td>
</tr>
<tr>
<td>Disposal of subsidiaries/business</td>
<td>(26 165)</td>
</tr>
<tr>
<td>Reclassifications</td>
<td>(29 190)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>243 719</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accumulated impairment</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>40 610</td>
</tr>
<tr>
<td>Disposal of subsidiaries/business</td>
<td>(26 165)</td>
</tr>
<tr>
<td>Impairment</td>
<td>29 363</td>
</tr>
<tr>
<td>Reclassifications</td>
<td>(29 190)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>14 618</td>
</tr>
</tbody>
</table>

| Net book value | 229 101 | 258 464 |

Goodwill is subject to annual impairment assessment. The recoverable amounts have been determined based on a value-in-use calculation. A discount rate of 16% and growth rate of 1.6% were used. The 2020 impairment charge relates to our travel business, Red Carpet Travel (R26m) and certain printed magazines in Infixion Media (R3m).
8. INVESTMENTS AND LOANS

<table>
<thead>
<tr>
<th>31 March</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
<td></td>
</tr>
<tr>
<td>Originating loans</td>
<td>2 200</td>
<td>2 200</td>
</tr>
<tr>
<td>At fair value through other comprehensive income investments(^{(1)})</td>
<td>115 104</td>
<td>255 053</td>
</tr>
<tr>
<td>At fair value through profit or loss investments</td>
<td>1 600</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>118 904</strong></td>
<td><strong>257 253</strong></td>
</tr>
</tbody>
</table>

\(^{(1)}\) The group retained 19% in Novus Holdings Limited after the distribution of 47.5% to Naspers on 1 October 2017. The YoY movement in share price from R4.21 to R1.90 was booked to the fair value reserve.

9. TRADE RECEIVABLES

<table>
<thead>
<tr>
<th>31 March</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>R'000</td>
<td>R'000</td>
<td></td>
</tr>
<tr>
<td>Carrying value</td>
<td>496 744</td>
<td>536 604</td>
</tr>
<tr>
<td>Less: Loss allowance</td>
<td>(44 683)</td>
<td>(41 521)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>452 061</strong></td>
<td><strong>495 083</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>31 March 2020</th>
<th>Not past due</th>
<th>30 days and older</th>
<th>60 days and older</th>
<th>90 days and older</th>
<th>120 days and older</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross trade receivables</td>
<td>348 224</td>
<td>96 515</td>
<td>18 914</td>
<td>6 757</td>
<td>26 334</td>
<td>496 744</td>
</tr>
<tr>
<td>Loss allowance</td>
<td>(13 867)</td>
<td>(4 789)</td>
<td>(4 010)</td>
<td>(1 685)</td>
<td>(20 332)</td>
<td>(44 683)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>334 357</td>
<td>91 726</td>
<td>14 904</td>
<td>5 072</td>
<td>6 002</td>
<td>452 061</td>
</tr>
</tbody>
</table>

Expected loss rate:

- (4%) (5%) (21%) (25%) (77%) (9%)

<table>
<thead>
<tr>
<th>31 March 2019</th>
<th>Not past due</th>
<th>30 days and older</th>
<th>60 days and older</th>
<th>90 days and older</th>
<th>120 days and older</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross trade receivables</td>
<td>367 270</td>
<td>113 321</td>
<td>11 358</td>
<td>7 287</td>
<td>37 368</td>
<td>536 604</td>
</tr>
<tr>
<td>Loss allowance</td>
<td>(66)</td>
<td>(17 454)</td>
<td>(1 317)</td>
<td>(1 990)</td>
<td>(20 694)</td>
<td>(41 521)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>367 204</td>
<td>95 867</td>
<td>10 041</td>
<td>5 297</td>
<td>16 674</td>
<td>495 083</td>
</tr>
</tbody>
</table>

Expected loss rate:

- 0% (15%) (12%) (27%) (55%) (8%)
10. INVENTORY

<table>
<thead>
<tr>
<th></th>
<th>31 March</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td>Carrying value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished products, trading inventory and consumables</td>
<td>472 828</td>
<td>511 019</td>
</tr>
<tr>
<td>Work in progress</td>
<td>19 231</td>
<td>15 102</td>
</tr>
<tr>
<td>Gross inventory</td>
<td>492 059</td>
<td>526 121</td>
</tr>
<tr>
<td>Less: Provision for slow-moving and obsolete inventories(^1)</td>
<td>(132 108)</td>
<td>(78 982)</td>
</tr>
<tr>
<td>Net inventory</td>
<td>359 951</td>
<td>447 139</td>
</tr>
</tbody>
</table>

**Note**

\(^1\) In 2020 a provision of R55m was raised in Superbalist, our efashion business.

11. ASSETS CLASSIFIED AS HELD FOR SALE

<table>
<thead>
<tr>
<th></th>
<th>31 March</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td>Non-current assets held for sale</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Property, plant and equipment</td>
<td>97 678</td>
<td>—</td>
</tr>
</tbody>
</table>

As at 31 March 2020, held-for-sale assets of R97.7m comprise of office buildings in Auckland Park (R90.4m), Bloemfontein (R7m) and two smaller buildings in Klerksdorp and Newcastle (R0.3m) which management has decided to sell.

The consolidation of our portfolio of owned and rented properties to better suit business requirements is an important part of Media24’s initiatives to reduce our overall cost base while maximising the return on our assets. The transfer of the properties will be delayed due to the lockdown, but it is envisaged that all will be concluded by end-September 2020.
12. REVENUE FROM CONTRACTS WITH CUSTOMERS

<table>
<thead>
<tr>
<th>31 March</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
</tr>
<tr>
<td>Subscription revenue</td>
<td>201 137</td>
</tr>
<tr>
<td>Circulation revenue</td>
<td>819 953</td>
</tr>
<tr>
<td>Advertising revenue</td>
<td>1 645 012</td>
</tr>
<tr>
<td>Distribution revenue</td>
<td>398 019</td>
</tr>
<tr>
<td>Book publishing and book sales revenue</td>
<td>545 548</td>
</tr>
<tr>
<td>Ecommerce revenue</td>
<td>867 395</td>
</tr>
<tr>
<td>Contract publishing revenue</td>
<td>105 222</td>
</tr>
<tr>
<td>Other revenue</td>
<td>206 651</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>4 788 937</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>31 March</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td>Contract assets</td>
<td>5 299</td>
</tr>
<tr>
<td>Contract liabilities</td>
<td>131 271</td>
</tr>
</tbody>
</table>

13. OTHER GAINS – NET

<table>
<thead>
<tr>
<th>31 March</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2019</td>
</tr>
<tr>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td>Loss on property, plant and equipment</td>
<td>(748)</td>
</tr>
<tr>
<td>Profit/(Loss) on intangible assets</td>
<td>8 670</td>
</tr>
<tr>
<td>Impairment of goodwill</td>
<td>(29 363)</td>
</tr>
<tr>
<td>Impairment of other intangible assets with definite lives</td>
<td>(19 799)</td>
</tr>
<tr>
<td>Impairment of property, plant and equipment</td>
<td>(1 585)</td>
</tr>
<tr>
<td>Impairment of other assets</td>
<td>(3 827)</td>
</tr>
<tr>
<td>Reversal of impairment of other investments and loans</td>
<td>—</td>
</tr>
<tr>
<td>Dividends from investments</td>
<td>18 175</td>
</tr>
<tr>
<td><strong>Total other gains – net</strong></td>
<td>(28 477)</td>
</tr>
</tbody>
</table>
14. PROFITS ON ACQUISITIONS AND DISPOSALS

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit on sale of investments/businesses</td>
<td>3 955</td>
<td>—</td>
</tr>
<tr>
<td>Intergroup loan waiver</td>
<td>17 462</td>
<td>—</td>
</tr>
<tr>
<td>Remeasurement of contingent consideration</td>
<td>3 046</td>
<td>3 592</td>
</tr>
<tr>
<td>Acquisition-related costs</td>
<td>(439)</td>
<td>—</td>
</tr>
<tr>
<td>Gain on bargain purchase</td>
<td>6 310</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>30 334</td>
<td>3 592</td>
</tr>
</tbody>
</table>

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March 2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange contracts</td>
<td>—</td>
<td>2 807</td>
<td>—</td>
<td>2 807</td>
</tr>
<tr>
<td>At fair value through profit or loss investments</td>
<td>—</td>
<td>—</td>
<td>1 600</td>
<td>1 600</td>
</tr>
<tr>
<td>At fair value through other comprehensive income investments</td>
<td>115 104</td>
<td>—</td>
<td>—</td>
<td>115 104</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>115 104</td>
<td>2 807</td>
<td>1 600</td>
<td>119 511</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent considerations</td>
<td>—</td>
<td>—</td>
<td>8 391</td>
<td>8 391</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>—</td>
<td>—</td>
<td>8 391</td>
<td>8 391</td>
</tr>
</tbody>
</table>

|                                | Level 1 | Level 2 | Level 3 | Total |
|                                | R'000   | R'000   | R'000   | R'000  |
| 31 March 2019                  |         |         |         |       |
| Assets                         |         |         |         |       |
| Foreign exchange contracts     | —       | 656     | —       | 656   |
| At fair value through other comprehensive income investments | 255 053 | —       | —       | 255 053 |
| **Total**                      | 255 053 | 656     | —       | 255 709 |
| Liabilities                    |         |         |         |       |
| Contingent considerations      | —       | —       | 19 162  | 19 162 |
| **Total**                      | —       | —       | 19 162  | 19 162 |

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 (ie as prices) or indirectly (ie derived from prices).

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).
16. COMMITMENTS AND CONTINGENCIES

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>1 647</td>
<td>15 045</td>
</tr>
<tr>
<td>Operating lease commitments(1)</td>
<td>2 942</td>
<td>145 728</td>
</tr>
<tr>
<td>Other obligations(2)</td>
<td>50 909</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>55 488</td>
<td>160 773</td>
</tr>
</tbody>
</table>

Notes
(1) The group implemented IFRS 16 Leases on 1 April 2019. Refer to note 5 for detail.
(2) Open purchase-order commitments not yet fulfilled at Superbalist.

17. RELATED PARTY TRANSACTIONS
The group entered into various related party transactions in the ordinary course of business. On 23 March 2020 Naspers Limited donated and ceded its loan claim of R558m against Media24 Holdings Proprietary Limited to Media24 Proprietary Limited for no consideration. Other than the noted change, there have been no significant changes in related party transactions and balances since the previous reporting period.

The group participates in a Naspers group cash pool arrangement. Included in “loans and receivables” is R897m (2019: R990m) cash invested with Naspers Treasury.

18. SIGNIFICANT BUSINESS COMBINATIONS
Effective 26 April 2019, Media24 Boeke Proprietary Limited acquired the remaining 30% shareholding in Nasou Via Afrika Proprietary Limited from Biprops 6 Proprietary Limited for R15m, thereby increasing its ownership to 100%. A business combination reserve of R22m and non-controlling interest of R37m were booked.

Fashion United SA Proprietary Limited completed a transaction on 5 September 2019 to purchase the business assets and liabilities of Design Liaison Proprietary Limited, a clothing design centre, for R18m. This resulted in the recognition of an intangible asset of R10m and a bargain purchase of R6m through the income statement.

19. GOING CONCERN
The annual 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 R219m of cash and cash equivalents and R897m cash invested with Naspers Treasury.

The national lockdown came into effect a few days before the end of the 2020 financial year and has had minimum impact on our full-year results for this period. Due to trade being limited to the delivery of essential items for the initial period of the national lockdown, book sales were significantly impacted as it was classified as non-essential goods. Furthermore, our ecommerce business was also not allowed to trade in the hard lockdown, with this being lifted partially on 1 May 2020 and fully on 15 May 2020.

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 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 next financial year.
20. SUBSEQUENT EVENTS
On 23 March 2020, President Cyril Ramaphosa announced a 21-day national lockdown from 26 March 2020 in response to the Covid-19 outbreak in South Africa. An extension to 30 April 2020 was announced on 9 April 2020. While the national lockdown and the resultant economic slowdown will impact sales and profitability, the board is of the opinion that the group will remain a going concern in the next financial year. Refer to note 19.

Effective from 1 April 2020, Media24 Proprietary Limited acquired 100% shareholding in London-based book publisher, Icon Books Limited, for R33m. Payment was made before 31 March 2020 and is included as prepayment in "other receivables".

Effective from 1 April 2020, Media24 Proprietary Limited entered into a two-year lease agreement with Naspers Properties Proprietary Limited for the rental of the Media24 Centre in Cape Town. This resulted in a right-of-use asset and corresponding finance lease liability of R66m.

Effective 1 June 2020, Media24 Proprietary Limited acquired 100% of the shareholding in a digital agency, Swipe Interactive Proprietary Limited, for R23m.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report, which would have a material impact on the annual financial statements.

21. CASH GENERATED FROM/(USED IN) OPERATIONS

<table>
<thead>
<tr>
<th>31 March</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>Operating loss as per income statement</td>
<td>(221 816)</td>
<td>(367 328)</td>
</tr>
<tr>
<td>Adjustments: Non-cash and other</td>
<td>275 170</td>
<td>152 211</td>
</tr>
<tr>
<td>Working capital movement</td>
<td>(4 611)</td>
<td>(133 615)</td>
</tr>
<tr>
<td><strong>Cash generated from/(used in) operations</strong></td>
<td><strong>48 743</strong></td>
<td><strong>(348 732)</strong></td>
</tr>
</tbody>
</table>

SUMMARISED RECONCILIATION OF OPERATING LOSS TO TRADING LOSS

<table>
<thead>
<tr>
<th>31 March</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(221 816)</td>
<td>(367 328)</td>
</tr>
<tr>
<td>Amortisation of intangible assets (excluding software)</td>
<td>22 656</td>
<td>14 484</td>
</tr>
<tr>
<td>Other gains – net</td>
<td>28 477</td>
<td>(8 492)</td>
</tr>
<tr>
<td>Share-based expense – equity (excluding restricted stock units)</td>
<td>24 971</td>
<td>27 719</td>
</tr>
<tr>
<td>Interest on finance leases</td>
<td>(6 511)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Trading loss</strong></td>
<td><strong>(152 223)</strong></td>
<td><strong>(333 617)</strong></td>
</tr>
</tbody>
</table>
## CALCULATION OF HEADLINE AND CORE HEADLINE LOSS

<table>
<thead>
<tr>
<th></th>
<th>31 March</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
<td></td>
</tr>
<tr>
<td></td>
<td>R’000</td>
<td>R’000</td>
<td></td>
</tr>
<tr>
<td><strong>Net loss attributable to shareholders</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Impairment of goodwill/other assets</td>
<td>54 574</td>
<td>19 952</td>
<td></td>
</tr>
<tr>
<td>– Profit/(Loss) on sale of property, plant and equipment and intangibles</td>
<td>(7 922)</td>
<td>3 128</td>
<td></td>
</tr>
<tr>
<td>– Impairment of associates</td>
<td>—</td>
<td>16 004</td>
<td></td>
</tr>
<tr>
<td>– Gain from bargain purchase recognised on acquisition</td>
<td>(6 310)</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>– Profit on sale of investments</td>
<td>(21 417)</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Total tax effects of adjustments</td>
<td>34</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>Total adjustment for non-controlling interest</td>
<td>3 092</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td><strong>Headline loss</strong></td>
<td>(26 165)</td>
<td>(215 454)</td>
<td></td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Amortisation of intangible assets (excluding software)</td>
<td>8 851</td>
<td>8 286</td>
<td></td>
</tr>
<tr>
<td>– Foreign exchange losses/(gains)</td>
<td>672</td>
<td>(3 158)</td>
<td></td>
</tr>
<tr>
<td>– Derecognition/(Recognition) of deferred tax assets relating to prior-year losses</td>
<td>19 567</td>
<td>(3 877)</td>
<td></td>
</tr>
<tr>
<td>– Remeasurement of contingent considerations</td>
<td>(3 046)</td>
<td>(3 592)</td>
<td></td>
</tr>
<tr>
<td>– Acquisition-related costs</td>
<td>439</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>– Equity-settled share-based payment charges</td>
<td>24 760</td>
<td>27 719</td>
<td></td>
</tr>
<tr>
<td><strong>Core headline profit/(loss)</strong></td>
<td>25 078</td>
<td>(190 076)</td>
<td></td>
</tr>
</tbody>
</table>
The board of directors manages the group’s business with integrity and by applying appropriate corporate governance practices.

Rachel Jafta

Rachel (59) holds the degrees MEcon and PhD from Stellenbosch University and is a professor in economics at that university. She chairs the Cape Town Carnival Trust and the board of Naspers Labs NPC, is a member of the South African Economic Society and serves on the management committee of the Bureau for Economic Research at Stellenbosch University. Since 2015, she has served on the international advisory council of Fondação Dom Cabral Business School, Brazil. Rachel joined Naspers as a director in 2003 and was appointed an independent non-executive director of Media24 in 2007 (tenure of 12 years). She has chaired the Media24 board since April 2013. From September 2019, she serves on the board of Prosus.

Jo-Ann Held

Jo-Ann (39) obtained a BComLaw degree at Stellenbosch University. She is a media entrepreneur who has presented and produced TV and online media properties for 19 years. She is a goodwill ambassador for UNICEF and a director of the advisory board of Stellenbosch University Business School, Village and Life, and M&C Saatchi Abel. She joined Welkom Yizani as an independent non-executive director in September 2014.

Omichand Lalbahadur

Omichand (62) holds a BComm from Unisa and an MBA from the New York Finance Institute. He joined Media24 in 2007 as a senior financial manager after holding positions in, among others, the petroleum and paper manufacturing industries and SARS. He was appointed chief financial officer: Media24 Lifestyle in 2009, acted as Media24’s chief financial officer in 2015 and was appointed as general manager of Lifestyle in 2017. Omichand was appointed as Media24’s project management officer in 2018.

Abduraghman Mayman (65) resigned from the Welkom Yizani board on 7 May 2020.
SUMMARISED GROUP* AND SEPARATE ANNUAL FINANCIAL STATEMENTS

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS for the year ended 31 March 2020

The summarised group and separate annual financial statements of the group are the responsibility of the directors of Welkom Yizani. In discharging this responsibility, they rely on the management of the group to prepare the summarised group and separate annual financial statements in accordance with International Financial Reporting Standards (IFRS). As such, the summarised group and separate 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 group and separate annual financial statements and are of the opinion that the systems and internal financial controls implemented by management are effective. The preparation of the summarised group and separate financial statements were supervised by the Media24 Holdings Proprietary Limited group chief financial officer, Mobasheer Patel CA(SA).

The going concern basis has been adopted in preparing the financial statements. The impact of Covid-19 has been considered by the directors as part of their going concern assessment. The directors have no reason to believe that the group will not be a going concern in the foreseeable future based on available cash resources, forecasts and the measures put in place to manage the risks associated with Covid-19. The viability of the company and the group is further supported by the strength of the financial statements.

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 group and separate financial statements from which the summarised group and separate annual financial statements were derived. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The audit report of PricewaterhouseCoopers Inc. is presented on page 88.

The summarised group and separate annual financial statements were approved by the board of directors on 12 June 2020 and were signed on its behalf by:

R C C Jafta
Chair
12 June 2020

O Lalbahadur
Director

*Group is defined as economic interest.
INDEPENDENT AUDITOR’S REPORT ON THE SUMMARY ECONOMIC INTEREST AND SEPARATE FINANCIAL STATEMENTS for the year ended 31 March 2020

TO THE SHAREHOLDERS OF WELKOM YIZANI INVESTMENTS (RF) LIMITED

OPINION

The summary economic interest and separate financial statements of Welkom Yizani Investments (RF) Limited, set out on pages 87 to 101, of the Media24 Holdings Proprietary Limited 2020 abridged integrated annual report to the shareholders of Welkom Yizani, which comprise the summary group and separate statements of financial position as at 31 March 2020, the summary group and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited economic interest and separate financial statements of Welkom Yizani Investments (RF) Limited for the year ended 31 March 2020.

In our opinion, the accompanying summary economic interest and separate financial statements are consistent, in all material respects, with the audited economic interest and separate financial statements, in accordance with International Financial Reporting Standards, IAS 34 Interim Financial Reporting, as set out in note 1 to the summary economic interest and separate financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY ECONOMIC INTEREST AND SEPARATE FINANCIAL STATEMENTS

The summary economic interest and separate 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 summary economic interest and separate financial statements and the auditor’s report thereon, therefore, is not a substitute for reading the audited economic interest and separate annual financial statements and the auditor’s report thereon.

THE AUDITED ECONOMIC INTEREST AND SEPARATE FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited economic interest and separate financial statements in our report dated 12 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 economic interest and separate financial statements of the current reporting period.

DIRECTORS’ RESPONSIBILITY FOR THE SUMMARY ECONOMIC INTEREST AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary economic interest and separate financial statements in accordance with International Financial Reporting Standards, IAS 34 Interim Financial Reporting, set out in note 1 to the summary economic interest and separate 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 summary economic interest and separate financial statements are consistent, in all material respects, with the audited economic interest and separate 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 Inc.
Director: V Harri
Registered auditor
Cape Town, South Africa
12 June 2020
NATURE OF OPERATIONS
Welkom Yizani Investments (RF) Limited was incorporated on 10 July 2006 under the laws of the Republic of South Africa. The principal activities of Welkom Yizani Investments (RF) Limited are to:

a) carry on the main business of holding 15% of the ordinary shares in Media24 Holdings Proprietary Limited (investment in associate), cash and cash equivalents and such assets as are received and acquired solely by virtue of, or in relation to, the holding of Media24 Holdings Proprietary Limited ordinary shares

b) receive and distribute dividends and other distributions in terms of its holding in Media24 Holdings Proprietary Limited, and
c) Equity Express Securities Exchange (EESE). Welkom Yizani, established as Media24’s broad-based black economic empowerment (BBBEE) scheme in 2006, started trading its shares on an online trading platform in 2013. The Registrar of Securities Services (the Registrar) has indicated that all traditional over-the-counter trading platforms like Welkom Yizani Investments (RF) Limited (Welkom Yizani) should regularise their affairs in terms of the Financial Markets Act, 2012. Welkom Yizani had been engaging with the Financial Services Board (now the FSCA) to bring its affairs in line with the requirements of the Financial Markets Act, 2012. Welkom Yizani listed on the EESE on 23 November 2018 and is now compliant with the relevant legislation.

DIVIDENDS
The board recommends that a dividend of 42.5 cents per ordinary share (2019: 42.5 cents per ordinary share) be declared. In considering the recommendation to pay the dividend, the board has taken into account the financial status of the company subject to the successful application of the solvency and liquidity test as set out in section 4 of the Companies Act of 2008. The dividend will be noted at the annual general meeting to be held on 27 August 2020 by way of an ordinary resolution to be approved by the shareholders.

DIRECTORS, COMPANY SECRETARY AND AUDITOR
The directors of the company are listed below and the company secretary is Lurica Jineanne Jacquet. The street and postal addresses for the company secretary are the same as those of the company as detailed on page 102.

PricewaterhouseCoopers Inc. was appointed in office as auditor in accordance with section 90(6) of the South African Companies Act 2008.

<table>
<thead>
<tr>
<th>Name</th>
<th>Date appointed</th>
<th>Date resigned</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>R C C Jafta</td>
<td>28 November 2012</td>
<td></td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>J C Held</td>
<td>2 September 2014</td>
<td></td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>A Mayman</td>
<td>1 November 2018</td>
<td>7 May 2020</td>
<td>Independent non-executive</td>
</tr>
<tr>
<td>O Lalbahadur</td>
<td>8 May 2020</td>
<td></td>
<td>Independent non-executive</td>
</tr>
</tbody>
</table>

ANALYSIS OF SHAREHOLDER INFORMATION

MAJOR SHAREHOLDINGS AS AT 31 MARCH 2020
According to the company’s register the top five shareholders are as follows as at 31 March 2020:

<table>
<thead>
<tr>
<th>Shareholders’ spread as at 31 March 2020</th>
<th>Number of shareholders</th>
<th>Number of shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 430 shares</td>
<td>86 823</td>
<td>10 728 190</td>
</tr>
<tr>
<td>431 - 10 000 shares</td>
<td>597</td>
<td>781 750</td>
</tr>
<tr>
<td>10 001 - 100 000 shares</td>
<td>34</td>
<td>1 017 986</td>
</tr>
<tr>
<td>100 001 - 1 000 000 shares</td>
<td>5</td>
<td>904 945</td>
</tr>
<tr>
<td>1 000 001 and above shares</td>
<td>1</td>
<td>1 167 130</td>
</tr>
<tr>
<td></td>
<td>87 460</td>
<td>14 600 001</td>
</tr>
</tbody>
</table>

The remaining shares are held by a vast group of individuals and other entities.
**SUBSEQUENT EVENTS**
On 23 March 2020 President Cyril Ramaphosa announced that a national lockdown would be implemented for 21 days from 26 March 2020 in response to the Covid-19 outbreak in South Africa, with a further extension to 30 April announced on 9 April 2020. The national lockdown and the expected economic slowdown are expected to negatively impact sales and profitability and its carrying value of its investment in Media24 Holdings Proprietary Limited. The directors are not aware of any material adverse effects on the financial statements as a result of the Covid-19 outbreak.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report, which would have a material impact on the annual financial statements.

**GOING CONCERN**
The group and company annual financial statements are prepared on the going concern basis. Based on group 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 and company recorded R40.8m (2019: R40.5m) in net cash, comprising of cash and cash equivalents (including short-term cash investments). The group had Rnil (2019: Rnil) interest-bearing debt.

Welkom Yizani relies on the Media24 Holdings Proprietary Limited dividend to continue its operations and therefore their going concern was assessed. Media24 Holdings Proprietary Limited annual financial statements are prepared on a going concern basis, as the group has adequate resources to continue operations as a going concern in the foreseeable future. The impact of the Covid-19 pandemic on operations and liquidity was considered in preparing the Media24 group’s 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 next financial year.

Signed on behalf of the board

R C C Jafta
Chair
12 June 2020
## SUMMARISED GROUP* AND SEPARATE STATEMENTS OF FINANCIAL POSITION for the year ended 31 March 2020

| Notes | Group* | | Company | |
|-------|--------|--------|--------|
|       | 2020   | 2019   | 2020   | 2019   |
|       | R’000   | R’000  | R’000  | R’000  |
| **Assets** | | | | |
| Non-current assets | 269 314 | 351 577 | 269 314 | 351 577 |
| Investment in associate | 8 | 269 314 | 351 577 | 269 314 | 351 577 |
| **Current assets** | | | | |
| Current assets | 42 843 | 40 605 | 42 843 | 40 605 |
| Other receivables | 2 024 | 30 | 2 024 | 30 |
| Cash and cash equivalents | 40 819 | 40 575 | 40 819 | 40 575 |
| **Total assets** | 312 157 | 392 182 | 312 157 | 392 182 |
| **Equity and liabilities** | | | | |
| Capital and reserves | 276 075 | 357 076 | 276 075 | 357 076 |
| Share capital and premium | 146 022 | 146 022 | 146 022 | 146 022 |
| Preference share capital | 7 | 7 | 7 | 7 |
| Other reserves | 459 203 | 387 657 | — | — |
| Accumulated (loss)/profit | (329 157) | (176 610) | 130 046 | 211 047 |
| **Current liabilities** | | | | |
| Current liabilities | 36 082 | 35 106 | 36 082 | 35 106 |
| Payables | 2 716 | 2 086 | 2 716 | 2 086 |
| Shareholders for dividend | 33 360 | 33 020 | 33 360 | 33 020 |
| Taxation | 6 | — | 6 | — |
| **Total equity and liabilities** | 312 157 | 392 182 | 312 157 | 392 182 |
| **Net asset value per share** | 10 | R18.91 | R24.46 | R18.91 | R24.46 |

*Group is defined as economic interest.
SUMMARISED GROUP* AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME for the year ended 31 March 2020

<table>
<thead>
<tr>
<th>Notes</th>
<th>Group*</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020 R’000</td>
<td>2019 R’000</td>
</tr>
<tr>
<td>Share of net loss of associate</td>
<td>8 (28 548)</td>
<td>(59 509)</td>
</tr>
<tr>
<td>Investment income – dividends received</td>
<td>8 —</td>
<td>—</td>
</tr>
<tr>
<td>Administration costs</td>
<td>(104)</td>
<td>(100)</td>
</tr>
<tr>
<td>(Impairment)/Reversal of investment in associate</td>
<td>8 (118 966)</td>
<td>49 414</td>
</tr>
<tr>
<td>Finance income</td>
<td>1 805</td>
<td>1 923</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(63)</td>
<td>(64)</td>
</tr>
<tr>
<td>(Loss)/Profit before taxation</td>
<td>(145 876)</td>
<td>(8 336)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(466)</td>
<td>(524)</td>
</tr>
<tr>
<td>Net (loss)/profit for the year</td>
<td>(146 342)</td>
<td>(8 860)</td>
</tr>
</tbody>
</table>

Other comprehensive income

<table>
<thead>
<tr>
<th>Notes</th>
<th>Group*</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of changes in associate’s other comprehensive income net of tax</td>
<td>8 71 546</td>
<td>16 390</td>
</tr>
<tr>
<td>Total comprehensive (loss)/income for the year</td>
<td>(74 796)</td>
<td>7 530</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>Group*</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic (loss)/earnings per share</td>
<td>10 (R10.02)</td>
<td>(R0.61)</td>
</tr>
<tr>
<td>Headline (loss)/earnings per share</td>
<td>10 (R1.88)</td>
<td>(R3.99)</td>
</tr>
</tbody>
</table>

*Group is defined as economic interest.
## SUMMARISED GROUP* AND SEPARATE STATEMENTS OF CHANGES IN EQUITY for the year ended 31 March 2020

<table>
<thead>
<tr>
<th>Group*</th>
<th>Stated capital</th>
<th>Preference share capital</th>
<th>Other reserves</th>
<th>Accumulated profit/(loss)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R’000</td>
<td>R’000</td>
<td>R’000</td>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td>Balance at 1 April 2018</td>
<td>146 022</td>
<td>7</td>
<td>371 267</td>
<td>(161 545)</td>
<td>355 751</td>
</tr>
<tr>
<td>Total comprehensive income/(loss) for the year</td>
<td>—</td>
<td>—</td>
<td>16 390</td>
<td>(8 860)</td>
<td>7 530</td>
</tr>
<tr>
<td>Net loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(8 860)</td>
<td>(8 860)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>—</td>
<td>—</td>
<td>16 390</td>
<td>—</td>
<td>16 390</td>
</tr>
<tr>
<td>Distribution to owners of the company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(6 205)</td>
<td>(6 205)</td>
</tr>
<tr>
<td>Balance at 31 March 2019</td>
<td>146 022</td>
<td>7</td>
<td>387 657</td>
<td>(176 610)</td>
<td>357 076</td>
</tr>
<tr>
<td>Balance at 1 April 2019</td>
<td>146 022</td>
<td>7</td>
<td>387 657</td>
<td>(176 610)</td>
<td>357 076</td>
</tr>
<tr>
<td>Total comprehensive income/(loss) for the year</td>
<td>—</td>
<td>—</td>
<td>71 546</td>
<td>(146 342)</td>
<td>(74 796)</td>
</tr>
<tr>
<td>Net loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(146 342)</td>
<td>(146 342)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>—</td>
<td>—</td>
<td>71 546</td>
<td>—</td>
<td>71 546</td>
</tr>
<tr>
<td>Distribution to owners of the company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(6 205)</td>
<td>(6 205)</td>
</tr>
<tr>
<td>Balance at 31 March 2020</td>
<td>146 022</td>
<td>7</td>
<td>459 203</td>
<td>(329 157)</td>
<td>276 075</td>
</tr>
</tbody>
</table>

### Company

<table>
<thead>
<tr>
<th></th>
<th>Stated capital</th>
<th>Preference share capital</th>
<th>Other reserves</th>
<th>Accumulated profit/(loss)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 April 2018</td>
<td>146 022</td>
<td>7</td>
<td>—</td>
<td>209 722</td>
<td>355 751</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>7 530</td>
<td>7 530</td>
</tr>
<tr>
<td>Distribution to owners of the company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(6 205)</td>
<td>(6 205)</td>
</tr>
<tr>
<td>Balance at 31 March 2019</td>
<td>146 022</td>
<td>7</td>
<td>—</td>
<td>211 047</td>
<td>357 076</td>
</tr>
<tr>
<td>Balance at 1 April 2019</td>
<td>146 022</td>
<td>7</td>
<td>—</td>
<td>211 047</td>
<td>357 076</td>
</tr>
<tr>
<td>Loss for the year</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(74 796)</td>
<td>(74 796)</td>
</tr>
<tr>
<td>Distribution to owners of the company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(6 205)</td>
<td>(6 205)</td>
</tr>
<tr>
<td>Balance at 31 March 2020</td>
<td>146 022</td>
<td>7</td>
<td>—</td>
<td>130 046</td>
<td>276 075</td>
</tr>
</tbody>
</table>

*Group is defined as economic interest.
### SUMMARISED GROUP* AND SEPARATE STATEMENTS OF CASH FLOWS for the year ended 31 March 2020

<table>
<thead>
<tr>
<th></th>
<th>Group*</th>
<th></th>
<th>Company</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
<td></td>
<td>2020</td>
</tr>
<tr>
<td></td>
<td>R’000</td>
<td>R’000</td>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>6 449</td>
<td>2 961</td>
<td>6 449</td>
<td>2 961</td>
</tr>
<tr>
<td>Cash utilised from operations</td>
<td>(1 128)</td>
<td>(4 643)</td>
<td>(1 128)</td>
<td>(4 643)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(63)</td>
<td>(64)</td>
<td>(63)</td>
<td>(64)</td>
</tr>
<tr>
<td>Interest received</td>
<td>1 805</td>
<td>1 923</td>
<td>1 805</td>
<td>1 923</td>
</tr>
<tr>
<td>Dividends received</td>
<td>6 295</td>
<td>6 295</td>
<td>6 295</td>
<td>6 295</td>
</tr>
<tr>
<td>Taxation paid</td>
<td>(460)</td>
<td>(550)</td>
<td>(460)</td>
<td>(550)</td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>(6 205)</td>
<td>(6 205)</td>
<td>(6 205)</td>
<td>(6 205)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(6 205)</td>
<td>(6 205)</td>
<td>(6 205)</td>
<td>(6 205)</td>
</tr>
<tr>
<td>Change in cash and cash equivalents for the year</td>
<td>244</td>
<td>(3 244)</td>
<td>244</td>
<td>(3 244)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>40 575</td>
<td>43 819</td>
<td>40 575</td>
<td>43 819</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>40 819</td>
<td>40 575</td>
<td>40 819</td>
<td>40 575</td>
</tr>
</tbody>
</table>

*Group is defined as economic interest.
1. BASIS OF PREPARATION
The summarised group and separate financial statements are prepared in accordance with the requirements of the Companies Act, applicable to summary financial statements. The summarised group and separate financial statements have been prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The accounting policies applied in the preparation of the group and separate financial statements from which the summary group and separate financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous group and separate financial statements, except for the adoption of the following new accounting standards and amendments to IFRS that became effective and were adopted by the group during current financial year being, IFRS 16 *Leases*. The company does not have leases and this standard will not have an impact as it is not applicable.

2. PREPARATION
The preparation of the summarised group and separate financial statements was supervised by the Media24 Holdings Proprietary Limited group chief financial officer, Mobasheer Patel CA(SA). Any reference to future financial performance included in these summarised financial statements, has not been reviewed or reported on by the company’s auditor.

3. REPORT OF THE INDEPENDENT AUDITOR
These summarised group and separate financial statements for the year ended 31 March 2020 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the group and separate annual financial statements from which these summarised group and separate financial statements were derived. A copy of the auditor’s report on the group and separate annual financial statements are available for inspection at the company’s registered office or the company’s website on [www.media24.com](http://www.media24.com), together with the financial statements identified in the respective auditor’s reports.

4. USE OF ESTIMATES AND ASSUMPTIONS
In preparing these summarised group and separate financial statements, the significant judgements made by management in applying the group and company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the group and separate financial statements for the year ended 31 March 2020, as well as the prior year. The impact of the Covid-19 pandemic on the Media24 operations was considered in preparing the Media24 groups forecasts. A more conservative approach was followed and a higher risk-based discount rate and growth rates were used.

5. SEGMENT REPORTING
IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about the components of the group that are regularly reviewed by the chief operating decisionmaker (CODM) to allocate resources to the segments and to assess their performance. The CODM has been identified as the board of directors that makes the strategic decisions. The board of directors has identified the only operating segment to be the investment in associate. No further disclosure is required as this is reflected in the financial statements.

*Group is defined as economic interest.*
6. INVESTMENT IN ASSOCIATE

Company
The company carries the investment in associate at cost and are written down only when there is an impairment. Dividends are brought to account when declared. On disposal of an associate, the difference between the net proceeds and carrying amount is charged or credited to the statement of comprehensive income. The net investment in an associate is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated.

Group
Investments in associated companies are accounted for under the equity method. Associate companies are those companies in which the group can exercise significant influence, but which it does not control. The group’s investment in associates includes goodwill and other intangible assets identified on acquisition, net of any accumulated amortisation and impairment loss.

Equity accounting involves recognising in the income statement the group’s share of the associate’s post-acquisition results net of taxation and minority interests in the associate. The group’s share of post-acquisition movements in other comprehensive income is accounted for in the other reserves of the group. The group’s interest in the associate is measured on the statement of financial position at cost, adjusted for the group’s share of the change in post-acquisition net assets, and inclusive of goodwill and other identifiable intangible assets recognised on acquisitions. Where the group’s share of losses in the associate equals or exceeds the carrying amount of its investment, the carrying amount of the investment, as well as any loans to the associate, is reduced to nil and no further losses are recognised, unless the group has incurred obligations to the associate or the group has guaranteed or committed to satisfying obligations of the associate.

Dividends received or receivable from the associate are recognised as a reduction in the carrying amount of the investment.

Unrealised gains and losses on transactions between the group and its associates are eliminated to the extent of the group’s interest in the associates, unless the loss provides evidence of an impairment of the asset transferred.

The net investment in an associate is impaired and impairment losses are incurred if, and only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated.

Group refers to a significant associate company held by Welkom Yizani and these are the economic interest financial statements.

An impairment loss is recognised in the statement of comprehensive income when the carrying amount of an asset exceeds its recoverable amount. An asset’s recoverable amount is the higher of the amount obtainable from the sale of an asset in an arm’s length transaction between knowledgeable willing parties, or its value in use. 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

*Group is defined as economic interest.
7. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP
The International Accounting Standards Board (IASB) issued a number of standards, amendments to standards and interpretations during the financial year ended 31 March 2020.

The following amended accounting standards have been adopted by the group and are applicable for the first time during the year ended 31 March 2020. These pronouncements had no significant effect on the group’s financial statements:

<table>
<thead>
<tr>
<th>Standard/Interpretation</th>
<th>Title</th>
<th>Effective on</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS 16</td>
<td>Leases</td>
<td>1 January 2019</td>
</tr>
</tbody>
</table>

The company does not have leases and this standard will not have an impact as it is not applicable. There are no new upcoming standards that are expected to affect the annual financial statements.

8. INVESTMENT IN ASSOCIATE
The principle activity of Welkom Yizani is to own 15% of the ordinary shares in Media24 Holdings Proprietary Limited, a company incorporated in South Africa. This is an unlisted investment.

This investment is classified as an investment in associate, as significant influence was established through board representation even though the group only has a 15% interest.

<table>
<thead>
<tr>
<th>Movement in carrying amount</th>
<th>Group*</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>At the beginning of the year</td>
<td>351 577</td>
<td>351 577</td>
</tr>
<tr>
<td>Share of net loss</td>
<td>(28 548)</td>
<td>(59 509)</td>
</tr>
<tr>
<td>Share of changes in other comprehensive income</td>
<td>71 546</td>
<td>16 390</td>
</tr>
<tr>
<td>Dividends received</td>
<td>(6 295)</td>
<td>(6 295)</td>
</tr>
<tr>
<td>(Impairment)/Reversal of impairment of investment</td>
<td>(118 966)</td>
<td>49 414</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>269 314</td>
<td>351 577</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reconciliation between original cost and carrying amount</th>
<th>Group*</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original cost</td>
<td>730 000</td>
<td>730 000</td>
</tr>
<tr>
<td>Accumulated share of losses</td>
<td>(246 376)</td>
<td>(217 828)</td>
</tr>
<tr>
<td>Accumulated share of comprehensive income</td>
<td>459 203</td>
<td>387 657</td>
</tr>
<tr>
<td>Total dividends received</td>
<td>(446 788)</td>
<td>(440 493)</td>
</tr>
<tr>
<td>Opening accumulated impairment</td>
<td>(107 759)</td>
<td>(157 173)</td>
</tr>
<tr>
<td>(Impairment)/Reversal of impairment of investment</td>
<td>(118 966)</td>
<td>49 414</td>
</tr>
<tr>
<td>Closing accumulated impairment</td>
<td>(226 725)</td>
<td>(107 759)</td>
</tr>
<tr>
<td>Net carrying amount at year-end</td>
<td>269 314</td>
<td>351 577</td>
</tr>
</tbody>
</table>

*Group is defined as economic interest.
The company received a dividend of R6.3m (2019: R6.3m) from Media24 Holdings Proprietary Limited.

Investment in associate was measured during the year at the lower of its carrying amount and fair value less costs to disposal for the group and company, resulting in a recognition of an impairment of R119m (2019: R49m reversal of impairment) for the group and R82m (2019: nil) for the company in the statement of comprehensive income. The fair value was determined using the discounted cashflow model. This is a level 3 measurement as per the fair value hierarchy set out in note 11.

The impairment for the group relates to the decline in the projected cash flows and specifically an increase in the trading losses incurred due to the current forecasted economic circumstances the business will be impacted by.

The share of net loss of R29m (2019: R59m) is equal to 15% of Media24 Holdings’ equitable losses of R8m (2019: R38m), and adjusted for pre-acquisition accounting of R21m (2019: R21m).

The discounted cash flow model was used to determine the fair value less cost to sell of the investment in associate at the end of the financial year for the group and company.

Management used 10-year projected cash flow models, with growth rates ranging between 0% and 5% and weighted-average cost of capital of 16% applied to print media and 21% applied to ecommerce retail (2019: 14.3%) in measuring the impairment losses for the group and company.

The cash flows were adjusted to take into account Covid-19 implications. The Covid-19 implications taken into account were the decrease in the circulation and advertising revenue but a positive outlook in the ecommerce revenue. The significant change from last year is due to the change in the prime rate and the risk-free rate in March 2020 mainly due to Covid-19. Management used 10-year projected cash flow models, based upon the use of internal experts and the expected mid- to long-term market changes in both the mature portfolio and growth portfolio. The estimated projections for the period six to 10 years are due to the monetisation and expected inflows from the growth portfolio’s as building to scale takes longer than five years with breakeven expected beyond five years (average growth rate of 4% to 5%). The mature portfolio cost savings and sale of non-core assets are expected to continue beyond the five years in line with economic environment and trends in the print media industry (average growth rate of 0%).

There are a number of key judgements and estimates made in the expected group cash flows of Media24 Holdings Proprietary Limited group, which include:

- improved operating margins through lower printing prices and ongoing cost-saving initiatives thereby increasing trading profit in the mature portfolio despite revenue declines
- increase in the growth portfolio revenue from the continued investment to build scale and improvement of the trading profit as breakeven point is achieved
- reduced capital expenditure and proceeds from sale of non-core assets but partly eroded by the higher net working capital requirement in the upscaling of the growth portfolio
- discount rate applied to the projected cash flows, and
- terminal growth rates.

The discount rate was based on South Africa 10-year bond yield historical data and is adjusted for specific risk factors.

**SENSITIVITY ANALYSIS**

A sensitivity analysis of a 2% change in the weighted-average cost of capital, is shown for the significant unobservable input below:

- An increase in the weighted-average cost of capital by 2% reduces the valuation by R15.8m.
- A decrease in the weighted-average cost of capital by 2% increases the valuation by R24.8m.

A sensitivity analysis of a 1% change in the growth rate, is shown for the significant unobservable input below:

- An increase in the growth rate by 1% increases the valuation by R5.1m.
- A decrease in the growth rate by 1% decreases the valuation by R4.3m.

*Group is defined as economic interest.*
### SUMMARISED FINANCIAL INFORMATION OF UNLISTED ASSOCIATE AS PER THE ANNUAL FINANCIAL STATEMENTS OF MEDIA24 HOLDINGS PROPRIETARY LIMITED

<table>
<thead>
<tr>
<th></th>
<th>Media24</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td>Summarised balance sheet</td>
<td></td>
</tr>
<tr>
<td></td>
<td>R'000</td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalent</td>
<td>219 391</td>
</tr>
<tr>
<td>Other current assets (excluding cash)</td>
<td>1 944 343</td>
</tr>
<tr>
<td>Total current assets</td>
<td>2 163 734</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities (excluding trade payables)</td>
<td>(953 670)</td>
</tr>
<tr>
<td>Other current liabilities (including trade payables)</td>
<td>(233 620)</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>(1 187 290)</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td>756 241</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>(20 871)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(364 154)</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td>(385 025)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1 347 660</td>
</tr>
<tr>
<td><strong>Summarised statement of comprehensive income</strong></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>4 788 937</td>
</tr>
<tr>
<td>Interest income</td>
<td>78 423</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(13 015)</td>
</tr>
<tr>
<td>Pre-tax loss from continuing operations</td>
<td>(106 090)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(34 946)</td>
</tr>
<tr>
<td>Post-tax loss from continuing operations</td>
<td>(141 036)</td>
</tr>
<tr>
<td>Post-tax loss from discontinued operations</td>
<td>—</td>
</tr>
<tr>
<td>Post-tax loss for the year</td>
<td>(141 036)</td>
</tr>
<tr>
<td>– Loss for the year attributable to equity holders of group</td>
<td>(48 216)</td>
</tr>
<tr>
<td>– Loss for the year attributable to non-controlling interests</td>
<td>(92 820)</td>
</tr>
<tr>
<td>Other comprehensive income/expense</td>
<td>(125 992)</td>
</tr>
<tr>
<td><strong>Total comprehensive expense</strong></td>
<td>(267 028)</td>
</tr>
<tr>
<td><strong>Reconciliation of summarised financial information</strong></td>
<td></td>
</tr>
<tr>
<td>Opening net assets on 1 April</td>
<td>918 168</td>
</tr>
<tr>
<td>Loss for the year</td>
<td>(141 036)</td>
</tr>
<tr>
<td>Total other comprehensive loss</td>
<td>(125 992)</td>
</tr>
<tr>
<td>Share-based compensation movement</td>
<td>30 895</td>
</tr>
<tr>
<td>Acquisition/(Liquidation/Sale) of subsidiaries/joint ventures</td>
<td>(16 933)</td>
</tr>
<tr>
<td>Capital contribution from Naspers</td>
<td>558 636</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(59 928)</td>
</tr>
<tr>
<td>Other movements</td>
<td>(6 680)</td>
</tr>
<tr>
<td>Non-controlling interest share of movement for the year</td>
<td>147 824</td>
</tr>
<tr>
<td><strong>Closing net assets</strong></td>
<td>1 304 954</td>
</tr>
<tr>
<td>Interest in associate (15%)</td>
<td>195 743</td>
</tr>
<tr>
<td>Net identifiable assets</td>
<td>73 571</td>
</tr>
<tr>
<td><strong>Carrying value</strong></td>
<td>269 314</td>
</tr>
</tbody>
</table>

*Group is defined as economic interest.*
9. RELATED PARTIES
The chair (Rachel Jafta) holds in aggregate 430 (2019: 430) ordinary shares in the company. Lurica Jacquet is a trustee of the Rubato Trust which owns 1 167 130 (2019: 1 167 130) shares in aggregate. Jo-Ann Held, a non-executive director, holds in aggregate 430 (2019: 430) ordinary shares in the company. Media24 Holdings Proprietary Limited is a related party by way of it being an associate. Refer to note 8 for further details. The major shareholders (top five) of Welkom Yizani are The Rubato Trust (8%), The Kumbule Trust (2%), Sello Soulman Nakedi (1%), Naspers Opvoedingtrust (1%) and Prevesh Hemrajh (1%). The remaining shares are held by a vast group of individuals and other entities.

No emoluments were paid to the directors or any individuals holding a prescribed office during the year. Included in other payables is an amount of R1 372 695 (2019: R812 076) due to Media24 Holdings Proprietary Limited. There are no fixed terms of repayment.

10. BASIC (LOSS)/EARNINGS PER SHARE

<table>
<thead>
<tr>
<th></th>
<th>Group*</th>
<th></th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2019</td>
<td>2020</td>
</tr>
<tr>
<td>Basic (loss)/earnings per share</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Loss)/Profit from continuing operations attributable to owners of the parent</td>
<td>(146 342)</td>
<td>(8 860)</td>
<td>(74 796)</td>
</tr>
<tr>
<td>Weighted-average number of ordinary shares in issue (’000)</td>
<td>14 600</td>
<td>14 600</td>
<td>14 600</td>
</tr>
<tr>
<td>Basic (loss)/earnings per share</td>
<td>(R10.02)</td>
<td>(R0.61)</td>
<td>(R5.12)</td>
</tr>
</tbody>
</table>

Headline earnings is calculated based on Circular 4/2018 issued by the South African Institute of Chartered Accountants.

Reconciliation between profit attributable to owners of the parent and headline earnings

<table>
<thead>
<tr>
<th>(Loss)/Profit for the year</th>
<th>(146 342)</th>
<th>(8 860)</th>
<th>(74 796)</th>
<th>7 530</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairment of investment/(Reversal of impairment)</td>
<td>118 966</td>
<td>(49 414)</td>
<td>82 263</td>
<td>—</td>
</tr>
<tr>
<td>– Gross</td>
<td>118 966</td>
<td>(49 414)</td>
<td>82 263</td>
<td>—</td>
</tr>
<tr>
<td>– Tax effect</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Headline (loss)/earnings for the year</td>
<td>(27 376)</td>
<td>(58 274)</td>
<td>7 467</td>
<td>7 530</td>
</tr>
<tr>
<td>Weighted-average number of ordinary shares in issue (’000)</td>
<td>14 600</td>
<td>14 600</td>
<td>14 600</td>
<td>14 600</td>
</tr>
<tr>
<td>Headline (loss)/earnings per share</td>
<td>(R1.88)</td>
<td>(R3.99)</td>
<td>R0.51</td>
<td>R0.52</td>
</tr>
<tr>
<td>Net asset value per share</td>
<td>R18.91</td>
<td>R24.46</td>
<td>R18.91</td>
<td>R24.46</td>
</tr>
</tbody>
</table>

*Group is defined as economic interest.
11. FAIR VALUE HIERARCHY
The fair value hierarchy is the following for the group:
- 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 (ie as prices) or indirectly (ie derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The investment in Media24 Holdings Proprietary Limited (investment in associate) is valued under level 3 fair value measurements. The valuation and policies together with the gain and losses recognised in profit and loss is disclosed under note 8.

12. GOING CONCERN
The group and company annual financial statements are prepared on the going concern basis. Based on group 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 and company recorded R40.8m (2019: R40.5m) in net cash, comprising of cash and cash equivalents (including short-term cash investments). The group had Rnil (2019: Rnil) interest-bearing debt.

Welkom Yizani relies on the Media24 Holdings Proprietary Limited dividend to continue its operations and therefore their going concern was assessed. Media24 Holdings Proprietary Limited annual financial statements are prepared on a going concern basis, as the group has adequate resources to continue operations as a going concern in the foreseeable future.

The impact of the Covid-19 pandemic on operations and liquidity was considered in preparing the Media24 group’s 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 next financial year.

13. SUBSEQUENT EVENT
On 23 March 2020 President Cyril Ramaphosa announced that a national lockdown would be implemented for 21 days from 26 March 2020 in response to the Covid-19 outbreak in South Africa, with a further extension to 30 April announced on 9 April 2020. The national lockdown and the expected economic slowdown are expected to negatively impact sales and profitability and its carrying value of its investment in Media24 Holdings Proprietary Limited. The directors are not aware of any material adverse effects on the financial statements as a result of the Covid-19 outbreak.

*Group is defined as economic interest.*
**Media24 Holdings Proprietary Limited**

**Registration number**
2006/021408/07

**Group company secretary**
Lurica Jacquet
Media24 Centre, 40 Heerengracht,
Cape Town 8001
(PO Box 2271, Cape Town 8000)

**Registered office**
Media24 Centre, 40 Heerengracht,
Cape Town 8001
(PO Box 2271, Cape Town 8000)

**Joint attorneys and tax advisers**
Webber Wentzel
10 Fricker Road, Illovo Boulevard,
Johannesburg 2196
(PO Box 61771, Marshalltown 2107)

**Joint attorneys**
Werksmans Inc.
Level 1, no 5 Silo Square, V&A Waterfront,
Cape Town 8002
(PO Box 1471, Cape Town 8000)

**Independent auditor**
PricewaterhouseCoopers Inc.
No 5 Silo Square, V&A Waterfront,
Cape Town 8002
(PO Box 2799, Cape Town 8000)

**For the purposes of the virtual annual general meeting**
The Meeting Specialist Proprietary Limited
JSE Building, One Exchange Square
Gwen Lane, Sandown 2196
(proxy@tmsmeetings.co.za
Tel: +27 11 520 7951/0/2

---

**Welkom Yizani Investments (RF) Limited**

**Registration number**
2006/021434/06

**Company secretary**
Lurica Jacquet
Media24 Centre, 40 Heerengracht,
Cape Town 8001
(PO Box 2271, Cape Town 8000)

**Registered office**
Media24 Centre, 40 Heerengracht,
Cape Town 8001
(PO Box 2271, Cape Town 8000)

**Trading helpdesk and transfer secretaries**
Singular Systems Proprietary Limited
(Registration number: 2002/001492/07)

**Welkom Yizani Investments (RF) Limited**

**Independent auditor**
PricewaterhouseCoopers Inc.
No 5 Silo Square, V&A Waterfront,
Cape Town 8002
(PO Box 2799, Cape Town 8000)

**For the purposes of the virtual annual general meeting**
The Meeting Specialist Proprietary Limited
JSE Building, One Exchange Square
Gwen Lane, Sandown 2196
(proxy@tmsmeetings.co.za
Tel: +27 11 520 7951/0/2
Notice is hereby given in terms of the Companies Act 71 of 2008, as amended (the Act), that the 14th annual general meeting of Media24 Holdings Proprietary Limited (the company) will, in terms of the company’s memorandum of incorporation and section 63(2) of the Act, be conducted entirely by electronic communication on Thursday 27 August 2020 at 11:00. Accordingly, there will be no physical meeting and the annual general meeting or any adjournment thereof will only be accessible through electronic communication in the manner set out below.

RECORD DATE, ATTENDANCE AND VOTING
The record date for the meeting is Thursday 13 August 2020, being the date on which a person must be registered as a shareholder of the company to be entitled to attend and vote at the annual general meeting. For purposes of this notice, any reference to a person attending the meeting or participating in or voting at the meeting shall be construed as a reference to such person attending or participating or voting, as the case may be, by electronic communication.

ELECTRONIC PARTICIPATION
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 entitled to attend and vote at the meeting or their proxies. TMS will also act as scrutineer for purposes of the annual general meeting.

Shareholders who wish to participate in the meeting electronically and/or vote at the annual general meeting should contact Singular Systems Proprietary Limited (providing details on how the shareholder or representative (including proxy) can be contacted) as soon as possible, but in any event no later than 11:00 on Tuesday 25 August 2020 either by email at WelkomYizani@singulareservices.co.za or telephonically at 0860 12 12 24.

This will allow Singular Systems Proprietary Limited to arrange for the shareholder (or representative or proxy) to provide reasonably satisfactory identification 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. Shareholders must note that in terms of section 63(1) of the Act, any person (including proxies) attending or participating in the annual general meeting must present reasonably satisfactory identification before being entitled to attend or participate in and vote at the annual general meeting.

Singular Systems Proprietary Limited is obliged to validate, in consultation with the company, each shareholder’s entitlement to participate in and/or vote at the annual general meeting before a shareholder receives the necessary means to access the annual general meeting and the associated electronic voting platform. Kindly note that 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 vote, either as shareholder or as proxy for a shareholder, has been reasonably verified. Forms of identification include valid identity documents, driver’s licences and passports, duly certified as true copies of the originals, and presented to the transfer secretaries as set out above.

TMS will assist shareholders with the requirements for electronic participation in, and voting at, the annual general meeting, including details of how to access the electronic voting platform. Such participants, who have complied with the verification requirements set out above, will be contacted by TMS between Tuesday 25 August 2020 and Wednesday 26 August 2020, and in any event by no later than twenty-four (24) hours before the annual general meeting. They will be...
provided with: (i) the relevant connection details; (ii) the passcodes through which they or their proxy/ies can participate via electronic communication; (iii) detail of the process for participation via a unique link to the email/cellphone number that was provided to the transfer secretaries as part of the verification process. 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.

Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the annual general meeting. None of these charges will be for the account of the company and/or TMS and/or Singular Systems Proprietary Limited. None of the company, TMS or Singular Systems Proprietary Limited can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any shareholder from participating in and/or voting at the annual general meeting.

Should you wish to participate by way of electronic communication, you will be required to connect with the details as provided by TMS 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, ask directors questions online and submit your votes in real time.

For administrative purposes, in order to participate and vote, requests for registration for electronic participation must be received by Singular Systems Proprietary Limited via email at WelkomYizani@singularservices.co.za or on telephone number 0860 12 12 24 before 11:00 on Tuesday 25 August 2020.

**PROXIES**

A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more person(s) as a proxy or proxies to attend, participate in and vote at the meeting in their place. A proxy need not be a shareholder of the company. A form of proxy, which includes relevant instructions for its completion, is attached for the use of shareholders who wish to be represented at the annual general meeting. Completing a form of proxy will not preclude a shareholder from attending and voting (in preference to that shareholder’s proxy) at the annual general meeting.

Shareholders are advised, and strongly encouraged, to participate in the annual general meeting electronically and, for administrative ease, to make use of the proxy voting as outlined in this notice.

Any shareholder who timeously completes and lodges a proxy form will nevertheless still be entitled to attend and participate, via electronic means, in the annual general meeting, and may vote to the exclusion of any proxy instructions already lodged subject to withdrawing those instructions.

A shareholder may appoint a proxy at any time. All proxies must be received before the annual general meeting. For practical purposes, forms of proxy must be received by the transfer secretaries not less than forty-eight (48) hours (excluding Saturdays, Sundays and public holidays) before the annual general meeting to allow for processing. Proxy forms may be submitted in the following manner:

- by post at, or delivered by hand to, Singular Systems Proprietary Limited, 25 Scott Street, Waverley 2190 or PO Box 785261, Sandton 2146 (for the attention of Grant Bailey), or
- delivered by email to WelkomYizani@singularservices.co.za, or
- a shareholder may log in to their Equity Express Securities Exchange (E ESE) shareholder account (www.eese.co.za) and cast their proxy vote online, or
- by contacting Singular Systems Proprietary Limited telephonically at 0860 12 12 24 to cast such shareholder’s proxy vote telephonically.

A form of proxy is enclosed with this notice. The form of proxy may also be obtained on request from the registered office of the company during business hours or on the company website as a separate pdf download in the 2020 integrated annual report available under the investors section.
PURPOSE OF MEETING
The purpose of the meeting is:
(i) to present the directors’ report, the audited annual financial statements of the company for the immediately preceding financial year and the audit committee report;
(ii) to consider and, if approved, to adopt, with or without amendment, the resolutions set out herein; and
(iii) to consider any other matters raised by shareholders of the company, with or without advance notice to the company.

ORDINARY RESOLUTIONS
Each of the following ordinary resolutions requires the support of a majority of votes exercised by shareholders present or represented by proxy at this meeting to be adopted:

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 and audit committee.
   The summarised annual financial statements are included in the integrated annual report of which this notice forms part. The complete annual financial statements of the company for the preceding financial year can be obtained at www.media24.com. A copy is also available on request during normal business hours at Media24’s registered office: 40 Heerengracht, Cape Town 8001 (contact person – Mr M Patel).

2. To approve a dividend of R42m in the issued share capital of the company, as proposed by the board, after it applied the solvency and liquidity tests contemplated in the Act, and concluded that the company will satisfy such tests immediately after completing the proposed distribution.

3. To reappoint, on recommendation of the company’s audit committee, PricewaterhouseCoopers Inc. as the independent registered auditor of the company (noting that Mr Viresh Harri 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 elect Prof R C C Jafta and Mrs E Weideman, who retire by rotation and, being eligible, offer themselves for re-election as directors. Their brief biographical details appear on pages 40 and 41.
   The board unanimously recommends that the re-election of directors in terms of resolution 4 be approved by shareholders of the company. The re-election of each director will be conducted by separate ordinary resolution.

5. To appoint audit committee members as required by the Act and recommended by the King IV 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 fulfill their duties, as contemplated in regulation 42 of the Companies Regulations 2011. 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 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 the appointment of Mr T D Petersen, Mrs J C Held and Mrs K R Mthimunye as members of the audit committee. Their brief biographical details appear on pages 40 and 41.
   The appointment of members of the audit committee will be conducted by way of a separate ordinary resolution for each person.

6. To endorse the company’s remuneration policy, as set out in the remuneration report in the integrated annual report on pages 58 to 63, by way of a non-binding advisory vote.

7. To approve the implementation report of the
remuneration report, as set out in the integrated annual report on pages 58 to 63, by way of a non-binding advisory vote.

The following special resolutions will be considered at the annual general meeting and, if approved, will be adopted with or without amendment:

**SPECIAL RESOLUTIONS**

Each of the special resolutions below requires the support of at least 75% of the votes exercised by shareholders present or represented by proxy at this meeting to be adopted.

1. That the company or any of its subsidiaries be and are hereby authorised to acquire ordinary shares issued by the company from any person (including any director or prescribed officer of the company or any person related to them), in terms of and subject to the Act.

   The reason for and effect of special resolution number 1 is to grant the company or a subsidiary of the company the general authority in terms of the Act to acquire its ordinary shares.

2. That the company, as authorised by the board, may generally provide, in terms of and subject to the requirements of section 44 of the Act, any financial assistance by way of a loan, guarantee, the provision of security or otherwise to a related or inter-related company or corporation, or to a member of a related or inter-related corporation 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 authority hereby conferred on the board for these purposes.

   The reason for and effect of special resolution number 2 is to approve generally the provision of financial assistance to the potential recipients as set out in the resolution.

3. That the company, as authorised by the board, may generally provide, in terms of and subject to the requirements of section 45 of the Act, any direct or indirect financial assistance to a related or interrelated company or corporation, or to a member of a related or interrelated corporation, pursuant to the authority hereby conferred on the board for these purposes.

   The reason for and effect of special resolution number 3 is to approve generally the provision of financial assistance to the potential recipients as set out in the resolution.

**ORDINARY RESOLUTION**

8. Each of the directors of the company is hereby authorised to perform all such acts and sign all such documentation as may be necessary to effect the implementation of the ordinary and special resolutions adopted at this annual general meeting.

**OTHER BUSINESS**

To transact any other business that may be transacted at an annual general meeting.

**GENERAL**

Subject to the proxies given by Welkom Yizani Investments (RF) Limited (Welkom Yizani) to its shareholders to vote at the annual general meeting of the company in its stead, the ordinary shareholders of the company are entitled to attend, speak and vote at the annual general meeting (with each ordinary share in the company giving its holder one vote).

Votes at the annual general meeting will be taken by way of a poll and not on a show of hands. Each ordinary shareholder present or represented by proxy will be entitled to that number of votes equal to the number of ordinary shares held by that shareholder.

In line with the provisions of article 6.8 of the memorandum of incorporation of the company, each shareholder of Welkom Yizani has been irrevocably appointed as a proxy for Welkom Yizani and is entitled, at the annual general meeting of the company, to exercise one vote for each share that shareholder holds in Welkom Yizani.

By order of the board

L J Jacquet
Company secretary
Cape Town
30 July 2020
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given in terms of the Companies Act 71 of 2008, as amended (the Act), that the 14th annual general meeting of Welkom Yizani Investments (RF) Limited (the company) will, in terms of the company’s memorandum of incorporation and section 63(2) of the Act, be conducted entirely by electronic communication on Thursday 27 August 2020, immediately after the conclusion of the Media24 Holdings Proprietary Limited annual general meeting, which is scheduled to be held at 11:00 on that day. Accordingly, there will be no physical meeting and the annual general meeting or any adjournment thereof will only be accessible through electronic communication in the manner set out below.

RECORD DATE, ATTENDANCE AND VOTING
The record date for the meeting is Thursday 13 August 2020, being the date on which a person must be registered as a shareholder of the company to be entitled to attend and vote at the annual general meeting. For purposes of this notice, any reference to a person attending the meeting or participating in or voting at the meeting shall be construed as a reference to such person attending or participating or voting, as the case may be, by electronic communication.

ELECTRONIC PARTICIPATION
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 entitled to attend and vote at the meeting or their proxies. TMS will also act as scrutineer for purposes of the annual general meeting.

Shareholders who wish to participate in the meeting electronically and/or vote at the annual general meeting are required to contact Singular Systems Proprietary Limited (providing details on how the shareholder or representative (including proxy) can be contacted) as soon as possible, but in any event no later than 11:00 on Tuesday 25 August 2020 either by email at WelkomYizani@singularservices.co.za or telephonically at 0860 12 12 24.

This will allow Singular Systems Proprietary Limited to arrange for the shareholder (or representative or proxy) to provide reasonably satisfactory identification 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. Shareholders must note that in terms of section 63(1) of the Act, any person (including proxies) attending or participating in the annual general meeting must present reasonably satisfactory identification before being entitled to attend or participate in and vote at the annual general meeting.

Singular Systems Proprietary Limited is obliged to validate, in consultation with the company, each shareholder’s entitlement to participate in and/or vote at the annual general meeting before a shareholder receives the necessary means to access the annual general meeting and the associated electronic voting platform. Kindly note that 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 vote, either as shareholder or as proxy for a shareholder, has been reasonably verified. Forms of identification include valid identity documents, driver’s licences and passports, duly certified as true copies of the originals, and presented to the transfer secretaries as set out above.

TMS will assist shareholders with the requirements for electronic participation in, and voting at, the annual general meeting, including details of how
to access the electronic voting platform. Such participants, who have complied with the verification requirements set out above, will be contacted by TMS between **Tuesday 25 August 2020** and **Wednesday 26 August 2020**, and in any event by no later than twenty-four (24) hours before the annual general meeting. They will be provided with (i) the relevant connection details (ii) the passcodes through which they or their proxy/ies can participate via electronic communication (iii) detail of the process for participation via a unique link to the email/cellphone number that was provided to the transfer secretaries as part of the verification process. 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.

Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the annual general meeting. None of these charges will be for the account of the company and/or TMS and/or Singular Systems Proprietary Limited. None of the company, TMS or Singular Systems Proprietary Limited can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any shareholder from participating in and/or voting at the annual general meeting.

Should you wish to participate by way of electronic communication, you will be required to connect with the details as provided by TMS 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, ask directors questions online and submit your votes in real time.

**For administrative purposes, in order to participate and vote, requests for registration for electronic participation must be received by Singular Systems Proprietary Limited via email at WelkomYizani@singularservices.co.za or on telephone number 0860 12 12 24 before 11:00 on Tuesday 25 August 2020.**

**PROXIES**
A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more person(s) as a proxy or proxies to attend, participate in and vote at the meeting in their place. A proxy need not be a shareholder of the company. A form of proxy, which includes relevant instructions for its completion, is attached for the use of shareholders who wish to be represented at the annual general meeting. Completing a form of proxy will not preclude a shareholder from attending and voting (in preference to that shareholder’s proxy) at the annual general meeting.

Shareholders are advised, and strongly encouraged, to participate in the annual general meeting electronically and, for administrative ease, to make use of the proxy voting as outlined in this notice.

Whether or not a shareholder proposes to attend the annual general meeting via electronic means, please complete and submit a proxy form in accordance with the instructions printed on it. For practical purposes, proxy forms should be received at the applicable return address (stipulated in the instructions) by no later than **11:00 on Tuesday 25 August 2020**. Any shareholder who timeously completes and lodges a proxy form will nevertheless still be entitled to attend and participate, via electronic means, in the annual general meeting, and may vote to the exclusion of any proxy instructions already lodged subject to withdrawing those instructions.

A shareholder may appoint a proxy at any time. All proxies must be received before the annual general meeting. For practical purposes, forms of proxy must be received by the transfer secretaries not less than forty-eight (48) hours (excluding Saturdays, Sundays and public holidays) before the annual general meeting to allow for processing. Proxy forms may be submitted in the following manner:
by post at, or delivered by hand to, Singular Systems Proprietary Limited, 25 Scott Street, Waverley 2190 or PO Box 785261, Sandton 2146 (for the attention of Grant Bailey), or
■ delivered by email to WelkomYizani@singularservices.co.za, or
■ a shareholder may log in to their Equity Express Securities Exchange (EESE) shareholder account (www.eese.co.za) and cast their proxy vote online, or
■ by contacting Singular Systems Proprietary Limited telephonically at 0860 12 12 24 to cast such shareholder’s proxy vote telephonically.

A form of proxy is enclosed with this notice. The form of proxy may also be obtained on request from the registered office of the company during business hours or on the company website as a separate pdf download in the 2020 integrated annual report available under the investors section.

PURPOSE OF MEETING
The purpose of the meeting is:
(i) to present the directors’ report, the audited annual financial statements of the company for the immediately preceding financial year and the audit committee report;
(ii) to consider and, if approved, to adopt, with or without amendment, the resolutions set out below; and
(iii) to consider any other matters raised by the shareholders of the company, with or without advance notice to the company.

ORDINARY RESOLUTIONS
Each of the following ordinary resolutions requires the support of a majority of votes exercised by shareholders present or represented by proxy at this meeting to be adopted:

1. To consider and accept the annual financial statements of the company for the twelve (12) months ended 31 March 2020, as well as the reports of the directors, auditor and audit committee.

2. After having applied the solvency and liquidity tests contemplated in the Act, in terms of which it has concluded that the company will satisfy such tests immediately after completing the proposed distribution, the board approved that a dividend of 42.5 cents per ordinary share be declared, which the shareholders hereby approve.

3. To reappoint, on the recommendation of the company’s audit committee, PricewaterhouseCoopers Inc. as independent registered auditor of the company (noting that Mr D Adriaans 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 elect prof R C C Jafta, who retires by rotation and, being eligible, offers herself for re-election as a director of the company. Her brief biographical details appear on page 68 of this report. The board unanimously recommends that the re-election of Prof Jafta in terms of resolution 4 be approved by the shareholders of the company.

5. To confirm the appointment of Mr O Lalbahadur as a director of the company. His brief biographical details appear on page 86. The board unanimously recommends that the appointment of Mr O Lalbahadur in terms of resolution 5 be confirmed by the shareholders.

The summarised annual financial statements of the company for the preceding financial year are included in the integrated annual report of which this notice forms part. The complete annual financial statements of the company for the preceding financial year can be obtained at www.welkomyizani.co.za.

A copy is also available on request during normal business hours at the company’s registered office: 40 Heerengracht, Cape Town 8001 (contact person – Mr M Patel).
6. To appoint audit committee members as required in terms of the Act and as recommended by the King IV Code on Corporate Governance for South Africa 2016 (King IV, principle 8).

The board is 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. 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 and other regulations and guidelines applicable to the company. They keep up to date with developments affecting their required skills set.

The board therefore unanimously recommends the appointment of Prof R C C Jafta, Mr O Lalbahadur and Mrs J C Held as members of the audit committee. Their brief biographical details appear on page 86 of this report.

The appointment of members of the audit committee will be conducted by way of a separate ordinary resolution in respect of each individual.

7. Each of the directors of the company is hereby authorised to perform all acts and sign all documentation necessary to effect the implementation of the ordinary resolutions adopted at this annual general meeting.

OTHER BUSINESS
To transact such other business as may be transacted at an annual general meeting.

GENERAL
The ordinary shareholders of the company are entitled to attend, speak and vote at the annual general meeting (with each ordinary share in the company giving its holder one vote). Votes at the annual general meeting will be taken by way of a poll and not on a show of hands. Each ordinary shareholder present or represented by proxy will be entitled to that number of votes equal to the number of ordinary shares held by that shareholder.

By order of the board

L J Jacquet
Company secretary
Cape Town
30 July 2020
Form of proxy // Volmagvorm

MEDIA24 HOLDINGS PROPRIETARY LIMITED // MEDIA24 BEHEREND EIENDOMS BEPERK
(Incorporated in the Republic of South Africa) // (Geïnkorporeer in die Republiek van Suid-Afrika)
(Rегистration number: 2006/021408/07) // (Registrasienummer: 2006/021408/07)
(the company) // (die maatskappy)

For use by shareholders at the 14th annual general meeting to be held entirely by electronic communication on Thursday 27 August 2020 at 11:00. //
Voor gebruik deur aandeelhouders by die 14de algemene jaarvergadering wat op Donderdag 27 Augustus 2020 om 11:00 in die geheel by wyse van elektroniese kommunikasie gehou sal word.

I/We // Ek/Ons
of // van
identity number/registration number // identiteitsnommer/registrasienummer
(address) // (adres)
being a holder(s) of // wat 'n houer(s) is van
Welkom Yizani ordinary shares in the company, hereby appoint according to my authorisation (see note 1) //
Welkom Yizani- gewone aandele in die maatskappy, stel hiermee aan volgens my magtiging (sien aantekening 1)

1.
of // van or, failing him/her, // of, indien nie hy/sy nie

2.
of // van or, failing him/her, // of, indien nie hy/sy nie

3. the chair of the company or, failing him/her, the chair of the annual general meeting as my/our proxy to vote on my/our behalf at the annual general meeting of the company to be held entirely by electronic communication on Thursday 27 August 2020 at 11:00 on that day or at any adjournment, and generally to act as my/our proxy at that annual general meeting. // die voorsitter van die maatskappy of, indien nie hy/sy nie, die voorsitter van die algemene jaarvergadering as my/ons gevolmagtigde om namens my/ons te stem by die algemene jaarvergadering van die maatskappy wat op Donderdag 27 Augustus 2020 om 11:00 op daardie dag in die geheel by wyse van elektroniese kommunikasie gehou sal word, of by enige verdaging daarvan, en oor die algemeen as my/ons gevolmagtigde by genoemde algemene jaarvergadering op te tree.

I/We desire to vote as follows (see note 8): // Ek/Ons wil soos volg stem (sien aantekening 8):

<table>
<thead>
<tr>
<th>Resolution</th>
<th>In favour of // Ten gunste van</th>
<th>Against // Teen</th>
<th>Abstain // Buite stemming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary resolution 1: Acceptance of annual financial statements. // Gewone besluit 1: Aanvaarding van finansiële jaarstate.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary resolution 2: Approval of dividend. // Gewone besluit 2: Goedkeuring van dividend.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary resolution 4: Re-election of the following directors. // Gewone besluit 4: Herkiesing van die volgende direkteure: Prof R C C Jafta // Prof R C C Jafta</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs E Weideman. // Mev E Weideman.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary resolution 5: Appointment of audit committee members. // Gewone besluit 5: Aanstelling van ouditkomiteelde: Mr T D Petersen // Mnr T D Petersen</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs J C Held // Mev J C Held</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs K R Mthimunye. // Mev K R Mthimunye.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary resolution 6: Endorse company’s remuneration policy. // Gewone besluit 6: Onderskryf maatskappy se vergoedingsbeleid.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary resolution 7: Approve the implementation report of the remuneration report. // Gewone besluit 7: Goedkeuring van die implementeringsverslag van die vergoedingsverslag</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special resolution 1: General authority for the company or any of its subsidiaries to acquire its own shares. // Spesiale besluit 1: Algemene magtiging aan die maatskappy of enige van sy filiale om sy eie aandele te verkry.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special resolution 2: Approval of the provision of financial assistance in terms of section 44 of the Companies Act, 2008. // Spesiale besluit 2: Goedkeuring vir die voorsoening van finansiële bystand ingevolge artikel 44 van die Maatskappypwet, 2008.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special resolution 3: Approval of the provision of financial assistance in terms of section 45 of the Companies Act, 2008. // Spesiale besluit 3: Goedkeuring vir die voorsoening van finansiële bystand ingevolge artikel 45 van die Maatskappypwet, 2008.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary resolution 8: Authorisation to implement all resolutions adopted at the annual general meeting. // Gewone besluit 8: Magtiging om alle besluite wat op die algemene jaarvergadering aangeneem is, uit te voer.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signed at // Geteken te on this // op hierdie day of // dag van 2020
Signature // Handtekening Assisted (where applicable) // Bygestaan deur (waar van toepassing)

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company). // Elke aandeelhouer is daarop geregtig om een of meer gevormagte(s) (wat nie ‘n aandeelhouer(s) van die maatskappy hoef te wees nie) aan te stel.

See notes on page 112. // Sien aantekeninge op bladsy 112.
Notes to the forms of proxy of Media24 Holdings Proprietary Limited and Welkom Yizani Investments (RF) Limited

The following provisions shall apply in relation to proxies:

1. A shareholder of the company may appoint any individual (including one who is not a shareholder of the company) as a proxy to participate in, and speak and vote at, the annual general meeting of the company. A shareholder may therefore insert the name of a proxy or the names of two alternative proxies of their choice in the space provided, with or without deleting ‘the chair of the company or, failing him/her, the chair of the annual general meeting’. The person whose name is first on the proxy form and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

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 that shareholder.

3. A written proxy instrument must be dated and signed by the shareholder.

4. A proxy may not delegate their authority to act on behalf of the shareholder to another person.

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.

6. Irrespective of the form of instrument used to appoint the proxy: i) 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) if the appointment is revocable unless previously recorded by the company or waived by the shareholder; and iii) if the appointment is revocable, a shareholder may revoke the proxy appointment 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.

7. The proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder as determined by the instrument appointing the proxy.

8. A shareholder’s instructions to the proxy must be indicated by inserting an ‘X’ in the appropriate box.

9. Every shareholder present in person or by proxy and entitled to vote will, on a show of hands, have only one vote and, on a poll, every shareholder will have one vote for every ordinary share held.

10. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached unless previously recorded by the company or warded by the chair of the annual general meeting.

11. A shareholder may appoint a proxy at any time. For practical purposes, forms of proxy must be lodged with, or received by post at, the transfer secretaries, Singular Systems Proprietary Limited, 25 Scott Street, Waverley, 2190 or PO Box 785261, Sandton 2146, not less than forty-eight (48) hours (excluding Saturdays, Sundays and public holidays) before the annual general meeting to allow for processing, or delivered by email to WelkomYizani@singularservices.co.za. Alternatively, a shareholder may log in to their Equity Express Securities Exchange (ESEE) shareholder account (www.eese.co.za) and cast their proxy vote online, or contact Singular telephonically at 0860 12 12 24 to cast such shareholder’s proxy vote telephonically, not less than forty-eight (48) hours (excluding Saturdays, Sundays and public holidays) before the annual general meeting, to allow for processing.

Aantekeninge by die volmagvorms van Media24 Beherend Eiendoms Beperk en Welkom Yizani Beleggings (RF) Beperk

Die volgende bepaling is op volmagvorms van toepassing:

1. ‘n Aandeelhouer van die maatskappy mag enige persoon (insluitend ‘n persoon wat nie ‘n aandeelhouer van die maatskappy is nie) as ‘n volmagvormer benoem om aan die algemene jaarvergadering van die maatskappy deel te neem, daarop te praat en daarop te stem. ‘n Aandeelhouer mag dus die naam van ‘n volmagvormer of die naam van twee alternatiewe volmagvormers van die aandeelhouer se keuse in die toepaslike ruimte invul, met of sonder skrapping van “die voorstoter van die maatskappy of, indien nie hy/sy nie, die voorstoter van die algemene jaarvergadering” Die persoon wie se naam eerste op die volmagvorm verskyn en wat by die algemene jaarvergadering teenwoordig is, sal daarop geregte wees om as volmagvormer op te tree met uitsluiting van diegene wie se naam daarna volg.

2. ‘n Aandeelhouer mag twee of meer persone gelykgelig as volmagvormers benoem en meer as een volmagvormer benoem om stemreg uit te oefen wat verbonde is aan verskillende sekturiteit wat deur die aandeelhouer gehou word.

3. ‘n Skriftelike volmagvorm moet gedateer en deur die aandeelhouer onderteken wees.

4. ‘n Volmagvormer mag nie sy/haar gesag om namens die aandeelhouer op te tree aan ‘n ander persoon delegeer nie.

5. ‘n Afkrief van die instrument waarvolgens ‘n volmagvormer benoem is, moet by die maatskappy afgelever word, of aan enige ander persoon namens die maatskappy, voordat die volmagvormer enige regte van die aandeelhouer by die algemene jaarvergadering uitoefen.

6. Ongeag die formaat van die instrument wat gebruik word om die volmagvormer te benoem: i) die benoeming word op enige tyd opgeskort en in soveer die aandeelhouer besluit om direk en persoonlik te handel in die uitvoering van enige regte as ‘n aandeelhouer; ii) kan die benoeming herroep word, tensy die volmagvormerbenoeming uitdruklik anders bepaal; en iii) indien die benoeming herroep kan word, mag ‘n aandeelhouer dié volmagvormerbenoeming herroep deur dit skriftelik te kanselleer of later ‘n onverenigbare benoeming van ‘n volmagvormer te doen en ‘n afkrief van dié herroepingsinstrument by die volmagvormer en die maatskappy af te lever.

7. Die volmagvormer is daarop geregte om enige stemreg van die aandeelhouer soos bepaal deur die instrument waarvolgens die volmagvormer benoem is, uit te oefen.

8. ‘n Aandeelhouer se opdragte aan die volmagvormer moet aangedui word deur ‘n ‘X’ in die toepaslike ruimte aan te bring.

9. Elke aandeelhouer wat self teenwoordig is of deur ‘n volmagvormer verteenwoordig word en daarop geregte is om te stem, het met die opsteek van hande slegs een stem en, in ‘n stemming met stembrieëls, een stem vir elke gewone aandeel wat daardie aandeelhouer hou.

10. Stawende dokumente ter bevestiging van die magtiging van die persoon wat hierdie volmagvorm in ‘n verteenwoordigende hoedanigheid teken, moet by hierdie volmagvorm aangehê wees, tenys dit voorheen deur die maatskappy aangeteken is of deur die voorstoter van die algemene jaarvergadering kwytgeskied is.

11. ‘n Aandeelhouer mag enige tyd ‘n volmagvormer aanstel. Vir praktiese doeleinders moet volmagvorms ingedien word by of gepos word aan die oorlogskommissaris van die maatskappy, Singular Systems Eiendoms Beperk, Scottsstraat 25, Waverley 2190 of Postbus 785261, Sandton 2146, om hulle teen nie later nie as agt-en-veertig (48) uur (Saterdae, Sondae en vakansiedae nie) in berekening gebring nie) voor die algemene jaarvergadering te bereik om voorstoting te maak vir die verwerking van sodanige volmagvorms, of per e-pos aan WelkomYizani@singularservices.co.za. As alternatief kan ‘n aandeelhouer in teken op hul Equity Express Securities Exchange-aandeelhoudersrekening (ESEE) (www.eese.co.za) en aantsien hul volmagvorm utloring, of deur Singular Systems Eiendoms Beperk by kontak by 0860 12 12 24 om sodanige volmagvorm van die aandeelhouer uit te bring om hulle nie later nie as agt-en-veertig (48) uur (Saterdae, Sondae en vakansiedae uitgesluit) voor die algemene jaarvergadering te bereik om voorstoting te maak vir verwerking.
I/We // Ek/Ons of // van identity number/registration number // identiteitsnommer/registrasienommer (address) // (adres) being a holder(s) of // wat 'n houer(s) is van Welkom Yizani ordinary shares in the company, hereby appoint according to my authorisation (see note 1) // Welkom Yizani- gewone aandele in die maatskappy, stel hiermee aan volgens my magtiging (sien aantekening 1)

1. of // van or, failing him/her, // of, indien nie hy/sy nie

2. of // van or, failing him/her, // of, indien nie hy/sy nie

3. the chair of the company or, failing him/her, the chair of the annual general meeting to be held entirely by electronic communication on Thursday 27 August 2020 immediately after the conclusion of the annual general meeting of Media24 Holdings Proprietary Limited, which is scheduled to be held at 11:00. // die voorsitter van die maatskappy of, indien nie hy/sy nie, die voorsitter van die algemene jaarvergadering as my/ons gevolmagtigde om namens my/ons te stem by die algemene jaarvergadering van die maatskappy wat op Donderdag 27 Augustus 2020 gehou word, onmiddellik ná afsluiting van die algemene jaarvergadering van Media24 Beherend Eiendoms Beperk wat om 11:00 op daardie dag in die geheel by wyse van elektroniese kommunikasie gehou sal word of by enige verdaging van die algemene jaarvergadering van die maatskappy, en oor die algemeen as my/ons gevolmagtigde by genoemde algemene jaarvergadering van die maatskappy, op te tree.

I/We desire to vote as follows (see note 8): // Ek/Ons wil soos volg stem (sien aantekening 8):

<table>
<thead>
<tr>
<th>Ordinary resolution 1: Acceptance of annual financial statements. // Gewone besluit 1: Aanvaarding van finansiële jaarstate.</th>
<th>In favour of // Ten gurete van</th>
<th>Against // Teen</th>
<th>Abstain // Buite stemming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary resolution 2: Approval of ordinary share dividend. // Gewone besluit 2: Goedgekeuring van gewoneaandeel dividend.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary resolution 3: Appointment of PricewaterhouseCoopers Inc. as auditor. // Gewone besluit 3: Aanstelling van PricewaterhouseCoopers Geïnk. as outditeur.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary resolution 5: Appointment of director: Mr O Lalbahadur. // Gewone besluit 5: Aanstelling van direkteur: Mnr O Lalbahadur.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary resolution 6: Appointment of audit committee members: // Gewone besluit 6: Aanstelling van outditurenlede:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prof R C C Jafta // Prof R C C Jafta</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr O Lalbahadur // Mr O Lalbahadur</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs J C Held. // Mev J C Held.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary resolution 7: Authorisation to implement all resolutions adopted at annual general meeting. // Gewone besluit 7: Magtiging om alle besluite wat op die algemene jaarvergadering aanvaar is, uit te voer.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signed at // Geteken te on this // op hierdie day of // dag van 2020

Signature // Handtekening Assisted (where applicable) // Bygestaan deur (waar van toepassing)

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder(s) of the company). // Elke aandeelhouer is daarop geregtig om een of meer gevolmagtigde(s) (wat nie 'n aandeelhouer(s) van die maatskappy hoe te wees nie) aan te stel.

See notes on page 112. // Sien aantekeninge op bladsy 112.