## IMPORTANT NOTICE

**UNLESS OTHERWISE NOTED IN A DRAWDOWN PROSPECTUS (AS DEFINED BELOW), THIS BASE PROSPECTUS IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS PURCHASING THE SECURITIES OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S ("REGULATION S") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT").**

**IMPORTANT: You must read the following before continuing.** The following applies to the Base Prospectus (the "**Base Prospectus**") following this page and you are therefore advised to read this page whether received by e-mail, accessed from an internet page or otherwise received as a result of electronic communication, and you are therefore advised to read this page carefully before reading, accessing or making any other use of the Base Prospectus. In reading, accessing or making any other use of the Base Prospectus, you agree to be bound by the following terms and conditions and each of the restrictions set out in the Base Prospectus, including any modifications to them from time to time each time you receive any information from the Issuer, the Arranger or the Dealers (each as defined in the Base Prospectus), as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS SUCH TERMS ARE DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE ISSUER HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**").

THE FOLLOWING BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE ATTACHED DOCUMENT.

**THE BASE PROSPECTUS IS NOT A PROSPECTUS FOR THE PURPOSES OF REGULATION (EU) 2017/1129 AS AMENDED (THE "PROSPECTUS REGULATION") AND SUCH REGULATION AS IT FORMS PART OF UNITED KINGDOM DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "UK PROSPECTUS REGULATION"), AND HAS BEEN PREPARED ON THE BASIS THAT ANY OFFER OF NOTES IN THE EUROPEAN ECONOMIC AREA AND THE UNITED KINGDOM WILL BE MADE PURSUANT TO AN EXEMPTION UNDER THE PROSPECTUS REGULATION OR THE UK PROSPECTUS REGULATION FROM THE REQUIREMENT TO PUBLISH A PROSPECTUS FOR OFFERS OF NOTES.**

**Confirmation of your representation:** Unless otherwise noted in a Drawdown Prospectus, in order to be eligible to view the Base Prospectus or make an investment decision with respect to the securities that may be offered, prospective investors must be non-U.S. persons (within the meaning of Regulation S under the Securities Act) purchasing the securities outside the United States in reliance on Regulation S. The Base Prospectus is being sent at your request. By accepting the e-mail and accessing the Base Prospectus, you shall be deemed to have represented to the Issuer, the Arranger and the Dealers that:

1) you consent to delivery of such Base Prospectus by electronic transmission, and

2) the e-mail address that you gave to us and to which the Base Prospectus has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam,

American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States or the District of Columbia.

You are reminded that this Base Prospectus has been delivered to you on the basis that you are a person into whose possession this Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Base Prospectus to any other person. You will not transmit the attached Base Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Arranger and Dealers.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law.

The Base Prospectus has not been approved by an authorized person in the United Kingdom for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and is for distribution only to persons who are outside the United Kingdom or persons in the United Kingdom who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) (high-net-worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). The Base Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Base Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

No person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the securities other than in circumstances in which section 21(1) of the FSMA does not apply to us.

The Notes as described in the Base Prospectus shall not be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/ EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II ; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes as described in the Base Prospectus shall not be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Arranger, the Dealers nor any person who controls them nor any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the

Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Arranger.

**The distribution of the Base Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession the Base Prospectus comes are required by the Issuer, the Arranger and the Dealers, to inform themselves about, and to observe, any such restrictions.**

**BASE PROSPECTUS**

# PROSUS N.V.

*(incorporated under the laws of the Netherlands)*

## U.S.$12,000,000,000
## Global Medium Term Note Program

Under this U.S.$12,000,000,000 Global Medium Term Note Program (the "**Program**"), Prosus N.V. (the "**Issuer**" or the "**Company**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealers (as defined below).

USD Notes (as defined below) will be issued in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof, Euro Notes (as defined below) will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof and GBP Notes (as defined below) will be issued in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof, or an equivalent or higher denomination in any currency agreed between the Issuer and the relevant Dealer as stated in the applicable Pricing Supplement or Drawdown Prospectus (the "**Specified Denominations**"), except that the minimum denomination of each Note listed on a stock exchange in circumstances which require the publication of a prospectus under the Prospectus Regulation (as defined below) or equivalent law or regulation will be at least such amount as may be allowed or required from time to time by the relevant regulator or central bank (or equivalent body) or any laws or regulations applicable to U.S. dollars or Euros (or another currency agreed between the Issuer and the relevant Dealer as stated in the applicable Pricing Supplement or Drawdown Prospectus.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Program will not exceed U.S.$12,000,000,000 (or its equivalent in other currencies calculated as described in the Distribution Agreement (as defined and described herein)), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers appointed under the Program from time to time by the Issuer (each, a "**Dealer**" and together, the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the relevant Dealer shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

Application has been made to The Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for Notes issued under the Program within twelve months after the date hereof to be admitted to the official list (the "**Official List**") and to trading on the Global Exchange Market (the "**GEM**") of Euronext Dublin. This Base Prospectus has been approved by the Euronext Dublin as a "base listing particulars". References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on the GEM. The Program provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer (as defined below). **This Base Prospectus does not constitute a prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "Prospectus Regulation")**. The Issuer is not offering the Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Regulation. The GEM is not a regulated market for the purposes of Directive 2014/65/EU (as amended, "MiFID II").

The Program has been rated BBB and (P)Baa3, respectively, by S&P Global Ratings Europe Limited ("**S&P**") and Moody's Investors Service Limited or any other registered Moody's branch ("**Moody's**" and, together with S&P, the "**Rating Agencies**"). Each of the Rating Agencies is established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). As such, each of the Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Tranches of Notes issued under the Program will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to the Program by the Rating Agencies. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement or Drawdown Prospectus, as applicable. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Notes will constitute direct, unconditional, unsecured and unsubordinated general obligations of the Issuer. The Notes will rank *pari passu* among themselves, without any preference of one over the other by reason of priority of date of issue or otherwise and at least equally with all other present and future unsecured and unsubordinated general obligations of the Issuer from time to time outstanding (save to the extent that laws affecting creditors' rights generally in a bankruptcy, winding up, administration or other insolvency procedure may give preference to any of such other obligations). The Program also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems at the option of the Issuer.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and will be offered and sold outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act ("**Regulation S**"). For a description of certain restrictions on transfers of the Notes, see "*Subscription and Sale*".

Tranches of Notes will initially be represented by one or more global notes in registered form (the "**Global Notes**"), which may be deposited on or about the issue date with a custodian for The Depository Trust Company ("**DTC**"), and registered in the name of Cede & Co., as nominee for DTC, or registered in the name of a nominee for and deposited on or about the issue date with a common depositary or, if the Global Note is intended to be held under the New Safekeeping Structure (the "**NSS**"), a common safekeeper, for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**" and, together with Euroclear and DTC, "**Clearing Systems**" and each, a "**Clearing System**"), in each case as indicated in any Pricing Supplement or Drawdown Prospectus, as applicable.

Delivery of beneficial interests in the Global Notes is expected to take place through the facilities of DTC and its participants, including Euroclear and Clearstream, Luxembourg (in respect of USD Notes) or Euroclear and Clearstream, Luxembourg (in respect of Euro Notes and GBP Notes), in each case as specified in the Pricing Supplement or Drawdown Prospectus, as applicable.

**Investing in Notes issued under the Program involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*" below.**

## Arranger
## Citigroup

The date of this Prospectus is December 16, 2021

## NOTICE TO INVESTORS

### Responsibility for this Base Prospectus

Prosus N.V. (the "**Issuer**") accepts responsibility for the information contained in this Base Prospectus and any Pricing Supplement or Drawdown Prospectus, as applicable. Having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of the Issuer's knowledge, in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

### Drawdown Prospectus/Pricing Supplement

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") or any other terms and conditions incorporated by reference herein, as completed by a document specific to such Tranche called, in the case of Notes offered and sold outside the United States to non-U.S. persons in reliance on Regulation S, the pricing supplement terms (the "**Pricing Supplement**") and in the case of Notes offered and sold both within the United States only to persons reasonably believed to be "qualified institutional buyers" ("**QIBs**"), as defined in Rule 144A under the Securities Act ("**Rule 144A**") and outside the United States to non-U.S. persons in reliance on Regulation S, in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Pricing Supplements and Drawdown Prospectuses*" below.

### Other Relevant Information

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes that is the subject of Pricing Supplement or Drawdown Prospectus, as applicable, must be read and construed together with the relevant Pricing Supplement or Drawdown Prospectus, as applicable.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains all information that is (in the context of the Program and the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Program and the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No Dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Base Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer or any of its respective affiliates, or any Dealer. Neither the delivery of this Base Prospectus, any Drawdown Prospectus or Pricing Supplement nor the offering, sale or delivery of any Note will, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date of this Base Prospectus or that the information contained in this Base Prospectus is correct as of any time subsequent to that date.

Prospective investors also acknowledge that they have not relied on the Dealers in connection with their investigation of the accuracy of this information or their decision on whether to invest in any Tranche of Notes which is the subject of a Pricing Supplement or a Drawdown Prospectus. The contents of this Base Prospectus are not to be considered as legal, business or tax advice. Prospective investors should consult their own counsel, accountants and other advisers as to legal, tax, business, financial and related aspects of a purchase of the Notes.

In making an investment decision, investors must rely on their own examination of the Issuer and its respective affiliates, the Notes and the merits and risks involved. Any offering of Notes will be made in reliance on exemptions from registration under the Securities Act for an offer and sale of securities that does not involve a public offering. By purchasing such Notes, investors are deemed to have made the acknowledgments, representations, warranties and agreements set forth under "*Subscription and Sale*".

USD Notes will be issued in fully registered form and only in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof, Euro Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof and GBP Notes will be issued in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof, or an equivalent or higher denomination in any currency agreed between the Issuer and the relevant Dealer as stated in the applicable Drawdown Prospectus or the applicable Pricing Supplement. The Notes will be issued initially in fully registered form as beneficial interests in the Global Notes.

**Unauthorized Information**

No Dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Program or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer or any of its respective affiliates or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorized the whole or any part of this Base Prospectus nor have they independently verified the information contained herein and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in or incorporated into this Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Base Prospectus, Pricing Supplement or Drawdown Prospectus, as applicable, nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in or incorporated into this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Program is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

**Restrictions on Distribution**

The distribution of this Base Prospectus and any Pricing Supplement or Drawdown Prospectus, as applicable, and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus, any Pricing Supplement or Drawdown Prospectus, as applicable, comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus, any Pricing Supplement or Drawdown Prospectus, as applicable, and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Pricing Supplement or Drawdown Prospectus, as applicable, constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer or the Dealers that any recipient of this Base Prospectus, any Pricing Supplement or Drawdown Prospectus, as applicable, should subscribe for or purchase any Notes. Each recipient of this Base Prospectus, any Pricing Supplement or Drawdown Prospectus, as applicable, shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

## MiFID II PRODUCT GOVERNANCE / TARGET MARKET

The Pricing Supplement or Drawdown Prospectus, as applicable, in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

## UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The Pricing Supplement or Drawdown Prospectus in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

## UK FINANCIAL PROMOTION ORDER

The Base Prospectus has not been approved by an authorized person in the United Kingdom for the purposes of section 21 of the FSMA and is for distribution only to persons who are outside the United Kingdom or persons in the United Kingdom who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). The Base Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Base Prospectus relates is available only to relevant persons and will be engaged in only with relevant persons.

**IMPORTANT—EEA RETAIL INVESTORS.** The Notes shall not be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT—U.K. RETAIL INVESTORS.** The Notes shall not be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

## BENCHMARKS REGULATION

Interest payable under any Floating Rate Notes (as defined below) may be calculated on the basis of the reference rates LIBOR or EURIBOR (each as defined herein), which are benchmarks for the purposes of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). See "*Risk Factors—Risks Relating to the Notes—The regulation and reform of benchmarks may adversely affect the value of Notes linked to such benchmarks*".

LIBOR is provided by ICE Benchmark Administration Limited and EURIBOR is provided by the European Money Markets Institute; as at the date hereof, ICE Benchmark Administration Limited and the European Money Markets Institute appear in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmarks Regulation.

**Program Limit**

The maximum aggregate principal amount of Notes outstanding at any one time under the Program will not exceed U.S.$12,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes). The maximum aggregate principal amount of Notes that may be outstanding and guaranteed at any one time under the Program may be increased from time to time, subject to compliance with the relevant provisions of the Distribution Agreement as defined under "*Subscription and Sale*".

**Certain Definitions**

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are to a Member State of the European Union, references to "**Prospectus Regulation**" are to Regulation (EU) 2017/1129, references to "**U.K.**", "**UK**" or the "**United Kingdom**" are to the United Kingdom of Great Britain and Northern Ireland, references to "**EU**" are to the European Union, references to "**U.S.$**", "**$**", "**U.S. dollars**", "**dollars**" or "**Dollars**" are to United States dollars, references to "**EUR**", "**€**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of May 3, 1998 on the introduction of the euro, as amended, references to "**GBP**", "**£**" or "**Pounds Sterling**", are to Pounds sterling and references to a "**fiscal year**" or "**FY**" are to the 12-month period ended on March 31 of the quoted year and references to "**half year**" or "**HY**" are to the 6-month period ended on September 30 of the quoted year.

In this Base Prospectus, unless otherwise indicated and as the context requires, references to the "**Group**", "**we**", "**us**" or "**our**" refer to the Issuer as well as to its businesses that are held as consolidated subsidiaries, associated companies and joint ventures and, for the avoidance of doubt, references to any of the above relating to periods prior to September 11, 2019 refer to Naspers and us as a subsidiary of Naspers (the "**Naspers Group**").

**Rounding**

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

**Ratings**

Tranches of Notes issued under the Program will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement or Drawdown Prospectus, as applicable. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA or in the United Kingdom and registered under the CRA Regulation, or (2) issued by a credit rating agency that is not established in the EEA or in the United Kingdom but will be endorsed by a CRA that is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency that is not established in the EEA or in the United Kingdom but which is certified under the CRA Regulation will be disclosed in the Pricing Supplement or Drawdown Prospectus, as applicable.

Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank. The Issuer is not regulated by the Central Bank by virtue of the issue of the Notes.

**Stabilization**

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Pricing Supplement or

Drawdown Prospectus, as applicable, may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any stabilization action may begin on or after the date on which adequate public disclosure of the Pricing Supplement or Drawdown Prospectus, as applicable, of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or person(s) acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

**Relevant Date**

Unless otherwise noted, all disclosures regarding the state of our business refer to the date of this Base Prospectus. We undertake no obligation to update publicly or release any revisions to this Base Prospectus to reflect events or circumstances after the date of this Base Prospectus or to reflect the occurrence of unanticipated events, except to the extent required by applicable law.

## IMPORTANT NOTICE

UNLESS OTHERWISE NOTED IN A DRAWDOWN PROSPECTUS, ANY OFFERING OF NOTES IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS OUTSIDE OF THE UNITED STATES IN ACCORDANCE WITH REGULATION S.

This Base Prospectus is being provided to certain prospective investors outside the United States for use solely in connection with an offering of Notes. Its use for any other purpose is not authorized. This Base Prospectus may not be copied or reproduced in whole or in part, nor may it be distributed or any of its contents be disclosed to any person other than the prospective investors to whom it is being provided.

No action has been taken by the Arranger, the Dealers, the Issuer or any other person that would permit an offering of Notes or the circulation or distribution of this Base Prospectus or any offering material in relation to the Issuer or its affiliates or the Notes in any country or jurisdiction where action for that purpose is required.

The laws of certain jurisdictions may restrict the distribution of this Base Prospectus and the offer and sale of the Notes. None of the Issuer, the Arranger and the Dealers or their respective representatives are making any representation to any offeree or any purchaser of the Notes regarding the legality of any investment in the Notes by such offeree or any purchaser under applicable legal investment or similar laws or regulations. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of the Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of the Notes in the United States, the EEA (including the Netherlands), the United Kingdom and South Africa.

For a further description of certain restrictions on the offering and sale of the Notes and the distribution of the Base Prospectus, see "*Subscription and Sale*". No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Base Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, any of its affiliates or the Arranger and the Dealers. Neither the delivery of this Base Prospectus nor any sale made under it will, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date of this Base Prospectus or that the information contained in this Base Prospectus is correct as of any time subsequent to that date.

Investors also acknowledge that they have not relied on the Arranger and the Dealers in connection with their investigation of the accuracy of this information or their decision on whether to invest in the Notes. The contents of this Base Prospectus are not to be considered as legal, business or tax advice. Prospective investors should consult their own counsel, accountants and other advisers as to legal, tax, business, financial and related aspects of a purchase of the Notes.

In making an investment decision, investors must rely on their own examination of the Issuer, its affiliates, the terms of the offering of the Notes and the merits and risks involved. Any offering of Notes is being made in reliance on exemptions from registration under the Securities Act for an offer and sale of securities that does not involve a public offering.

The information set out in the sections of this Base Prospectus describing clearing and settlement arrangements is subject to any change or reinterpretation of the rules, regulations and procedures of DTC, Euroclear and Clearstream, Luxembourg as currently in effect. The information in such sections concerning these clearing and settlement arrangements has been obtained from sources that the Issuer believes to be reliable. This information has been accurately reproduced and as far as the Issuer is aware, and are able to ascertain from published information, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer accepts responsibility only for the correct extraction and reproduction of such information, but not for the accuracy of such information. If you wish to use the facilities of any clearing system you should confirm the applicability of the rules, regulations and procedures of the relevant clearing system. The Issuer will not be responsible or liable for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records, relating to such book-entry interests.

To purchase the Notes, investors must comply with all applicable laws and regulations in force in any jurisdiction in which investors purchase, offer or sell the Notes or possess or distribute this Base Prospectus. Investors must also obtain any consent, approval or permission required for investors to purchase, offer or sell any of the Notes under the laws and regulations in force in any jurisdiction to which investors are subject or in which investors make a purchase, offer or sale. None of the Issuer, its affiliates or the Arranger and the Dealers will have responsibility therefor.

The Issuer accepts responsibility for the information contained in this Base Prospectus. Having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to materially affect the import of such information. You acknowledge and agree that the Arranger and the Dealers make no representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained in this Base Prospectus is, or shall be relied upon as, a promise or representation by the Arranger and the Dealers. This Base Prospectus contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference.

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## OVERVIEW OF THE PROGRAM

*This overview of the Program does not purport to be complete and is qualified in its entirety by reference to the detailed information appearing elsewhere in this Base Prospectus. This overview must be read as an introduction to this Base Prospectus. Any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference, by any investor. Terms not defined in this section are defined elsewhere in this Base Prospectus.*

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| Issuer.......................................... | Prosus N.V. |
| Description.................................. | Global Medium Term Note Program. |
| Arranger...................................... | Citigroup Global Markets Europe AG. |
| Fiscal and Paying Agent................ | Citibank, N.A., London Branch, whose address is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom. |
| Size............................................. | The aggregate principal amount of Notes outstanding at any time shall not exceed U.S.$12,000,000,000. The Issuer may increase the amount of the Program from time to time without the consent of the Noteholders. |
| Currency...................................... | U.S. dollars, Euro, Pounds Sterling or another currency, in each case as indicated in the applicable Drawdown Prospectus or the applicable Pricing Supplement. |
| Maturities.................................... | Any maturity as indicated in the applicable Drawdown Prospectus or the applicable Pricing Supplement. |
| Issue Price................................... | Notes will be issued at an issue price which is at par or at a discount to, or premium over, par, as specified in the applicable Drawdown Prospectus or the applicable Pricing Supplement. |
| Form of Notes.............................. | Notes offered and sold in reliance on Regulation S, which will be sold outside the United States, will be represented by one or more Global Notes in registered form. Copies of the Global Notes will be available for inspection at the specified office of the Fiscal and Paying Agent.<br><br>Global Notes will (a) in the case of a Global Note that is not intended to be held under the New Safekeeping Structure (the "**NSS**"), either (i) be deposited with a custodian for, and registered in the name of a nominee of, the Depository Trust Company ("**DTC**") or (ii) registered in the name of a nominee for, and deposited on or about the issue date with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or (b) in the case of a Global Note intended to be held under the NSS, registered in the name of a nominee for, and deposited on or about the issue date with, a common safekeeper for Euroclear and/or Clearstream. |
| Denomination of Notes................. | The Notes will be issued in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof, Euro Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof and GBP Notes will be issued in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof, or an equivalent or higher denomination in any currency agreed between the Issuer and the relevant Dealer, as stated in the applicable Drawdown Prospectus or the applicable Pricing Supplement. |
| Status of the Notes........................ | The Notes will be direct, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* with all other direct, unsecured and unsubordinated obligations (except for those obligations preferred by statute or operation of law) of the Issuer. |

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| Issuance in Series.......................... | The Notes will be issued in separate series (each, a "**Series**") under the Fiscal and Paying Agency Agreement and each Series may comprise one or more tranches of Notes (each, a "**Tranche**"). The Notes of each Tranche that constitute the same Series will be subject to identical terms (other than the Issue Date, the Interest Commencement Date and Issue Price) and shall be deemed to include the Global Notes and the definitive Notes of such Series, if any. |
| Interest ......................................... | The following types of Note may be issued: Notes (i) bearing interest at one or more fixed rates of interest, or (ii) bearing interest at one or more floating rates of interest.<br><br>Interest periods, rates of interest and the amounts payable on redemption may differ depending on the Notes being issued. Such terms will be specified in the applicable Drawdown Prospectus or the applicable Pricing Supplement. |
| Interest Payments.......................... | Interest may be paid monthly, quarterly, semi-annually, annually or at such other intervals as are specified in the applicable Drawdown Prospectus or the applicable Pricing Supplement. |
| Redemption ................................. | The applicable Drawdown Prospectus or the applicable Pricing Supplement will specify whether the relevant Notes can be redeemed prior to their stated maturity (other than for taxation reasons or following an event of default) at the option of the Issuer as described in Condition 6 of the "*Terms and Conditions of the Notes*" (the "**Conditions**"). |
| Redemption for Tax Reasons ........ | The Notes of any Series may be redeemed at the option of the Issuer in whole, but not in part, at a redemption price equal to 100% of the principal amount of the Notes then outstanding plus accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption and all additional amounts, if any, then due and which will become due on such date as a result of the redemption:<br><br>(i) in the event that as a result of a change in law in the Relevant Taxing Jurisdiction, the Issuer is obliged to pay additional amounts as described in Condition 14 in respect of any present or future tax, duty or charge of whatever nature imposed or levied by or on behalf of the Relevant Taxing Jurisdiction or any political subdivision or any authority thereof or therein having the power to tax; or<br><br>(ii) upon the occurrence of certain other changes in the treatment of the relevant Notes for taxation purposes as described in Condition 6(b), in each case provided that the Issuer cannot avoid the foregoing by taking measures reasonably available to it. |
| Additional Amounts...................... | All payments in respect of the Notes will be made without withholding or deduction for or on account of taxes unless such withholding or deduction is required by law.<br><br>In the event payments are subject to withholding or deduction of tax levied in any Relevant Taxing Jurisdiction, subject to the exceptions, as described in Condition 14 (including an exception for any withholding tax imposed pursuant to the Dutch Withholding Tax Act 2021), the Issuer will pay such additional amounts as will result in receipt by holders of the amount that would have been received in the absence of such withholding or deduction. |
| Taxation ....................................... | For certain material Dutch tax considerations, see "*Taxation*". |
| Option of Noteholders to Repayment upon a Change of Control .................................... | As described in Condition 7, upon the occurrence of a Change of Control, each holder of any Series will have the right to require the Issuer to purchase all or a portion of such holder's Notes which have not otherwise been declared due for early redemption at a price of 101% of the principal amount of such Notes, plus accrued and unpaid interest, if any, to the date of purchase. |
| Negative Pledge............................ | The Conditions contain a negative pledge provision as described in Condition 8. |

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| Events of Default .......................... | The events or circumstances described in Condition 9 shall be acceleration events in relation to the Notes of any Series of Notes. |
| Discharge ..................................... | The Issuer shall be discharged from any and all obligations in respect of the Fiscal and Paying Agency Agreement (except for certain obligations) as described in Condition 10. |
| Substitution, Consolidation, Merger and Sale of Assets......... | Subject to Condition 11, the Issuer, without the consent of the Noteholders of any of the Notes, may consolidate with, or merge into, or sell, transfer, lease or convey all or substantially all of their respective assets to, any Person. |
| Listing and Admission to Trading . | Each Series of Notes may be listed on Euronext Dublin and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Dealer(s) (if any) and specified in the applicable Drawdown Prospectus or the applicable Pricing Supplement or may be issued on the basis that a Series of Notes will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. |
| Governing Law............................. | The Notes will be governed by and construed in accordance with the laws of the State of New York. |
| Selling Restrictions....................... | The Notes have not been and will not be registered under the Securities Act or any state securities laws and, subject to certain exceptions, may not be offered or sold directly or indirectly within the United States or to or for the benefit of U.S. persons. In addition, there are certain restrictions on the offer, sale and transfer of the Notes in the EEA or in the U.K. and such other restrictions as may be required in connection with the offer and sale of a particular Tranche of Notes. See "*Subscription and Sale*". |
| Risk Factors................................. | There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes. Notes issued under the Program may be rated or unrated. When an issue of a certain Series of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Program (if any) and such rating may be specified in the applicable Drawdown Prospectus or the applicable Pricing Supplement. The Rating Agencies are each established in the EU and registered under the CRA Regulation. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Notes. |
| Ratings ......................................... | The Program has been rated by the following rating agencies: S&P and Moody's. Up-to-date information should always be sought by direct reference to the relevant rating agency. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. |

## RISK FACTORS

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, our business and the industry in which we operate together with all other information contained in this Base Prospectus, including, in particular, the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus have the same meanings in this section.*

*Prospective investors should note that the risks relating to us, the industry in which we operate and the Notes are the risks that we believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which we face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should carefully consider among other things, all of the risks and uncertainties described below.*

*Additional risks and uncertainties relating to us that are not currently known to us, or that we currently deem immaterial, may individually or cumulatively also have a material adverse effect on our business, prospects, results of operations or financial position and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their own circumstances.*

### RISKS RELATED TO THE ISSUER'S BUSINESS

***The Issuer is a holding company with no revenue-generating operations of its own.***

Our business is carried out through our operating subsidiaries, associated companies and joint ventures. The Issuer will depend upon operating subsidiaries, and dividends from investments of such subsidiaries, associated companies and joint ventures to provide the funds necessary to pay the principal of, and the interest on, the Notes. These operating subsidiaries, associated companies and joint ventures have not guaranteed the Notes, and have no obligation, contingent or otherwise, to pay amounts due under the Notes or to make funds available for these payments, whether in the form of loans, dividends or otherwise. Payments from the operating subsidiaries to the Issuer might not be able to be made in some circumstances, due to corporate law or contractual or other legal restrictions. In addition, where we do not hold controlling interests in the applicable entities, we may not be able to control or influence such entities' dividend policies. As such, any liquidity constraints or lack of financing faced by us or our businesses could have an adverse effect on the Issuer's business, financial condition, results of operations and prospects. See "*Risks Relating to Our Businesses*" below for a further description of certain of these risks.

### RISKS RELATING TO OUR BUSINESSES

***We operate in highly competitive and rapidly changing market sectors. Increased competition, failure to adapt to technological change or changes in consumer preferences could have a negative impact on our business, financial condition, results of operations and prospects.***

The consumer internet sector is characterized by rapid technological evolution, changes in user requirements and preferences, and the frequent introduction of new or enhanced products, services and technologies. Owing to increased internet penetration in growth markets and growing adoption of online retail among internet users in the markets where we operate, competition has intensified. The level of competition may intensify further in the future, particularly as innovations in internet technologies continue to reduce existing barriers to entry. In order to succeed, we must continue to stay abreast of continually evolving sector trends and to improve our own products, services and platforms in terms of responsiveness, functionality and features. Our competitors are constantly innovating and introducing new products, services and features to increase their user base and enhance users' experience. These competitors may develop and apply new or superior technologies that increase performance or reduce costs (e.g., machine learning and/or artificial intelligence) in businesses that compete with our businesses. As a result, in order to attract and retain users, achieve scale, and compete against their competitors, our businesses must continue to invest significant resources to enhance our products, services, technologies and platforms. Furthermore, although we are constantly developing new services, products and technologies, the timing and introduction of these are subject to risks and uncertainties. Logistical, operational, regulatory, technical or other problems could delay or prevent the introduction of one or more of these services, products or technologies. Moreover, these services, products or technologies may fail to compete effectively with those developed by our competitors and may not achieve widespread market acceptance or generate incremental revenue or trading profits. If we are unable to develop or adapt to such new technologies, or if the technologies it develops or adapts are inferior, or it is unable to identify investment opportunities that focus on such future technologies, our business may be materially adversely affected.

Changes in user behavior resulting from technological developments or the availability of alternative services or products may also affect our businesses. Our ability to remain competitive and develop successful services and products depends on our ability to predict accurately and to anticipate such changes in user behaviour and demand, which we may not be able to do successfully, or at all. We may be required to continue to invest significant resources to further adapt to these changes. Additionally, our long-term success depends on the continued development and use of the internet by consumers, as well as increasing internet and mobile phone penetration. Critical issues affecting these trends, including concerns about data privacy, security, network reliability, costs and capacity constraints potentially resulting in delays, transmission errors and other difficulties, may impact the growth of internet platforms and ecommerce. If internet access or mobile phone penetration in these markets develops more slowly than expected, or any of the abovementioned factors materializes, our growth strategy could be adversely affected.

Our current and potential competitors range from large, established companies to emerging start-ups and include both local and international players. Established companies, on the one hand, may have substantially greater financial, technical, marketing and personnel resources than we do. These companies may compete with us by using their experience and resources to compete with our businesses in a variety of ways, including by making acquisitions, developing new products or services, investing aggressively in advertising campaigns and offering more attractive commercial terms to users, service providers and other strategic partners. Start-ups, on the other hand, may compete with us through their ability to develop internet products or services that are superior to, or have greater market acceptance than, the products and services offered by our businesses and may be able to bring their products and services to the market more rapidly.

In addition to other consumer internet companies, our businesses often compete with traditional or offline businesses. For example, our Food Delivery segment competes with telephone-based and walk-in takeaway food services, and our Payments and Fintech segment faces competitive pressure from traditional financial institutions as well as non-digital payment methods. Similarly, our Etail segment, which includes business-to-consumer ("**B2C**") marketplaces, competes with traditional retailers as well as omni-channel retailers, which can drive traffic from online to physical stores (e.g., by offering "click-and-collect", "click-and-reserve" or other services). Competition with such businesses may increase in the future for a variety of reasons, including changes in consumer preferences or trends or changes to internet search functions that may prioritize physical locations over online platforms, which could negatively affect our platforms.

If our businesses are unable to compete successfully, our business, financial condition, results of operations and prospects could be adversely affected.

***The continuing impacts of COVID-19, potential future waves and the impact on behavioral trends as countries ease lockdown regulations remain highly unpredictable and could be significant and may have an adverse effect on our business, financial condition, results of operations and prospects.***

In March 2020, the outbreak of the novel strain of the coronavirus identified in late 2019 ("**COVID-19**") was characterized as a pandemic by the World Health Organization. The outbreak has resulted in government authorities and businesses throughout the world implementing numerous measures intended to contain and limit the spread of COVID-19, including travel bans and restrictions, quarantines, shelter-in-place and lockdown orders, and business restrictions, limitations and shutdowns. The COVID-19 pandemic and the response thereto have adversely impacted and may continue to adversely impact us and our businesses, including our employees, customers, users, suppliers, vendors, banking partners, business partners and businesses in which we have minority investments.

Some of our business segments and the industries in which we operate in specific geographies have been adversely impacted by the COVID-19 pandemic. At this stage there is no certainty regarding the long-term impact as behavioral trends continue to develop at different paces in different geographies, as the easing of lockdown restrictions and the success of vaccination roll-outs are vastly different across the regions we operate. There may also be variants of COVID-19 in the future against which the current vaccines will not be effective.

Across all businesses, we saw volatility in user and revenue growth rates, which may not be indicative of long-term trends or results and places additional strain on managerial and technological resources. In addition, we experienced increased risk of disruptions to and failure by third-party vendors, service providers, strategic partners and banking partners to operate their business and meet the expectations of customers and users during the pandemic, all of which can be disruptive to our businesses. We saw increased cyber and payment fraud risk, as cybercriminals attempted to profit from increased online banking, ecommerce and other online activity; disruptions to planned growth and expansion, including delays in product development or releases as a result of an unpredictable and weakened business environment; and significant foreign exchange volatility, which can materially impact our revenues or cost elements as well as our ability or strategy to hedge our foreign exchange exposure. Additionally, we saw volatility in debt and equity markets, which can affect our ability to raise financing in debt capital markets and the valuations of our equity holdings and the realized gains or losses on the disposition of those holdings. While our businesses have largely recovered from the negative impacts of the pandemic to date, the situation is continuing and there can be no guarantee that we will not experience these impacts again.

The COVID-19 pandemic, and its impact on future behavioral trends, have required and are likely to continue to require significant management attention and substantial investments of time and resources across our operations. As a result of the pandemic and to support the health and wellbeing of our employees, customers, users, partners and communities, we have made significant modifications to our business practices, including significant restrictions on business travel, office closures and significant limitations on employee work locations, and the cancellation of physical participation in meetings, events, and conferences. An increased number of our employees are working remotely as a result of the outbreak, and an extended period of remote work arrangements and subsequent reintroduction into the workplace, which is currently taking place at some of our offices, could introduce health and safety risks, increase employee absence and operational risk, increase cybersecurity risk, strain our business continuity plans, negatively impact productivity, give rise to claims by employees, and impair our ability to manage our business or otherwise adversely affect our business. We may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, users, suppliers, vendors and business partners; however, there is no certainty that such measures will be sufficient to mitigate the risks posed by COVID-19.

The extent to which COVID-19, potential future waves and lasting changes in behavioral trends impact our business, financial condition, results of operations, prospects and liquidity will depend on numerous evolving factors that we cannot predict, including the duration and scope of the pandemic; governmental, business and individuals' actions that have been and continue to be taken in response to the pandemic; and the impact of the pandemic on global economic activity, unemployment levels and financial markets, including measures required to recoup the significant public expenditure, the possibility of a global recession and volatility in the global capital markets which, among other things, may increase the cost of capital and adversely impact our access to capital. In addition, we cannot predict the impact that COVID-19 will have on our employees, customers, users, suppliers, vendors, business partners and businesses in which we have minority investments, and their respective financial conditions, and any significant negative impact on these parties could materially and adversely impact us. These impacts, individually or collectively, could have a material adverse impact on our business, financial condition, results of operations, prospects and liquidity. Further, the impact of COVID-19 may heighten or exacerbate many of the other risks discussed in this Base Prospectus, any of which could have a material impact on us.

***Tencent's performance will have a material impact on our results of operations on an economic interest basis and our financial condition.***

As of September 30, 2021, we held a 28.86% effective interest in Tencent Holdings Limited ("**Tencent**"), representing 54% of our total assets on a carrying value basis as at that date. Our share of Tencent's revenue, on an economic-interest basis, represented 77% of our total revenue during FY 2021 and 74% of our total revenue for the six months ended September 30, 2021. We have committed not to sell any further of our Tencent shares for the next three years following our sale of shares in April 2021. The fair value of our interest in Tencent is volatile and subject to fluctuations in the market value of Tencent's ordinary shares, which are listed on the Main Board of the Hong Kong Stock Exchange, a market operated by the Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"). For example, from January 1, 2021, through November 30, 2021, the price of Tencent's ordinary shares has ranged from a high of HK$775.50 on February 18, 2021 to a low of HK$412.20 on August 20, 2021. As of November 30, 2021, our 28.86% interest in Tencent was worth approximately U.S.$163 billion (based on the share price of HK$459.40 on November 30, 2021 and an exchange rate of U.S.$1 to HK$7.7970). As a result of the relative size of our investment in Tencent, the relative success of Tencent's operations, the market price of Tencent's shares and dividends paid by Tencent will continue to have a material impact on us and our results of operations on an economic-interest basis, financial condition and liquidity.

As Tencent's business and operations are substantial in the Mainland of China, its business, the market price of its shares and ability to pay dividends may be influenced to a significant degree by economic, political and social conditions in the Mainland of China generally, including weak economic growth or a recession in the Mainland of China, as well as the regulatory environment. Economic conditions in the Mainland of China are sensitive to changes in domestic economic and regulatory policies and the expected or perceived overall economic growth rate in the Mainland of China, as well as global economic conditions. In addition, trade tensions between the United States and the Mainland of China could undermine the stability of the global economy or the economy of the Mainland of China. Any prolonged slowdown in the global economy and the economy of the Mainland of China may reduce the demand for Tencent's services and materially and adversely affect the market price of Tencent's shares or the ability of Tencent to pay dividends and, in turn, our financial condition or our ability to pay interest on the Notes. See "*—Risks Relating to Markets in Which We Operate—Global and regional economic and financial conditions could have a material adverse effect on our business, financial condition, results of operations and prospects*".

Tencent derives a significant portion of its revenue from online games, which have come under increased regulatory scrutiny, particularly in relation to minors. The PRC government has imposed more stringent restrictions, with which online gaming businesses are required to comply, such as a limitation on minors playing games on certain days and a cap on the number of hours that minors can play. In addition, the regulatory bodies of the online game industry in the PRC suspended the registration of, and approvals for the publication of, online games for most of 2018, resulting in an estimated backlog of 8,000 online video games applications. In December 2018, the Online Games Ethics Committee of the PRC was established to carry out moral assessments of online games to provide reference for the decision-making process of the regulatory bodies of the online game industry. Although the suspension in 2018 was subsequently lifted, online games may be subject to tighter scrutiny during the review process and there is no assurance that Tencent will continue to obtain approvals for new online games in the future. Any failure, delay or other limitations in obtaining regulatory approvals for new online games could materially and adversely affect Tencent's business and the market price of Tencent's shares or the ability of Tencent to pay dividends and, in turn, our financial condition or our ability to pay interest on the Notes.

Other than the online game industry, Tencent operates several other highly regulated businesses and is subject to a number of laws and regulations including those governing, among others, the internet and telecommunications industries, virtual currencies, online video and music, online/mobile financing products and cloud services. There may be more regulations governing the industries in which Tencent operates. Any failure or perceived failure to comply with all applicable laws and regulations may result in legal proceedings or regulatory actions against Tencent and could have a material adverse effect on Tencent's business, results of operations and prospects.

Our investment in Tencent is also subject to other risks, including those related to the legal and regulatory environment in the Mainland of China and for Chinese companies operating and investing abroad, see *"—Risks Relating to Markets in which we Operate—Uncertainties exist with respect to the Foreign Investment Law and its potential impact on our investment in Tencent and the viability of Tencent's current corporate structure, corporate governance and business operations*".

***The Structure Contracts may fail to prove as effective in providing operational control as direct ownership and may be difficult or costly to enforce under PRC laws.***

Our investment in Tencent is subject to PRC regulations that place limitations on foreign ownership in companies that provide value added telecommunications services and other related services in the Mainland of China. Currently, Tencent conducts its value added telecommunications businesses in the Mainland of China through certain domestic companies that are licensed to operate these services (the "**OpCos**"). Although Tencent does not own any equity interest in these OpCos, through a series of contractual arrangements (together, the "**Structure Contracts**"), Tencent exercises effective control over these OpCos and receives substantially all the economic benefit of the business and operations of these OpCos in the form of consulting, licensing, revenue sharing, technical support and other fees. For additional information, see "*Additional Information—Group Structure—Tencent Structure Contracts*". Tencent has stated in its publications that its PRC legal advisers are of the view that the Structure Contracts arrangement does not violate applicable existing PRC laws and regulations, but that there are substantial uncertainties regarding the interpretation and application of the currently applicable PRC laws, rules and regulations, and it is possible that the regulatory authorities and courts of the PRC may in the future take a view that is contrary to the position of Tencent's PRC legal advisers. If the Structure Contracts were found to violate PRC laws, this could have a material adverse effect on Tencent's operations, the price of

Tencent's shares or the ability of Tencent to pay dividends and, in turn, our financial condition or our ability to pay interest on the Notes.

The Structure Contracts may fail to prove as effective in providing operational control as direct ownership and may be difficult or costly to enforce under PRC laws. For example, the Structure Contracts contain provisions which may not be enforceable under PRC laws, including provisions enabling an arbitral body to award remedies over the shares and/or assets of the OpCos, injunctive relief and/or winding up of the OpCos. In the event of a breach of the Structure Contracts by the OpCos and/or their shareholders, and if Tencent is unable to enforce the Structure Contracts, Tencent may not be able to exert effective control over the OpCos which could negatively affect Tencent's business. Similarly, the OpCos are each owned by their respective shareholders. Conflicts of interest between these individuals' roles as shareholders of the OpCos and their duties to Tencent may arise. There is currently no specific and clear guidance under PRC laws that addresses the resolution of any conflict between PRC laws and the laws of the Cayman Islands (where Tencent is organized and existing) in respect of any conflict relating to corporate governance regimes. If Tencent cannot resolve any conflicts of interest or disputes between Tencent and the shareholders of the OpCos, it would need to rely on legal proceedings to resolve these disputes and/or enforce the Structure Contracts, which could result in disruption of its business, and there would be substantial uncertainty as to the outcome of any such legal proceedings. The arrangement of the Structure Contracts could also expose Tencent to potential adverse tax consequences. For example, if the recognition of revenue derived from the OpCos under the Structure Contracts were challenged by tax authorities, an adjustment in tax treatment could have a material and adverse impact on the taxable profitability of Tencent. See "*—Risks Relating to Markets in Which We Operate—Uncertainties exist with respect to the Foreign Investment Law and its potential impact on our investment in Tencent and the viability of Tencent's current corporate structure, corporate governance and business operations*".

***If the Structure Contracts are found not to comply with PRC laws, Tencent could be subject to penalties and could be forced to relinquish its interest in its value-added telecommunications services and related business in the Mainland of China.***

Since the enactment of the Foreign Investment Law of the PRC (the Foreign Investment Law) in March 2019, and the issuance of the Interpretations on Certain Issues Regarding the Applicable of Foreign Investment Law by the Supreme People's Court in December 2019, it remains unclear whether Tencent's contractual arrangements will cause its affiliated Chinese entities to be interpreted and deemed as foreign investment under the Foreign Investment Law. If either the regulatory authorities or the courts of the PRC find that the Structure Contracts do not comply with PRC laws and regulations, or if existing laws and regulations or the interpretation of these laws and regulations change in the future, Tencent could be subject to penalties and could be forced to relinquish its interest in its value-added telecommunications services business and related business in the Mainland of China, which would have a material adverse effect on Tencent's business and the market price of Tencent's shares. See "*—Risks Relating to Markets in Which We Operate—Uncertainties exist with respect to the Foreign Investment Law and its potential impact on our investment in Tencent and the viability of Tencent's current corporate structure, corporate governance and business operations*".

***We have invested, and will continue to invest, substantial amounts to develop and promote our businesses and their platforms. Certain of these investments may continue to be loss-making and may never be profitable.***

We continue to invest heavily across many of our businesses. A number of these businesses are loss-making, have negative operating cash flows, require significant capital expenditure and/or may never be profitable or cash generating. We may experience difficulties developing our businesses into profitable or cash-generative operations due to a variety of factors, many of which are beyond our control. These factors may include:

- the effectiveness of our marketing efforts to promote our platforms;
- the popularity of our platforms, products and services among users, and consequent ability of those platforms to achieve scale;
- competition from new or superior technologies, especially where such products are offered at lower cost or for free;
- government regulation constraining activities or imposing onerous requirements, such as in the areas of data privacy and online payments;

- internet and mobile penetration rates or consumers' acceptance of the use of the internet for consumer transactions; and
- technical failures or difficulties with platforms, data or infrastructure upon which we depend and any instances of cyber-attacks.

The business models of most of our businesses, including those in our Classifieds, Food Delivery, Payments and Fintech, Edtech and Etail segments, typically require scale to achieve profitability, as scale creates a sufficient user base to generate and sustain network effects. Achieving scale for platforms operated by these businesses may require substantial marketing efforts as well as a significant investment of our resources and capital over a long period of time. There is no assurance such marketing efforts will be successful or that we will be able to monetize these businesses. We cannot predict whether such platforms will ultimately yield a return on our investment. We may ultimately fail to recoup our investment in such platforms or businesses. We have, for example, had to incur impairment charges in respect of certain of our businesses in the periods presented in this Base Prospectus. In HY 2022, impairment charges amounted to U.S.$1 million (FY 2021: U.S.$98 million; FY 2020: U.S.$31 million) related to ecommerce businesses as well as associated and joint ventures which had shown a decline in performance from the prior year and, specifically, a joint venture which closed operations in certain regions. Similar or higher levels of impairment may recur in future periods.

Some of our businesses require significant investment to drive growth and have not reached sufficient scale to record trading profits, such as the convenience transaction businesses in our Classifieds segment, credit businesses in our Payments and Fintech segment, business in our Food Delivery segment and certain of our Etail businesses. Although trading losses in respect of individual businesses generally decrease as the business scales up and becomes profitable, trading losses are incurred and investments are made, in most instances, over a multiple-year period and there is a risk that we will not recover such losses or realize the desired return on our investments. In addition, even when our businesses achieve profitability, such as certain of our Classifieds businesses, there can be no assurance such businesses will be able to sustain profitability or that the value of our businesses will not decrease, whether due to general changes in valuations for internet companies or otherwise.

Trading losses and negative cash flows incurred by our companies and investments have a negative impact on our business, financial condition, results of operations and value of our direct and indirect interests in these companies. In addition, our ability to successfully exit an investment in a poorly performing business may be limited. Because our financial statements include the performance of many of our less mature businesses and some of our larger and more proven investments are not fully consolidated into our financial results, there can be substantial volatility in our financial results. Trading losses incurred by our subsidiaries, associated companies and joint ventures will also have a direct negative impact on our combined income statement, which may substantially reduce our own profitability. Any future consolidation of our companies that have trading losses, either of those businesses already owned or of any businesses acquired in the future, will likewise negatively affect our combined results, particularly our level of profitability.

If we are unable to develop our businesses into profitable or cash generative operations, it could have a material adverse effect on our business, financial condition, results of operations and prospects.

***Each of our businesses is reliant on its technology infrastructure. Any failure to maintain or improve, or any disruption to, this infrastructure could harm the relevant business and us.***

We are a global consumer internet group operating across a variety of platforms and geographies, and are also one of the largest technology investors in the world. Accordingly, each of our businesses is reliant on its technology and internet infrastructure, including software, hardware, telecommunications and other systems, to operate its platforms, deliver its services, provide transaction and payment processing, and to manage and secure its business and data, particularly with respect to internal communications, controls, reporting and relations with customers and suppliers. Certain aspects of this infrastructure have experienced system failures and electrical outages in the past, and are exposed to outages due to fire, floods, acts of war or terrorism, power loss, telecommunications failures, break-ins, industrial actions and similar events. Our businesses have limited back-up systems and disaster recovery plans in the event of such occurrence, and their existing back-up systems and contingency plans may not prove effective. If any of the foregoing events occurs, one or more of our businesses may experience a system shutdown. Any disruption or failure in these systems could adversely affect the availability of such business's platforms, could lead to increases in the response times of its services or otherwise disrupt the functionality or operations of the relevant business.

Similarly, our businesses regularly add new features and functionality to their platforms. This requires the development of additional software and the integration of this software with new or existing technology. Should our businesses be unable to integrate such technologies, add additional software and hardware, or upgrade their technology, transaction processing systems or network infrastructure to accommodate increased user bases, utilization or transaction volumes, it could have adverse consequences. These consequences include unanticipated system disruptions, slower response times, degradation in levels of user satisfaction, impaired service quality and delays in reporting accurate financial information.

In addition, despite implementing network security measures, we and our businesses' servers may be vulnerable to computer viruses, break-ins and similar disruptions from unauthorized tampering with, and/or cyber-attacks on, such computer systems. We and our businesses may be required invest significant resources to protect our platforms against the threat of computer viruses and hackers and to alleviate any problems caused by them. Moreover, if a computer virus or cyber-attack affecting such system is highly publicized, our reputation or users' trust in the relevant business could be materially damaged and the user base or utilization of the relevant platform may decrease. See "—*Unauthorized use or disclosure of confidential information or personal data, whether through cybersecurity breaches or otherwise, may expose us to fines, liability, litigation and damage to our reputation*".

Any failure to maintain or improve, or any disruption to, our technology and internet infrastructure could harm our ability, as well as that of our businesses, to maintain or increase the user bases or utilization of their platforms, or otherwise have a material adverse effect on our business, financial condition, results of operations and prospects.

***Unauthorized use or disclosure of confidential information or personal data, whether through cybersecurity breaches or otherwise, may expose us to fines, liability, litigation and damage to our reputation.***

Our businesses, particularly our consumer lending and financial services businesses in the Payments and Fintech segment, process a large volume of personal data (including user identity and contact information), transaction data (including records of purchases and payment method data, including credit card information), analytics and other confidential business partner, customer and employee information. Numerous operational platforms also leverage our machine learning and artificial intelligence capabilities and diverse technologies. We and our businesses are responsible for safeguarding personal data or other confidential information and must comply with strict data protection laws and contractual obligations when dealing with such personal data or confidential information in the jurisdictions in which we operate. Complying with the numerous and complex regulations to which we are subject may be expensive and difficult, and failure to comply with these regulations or with related contractual obligations could subject us to increased regulatory scrutiny and additional liability, including in jurisdictions with historically varied approaches to regulatory enforcement. Although we seek to ensure that procedures are in place for compliance with relevant data protection and contractual obligations within our businesses and any third-party service providers, such measures may not be effective in all cases. Certain jurisdictions in which we operate may modify regulatory requirements in short periods of time, which may result in practical and technical obstacles to maintaining real-time compliance with such obligations.

Our systems and operations could be compromised and vulnerable to damage or interruption, whether as a result of cyber-attacks (including computer viruses, distributed denial of service attacks, phishing, ransomware, spam attacks or malware), human error, intentional acts of sabotage and similar events. We have from time to time experienced disruptions in our systems due to such errors or cyber-attacks that target sensitive information, integrity and the continuity of our services. Our current security measures may not effectively detect or counter all evolving security risks, prevent future slowdowns or disruptions, protect against attacks or address all the security and privacy concerns of existing and potential users or of relevant supervisory authorities with data protection oversight.

Any unauthorized access, loss, misappropriation or misuse of information could result in significant reputational damage, liability, fines, legal proceedings or regulatory actions or inquiries against us or our businesses by governmental authorities, commercial partners or individual customers. The occurrence of any of the above could have a material adverse effect on our or any of our businesses' reputation, business, financial condition, results of operations and prospects.

***We do not exercise control over our minority investments, and the value and liquidity of our stakes in such investments could decrease or we could be subject to reputational harm due to events or actions by parties outside of our influence.***

Following the Group's sale of 191,890,000 shares in Tencent (or approximately 2% of Tencent's issued share capital) in April 2021, we hold a 28.9% effective interest in Tencent. As of September 30, 2021 the Group held a 37.58%

effective interest in Skillsoft Corporation ("**Skillsoft**"), a 36.3% effective interest in Bundl Technologies Private Limited ("**Swiggy**"), a 27.42% effective interest in Delivery Hero SE ("**Delivery Hero**"), a 27.2% effective interest in VK Company Limited, formerly Mail.ru Group Limited ("**VK**"), a 23.14% effective interest in Remitly, Inc. ("**Remitly**") and a 5.1% effective interest in Trip.com Group Limited (formerly Ctrip.com International Limited) ("**Trip.com**"). Our minority voting position precludes us from controlling these businesses, limits our ability to implement strategies that we favor and allows the businesses to adopt strategies and take actions which may, in some cases, be contrary to our preferred strategies and actions. In addition, we may not be able to influence such businesses' dividend policies. Our results of operations and financial condition are significantly affected by the performance of these non-controlled associated companies. Any significant impairments, asset sales, changes in operational performance, loss of founders or other key personnel or changes in dividend policy of its associated companies or joint ventures could have a significant impact on our business, financial condition, results of operations and prospects. See "*—Risks Relating to Our Financial Condition—We depend on access to cash flows from our subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect our business, financial condition, results of operations and prospects*" and "*—Loss of key personnel or the inability to attract and retain qualified personnel could have a negative impact on our operations and the operation of our businesses*".

Additionally, we may suffer reputational or other harm due to the identity or actions of other shareholders in our minority investments (over which we exercise no control), including as a result of misalignment of interests or failure to comply with applicable laws or regulations or misconduct by such other shareholders.

Moreover, our results of operations on an economic-interest basis and financial condition will be significantly affected by the movement in the share price of certain of these companies, particularly Tencent. See "*Tencent's performance will have a material impact on our results of operations on an economic-interest basis and our financial condition*". A prolonged period of decline in the share price of, or a change in the current or anticipated operational performance of, or an announcement of adverse changes or events by, our associated companies could have a material impact on us, our results of operations on an economic-interest basis and our financial condition.

***Our future growth will depend on our ability to identify consumer trends that address major societal needs in growth markets.***

Our strategy focuses on consumer internet solutions that address major societal needs in high-growth markets. Accordingly, we need to identify relevant trends and business concepts early, understand them and the associated risks, and identify local businesses in high-growth markets to execute the relevant solution. We may not be able to identify large consumer trends or suitable business concepts in the future. Even if we successfully identify such trends or suitable business concepts, we may fail to fully understand them or their associated risks, and the business plans or market estimates underlying our decision to invest may prove to be inaccurate. We may also be unable to distinguish between business concepts with potential for long-term success and those with only limited potential. We may realize, only after having identified and invested in a particular business concept, that such business concept is not likely to be successful or no longer fits within our core strategy.

***The markets in which we invest may not be as attractive as we expect or may suffer an economic downturn. Even if economic conditions are favorable, we may not be successful due to other factors such as poor internet infrastructure or an unfavorable legal or regulatory environment.***

We focus our investments on markets that we believe present significant growth opportunities in terms of gross domestic product ("**GDP**"), demographics, middle-class and population as well as high-speed internet and mobile penetration and adoption of new internet-based business models. There is no guarantee, however, that these growth markets will prove to be as attractive as we expect or that we will be able to identify growth markets in the future. Markets we invest in could be subject to an economic downturn that effects use of our products or services and has a negative impact on revenues and profit. Our success in these markets depends significantly on the accuracy of forecasts of growth in terms of GDP, demographics, middle-class and population as well as internet and mobile penetration, government support for technology infrastructure, business development and foreign investment, as well as a suitable legal and regulatory environment. Such trends in these markets may be less predictable than those that are generally considered to be more developed. Consumers in these markets are also generally more exposed to external forces that impact consumer spending, such as general economic conditions, unemployment, consumer debt, wage or purchasing power stagnation or decline and increases in non-discretionary costs, residential real estate and mortgage markets, taxation, energy prices, inflation, interest rates, consumer confidence and other macroeconomic factors. As many of our businesses target sectors that are typically considered forms of discretionary spending, such as our Food Delivery and Etail segments, or are otherwise affected by levels of discretionary spending, such as our Payments and Fintech segment, we may be particularly at risk of negative economic performance during recessionary or other periods in which consumer spending or disposable income decreases.

***Expansion into new verticals and horizontal services may increase our risk profile.***

We are also focused on expanding to verticals that complement our existing businesses, which may alter our risk profile. For example, the Payments and Fintech segment is seeking to increase access to credit in markets where the population is underserved by the traditional financial system. Expanding into these markets, products and services could subject us to new or heightened risks, such as increased exposure to counterparty credit risk and regulatory and compliance risks, any of which would impose additional cost or compliance burdens on us.

***Competition between investors is driving up valuations, which may not reflect fair value and may diminish our returns.***

We compete with financial investors to identify and acquire or invest in suitable consumer internet businesses. Competition among financial investors, such as investment funds, venture capital, private equity and other firms, has increased significantly in recent years, and there have been concerns that valuations of certain consumer internet businesses do not reflect present or potentially achievable future fair values. Some of the financial investors with which we compete may have substantially greater resources than us and there can be no assurance we will be able to invest in suitable companies on commercially reasonable terms, or at all. Where we invest at high multiples, this may diminish our return and in turn, our results of operations and financial condition. Increasing competition may also reduce the number of available businesses which satisfy our strict investment criteria and may drive up prices for assets more generally. Any inability to execute our strategy could have a material adverse effect on our business, financial condition, results of operations and prospects.

***We depend on search engines and application marketplaces to direct users to our platforms and to make our platforms available to users.***

To be successful, our businesses must achieve scale by deepening and broadening user engagement, achieving adoption across a large user base and creating network effects on our platforms. We rely in part on search engines, such as Google, and mobile operating systems, such as Android and iOS, and their respective application marketplaces to direct new and existing users to our platforms and to facilitate downloads of our mobile apps. Any changes in mobile operating systems and application marketplaces that degrade the functionality of our apps or give preferential treatment to our competitors' apps could adversely affect our platforms. If operating systems or application marketplaces limit the availability of our apps, increase the cost of using our apps, impose unsatisfactory terms of use or modify their search or ratings algorithms in ways that are detrimental to us, or if competing platforms are placed more prominently in application marketplaces or search engine results than our platforms, we may be unable to maintain or increase the user base or utilization of our platforms. Any of the foregoing risks could adversely affect our business, financial condition, results of operations and prospects.

***The integration of acquisitions that we have made and may make in the future may not be successful and may create unanticipated problems and costs.***

We have experienced growth and development through acquisitions and investments (including through associated companies and joint ventures) in the past and continue to pursue acquisitions and investments in order to meet our strategic objectives. Integrating the operations and personnel of acquired businesses is a complex process. We may not be able to integrate the operations, technology and rights of our acquired businesses with our operations without encountering unanticipated problems and costs. For example, many of our acquired companies are bolt-on acquisitions intended to interact with our existing internet platforms, and we may face technical difficulties and unanticipated costs in integrating newly acquired platforms. The integration process and any difficulties encountered in combining operations could also divert management's attention from other business concerns or otherwise adversely affect our business. In addition, acquisitions and investments may decrease our cash resources or increase our level of indebtedness and contingent liabilities. There can be no assurance that we will be able to identify, acquire and successfully integrate additional companies in the future or that such acquisitions will perform as expected.

***Many of our businesses depend on third parties for the provision of goods, logistics or other services, which they may fail to provide in a reliable or satisfactory manner.***

Our businesses rely, to varying degrees, on a number of third-party vendors, service providers and strategic partners to operate their businesses and meet the expectations of customers and users.

Our Food Delivery and Etail segments rely on partners, vendors and suppliers to provide products and services. For example, within our Food Delivery segment, if restaurant partners experience difficulty servicing customer demands, producing quality food or meeting other requirements or standards, the reputation and brand of our businesses could be damaged. Similarly, within the Etail segment, if the supply of merchandise from vendors were to significantly deteriorate for any reason, our businesses may be unable to obtain the products that consumers want to purchase. To deliver goods to customers, the Food Delivery segment relies on either the delivery service provided by the restaurant or the platform's own delivery service, if available, and the Etail segment relies on third-party delivery companies as well as its own logistics network. Any interruptions to or failures in such logistics and delivery services could prevent the timely or proper delivery of products to customers, which would harm the reputation of our companies and platforms. These interruptions may be due to events that are beyond our control or the control of such third parties, including, among others, inclement weather, natural disasters, transportation disruptions and labor unrest. The risk of such an interruption occurring is especially heightened in growth markets, where many businesses in our Food Delivery and Etail segments operate. See "*—The continuing impacts of COVID-19 are highly unpredictable and could be significant, and may have an adverse effect on our business, financial condition, results of operations and prospects*".

***The actions of individual users, customers, delivery personnel, partners or other third parties could expose us to legal claims and liability.***

We are not able to control or predict the actions of platform users and third parties, either during their use of platforms (for example, in our Classifieds, Food Delivery and Etail segments) or otherwise, and we may be unable to protect or provide a safe environment for delivery personnel, customers and consumers as a result of certain actions by other users, delivery personnel, customers, restaurants, carriers, and other third parties. Such actions may result in injuries, property damage, or even loss of life for delivery personnel, customers, consumers or other third parties, or business interruption, brand and reputational damage, or significant liabilities for the businesses in our Classifieds, Food Delivery or Etail segment. In addition, if users, delivery personnel, or individuals impersonating these people engage in criminal activity, misconduct, or inappropriate conduct or use platforms of our businesses as a conduit for criminal activity, users, customers or business partners may not consider our platforms, products or services safe. If other criminal, inappropriate, or negative incidents occur due to the conduct of platform users or third parties, the ability of the businesses in our Classifieds, Food Delivery and Etail segments to attract platform users may be harmed, and our business and financial results could be adversely affected. Further, we may be subject to legal claims and liability in the event of traffic accidents, deaths, injuries, or other incidents that are caused by delivery personnel, customers or consumers, or third parties while using platforms of the businesses in our Food Delivery and Etail segments, or even when delivery personnel, customers or consumers, or third parties are not actively using our platform.

***Failure to maintain relationships with our third-party vendors, service providers and strategic partners could have a material adverse effect on its business, financial condition, results of operations and prospects.***

Our Payments and Fintech segment relies upon relationships with acquirers and other partners, and, in Poland, where we act as an acquirer, the international card networks, such as Visa and MasterCard, or local sponsors to provide payment services. If we were unable to maintain our relationships with acquirers or, where we act as an acquirer, our access to the international card networks, we would face significant difficulty in offering many of our payment services, which would result in a loss of certain customer relationships and negatively impact our revenue.

***The reclassification of delivery personnel in our Food Delivery segment as employees rather than contractors could increase costs, have a negative impact on our results of operations and require changes to our business models.***

Certain of the delivery personnel in our Food Delivery segment and investments are engaged as independent contractors rather than employees. The legal status of delivery personnel is the subject of court cases in several countries, including a case brought by the Labor Prosecution Office of the State of São Paulo against iFood, our Food Delivery business in Brazil. iFood won this case in the first instance, but an appeal case is still ongoing. In addition, municipal, state and federal governments and authorities in various countries are developing new laws and regulations, in some cases with a view to classifying such personnel as employees (or similar) or increasing benefits and legal protections for personnel regardless of status. If personnel currently engaged as independent contractors would be reclassified as employees, either as a result of a court decision or changes to laws or regulations, or if personnel benefits or legal protections would be increased, this could require adjustments to current business models in the applicable businesses and adversely affect the results of operations.

***Loss of key personnel or the inability to attract and retain qualified personnel could have a negative impact on our operations and the operation of our businesses.***

We rely on a number of experienced employees with detailed knowledge of our business and the markets in which we operate. Unanticipated losses of key employees or the inability to identify, attract and retain qualified personnel in the future could adversely affect our business operations. There is a global shortage of suitable talent in relation to our sectors and the technologies we utilize, particularly with respect to digital skills, including software developers, product designers, machine learning and artificial intelligence specialists, which could constrain our ability to develop our business or achieve the desired scale for our operations. In addition, some of our businesses depend on the knowledge, expertise and services of the respective founders of such businesses for our success. If one or more of such key employees were unable or unwilling to remain in their positions, those businesses and operations could be disrupted and their growth potential could be impaired.

***If we fail to maintain brand recognition and trust in our brands, our businesses may face difficulty in attracting and retaining new users and business partners.***

Maintaining the recognition of, and trust in, our brands and our businesses is a critical aspect of our efforts to grow our user base, obtain additional business partners and maintain competitiveness. Our main competitors also have established brands and we are continuing to take steps to increase and strengthen our brand recognition. We may experience difficulties maintaining brand recognition and trust due to a variety of factors, many of which are beyond our control, including:

- changes in the pricing, availability or quality of the products or services offered on our platforms;
- actual or perceived changes to the security and reliability of our platforms;
- competitors having more (or more effective) marketing or brand promotion campaigns than our businesses;
- user complaints about our platforms, products or services, personal data handling and security practices, or user support, including on blogs, online ratings, review services and social media platforms; and
- negative reports or publicity, whether or not true, about our businesses or other businesses in the same sectors.

If we are for any reason unable to maintain and enhance the brand recognition and trust in our brands, this could have a material adverse effect on our business, financial condition, results of operations or prospects.

***Certain of our businesses are subject to inventory risk.***

Certain of our businesses, for example eMAG within the Etail segment, sell products directly to consumers. Businesses such as these are faced with the constant challenge of balancing inventory levels with the ability to meet consumer demand. Our businesses make inventory decisions based on internally generated projections. These projections are based on many assumptions about consumer demand, preferences, trends, product availability or supply chain lag, price sensitivity and pricing, which may prove to be incorrect. If these inventory projections are too high, such businesses' inventory levels may be too high, which may result in lower-than-planned profitability and gross margins, as price reductions may be required to sell through stock. Conversely, if inventory projections underestimate consumer demand, such businesses may experience inventory shortages, resulting in missed sales and lost revenue. Failure to match inventory levels with actual demand may have a material adverse effect on our results of operations.

In addition, within our Classifieds segment, we have expanded into transactions adjacent to some of our Classifieds verticals; for example, we have invested in a few cash-my-car type businesses which offer customers the opportunity to sell their vehicle to the business for cash, rather than selling it themselves via the classifieds platform. Such cars are subsequently sold within a short timeframe through various sales channels including car dealer networks present on our classifieds platforms. As a result of this expansion, we take inventory risk for vehicles held by the platform for a short period of time. If this inventory exceeds demand and the business is unable to sell this inventory within the desired period or for the desired price, this could have a material adverse effect on our results of operations.

***We rely on insurance to cover certain risks related to our business and operations. Changes to the insurance market, premiums, availability or scope of insurance coverage, policy terms and conditions or exclusions could have a material adverse effect on our business, financial condition, results of operations or prospects.***

We rely on insurance to cover certain risks related to our business and operations, including general liability, cyber risks and director and officer liability. Our businesses may provide personal injury, sickness or life insurance to employees or workers. In some cases there may be a limited pool of insurance providers who can provide the requisite policy coverage, resulting in limited choice and less competitive terms being available to us or our business. If premiums increase or the scope of insurance is limited, we may not be able to find an alternative, resulting in increased costs or reduced or no coverage. In addition, unfavorable changes to policy terms and conditions, or the expansion of exclusions, may result in us being unable to make a claim or not being fully covered by insurance. If we do not have adequate insurance coverage in respect of certain events, this could have a material adverse effect on our business, financial condition, results of operations or prospects.

***Increasing scrutiny and changing expectations from investors, lenders, regulators and other market participants with respect to Environmental, Social and Governance ("ESG") performance and policies may impose additional costs on us, expose us to additional obligations or risks or adversely impact our reputation.***

Companies across all industries are facing increasing scrutiny on ESG issues, including those relating to sustainable development, renewable resources, environmental stewardship, supply chain management, climate change, diversity and inclusion, workplace conduct, employee well-being, human rights, community investment and support for local communities. Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG practices, performance and disclosures and, in recent years, have highlighted the importance of the environmental and social impact of their investments. The focus and activism related to ESG and similar matters may hinder access to or increase the cost of capital, as investors and lenders may decide to reallocate capital or not to commit capital as a result of their assessment of a company's ESG practices. Although we are a low carbon business and actively embed sustainability criteria in our decision making, if we fail to meet applicable standards or expectations with respect to these issues across all of our operations and activities, including voluntary commitments we may make, our reputation and brand image could be damaged, we may lose access to certain capital or investors, and our business, financial condition and results of operations could be adversely impacted. Furthermore, ESG regulation is relatively new, complex and evolving and differs from jurisdiction to jurisdiction. There can be no assurance that our businesses and investments have been in full compliance with all applicable ESG regulations at all times in the past, or will be able to be going forward. Allegations that our businesses or investments did not comply with applicable regulations, even if unfounded, may, in addition to legal and financial consequences, negatively impact our reputation. In addition, while we report our ESG practices and performance in alignment with the EU non-financial reporting directive and to engage with leading sustainability rating agencies and other stakeholders, the directive and ratings providers may not be the same as those evaluated by our stakeholders, may emphasize different aspects of ESG practices and performance, or may not accurately reflect our ESG performance in certain respects. In addition, changes in consumer and market demands, regulatory requirements and other ESG-related considerations may negatively impact our performance on key ESG indicators or otherwise impact our reputation and brands and accordingly our business, financial condition and results of operations.

***The third-party ESG scores referenced in this Base Prospectus may not accurately reflect our risks based on environmental, social and governance matters. Any actual or perceived lack of transparency or underperformance regarding ESG matters as a result of increasing scrutiny and changing expectations from investors, lender and other market participants may adversely affect the value of the Notes.***

The impact of our ESG-related risks and practices, including with respect to various ESG matters relevant to our business and the local communities in which we operate, has been and will continue to be independently assessed by non-accredited ratings organizations and various stakeholders in the ESG community. These rating agencies and stakeholders may not be in consensus with each other on their view of our ESG policies as being sufficiently transparent or consistent with their performance standards or goals. If this view was adopted by the prominent rating agencies and thereby the larger ESG community, our reputation could be damaged which, in certain cases, could effectively limit our access to capital markets and result in scrutiny regarding our commitment to ESG principles and standards.

In addition, ESG scores may vary among the different ESG ratings organizations and are subject to differing methodologies, assumptions and priorities used by such organizations to assess ESG performance and risks. As a result, our ESG ratings are not necessarily indicative of our current or future operating or financial performance, our commitment to ESG standards and principles, or any future ability to service the Notes and are only current as of the dates on which they were issued. Any ESG rating obtained by the Company provides no guarantee as to the actual environmental and/or social impacts of the Company. Prospective investors must determine for themselves the relevance of any such ESG rating information contained in this Base Prospectus or elsewhere in making an investment decision. Moreover, ESG scores are not a recommendation by us or any other entity or person to buy, sell or hold the Notes. The issuance of any ESG scores which reflect low performance on ESG matters or high ESG-related risks, or are not consistent with our own views on our commitment to implement ESG principles and standards throughout our business and our commitment to our business and local communities as an ESG company, could adversely affect the value of the Notes.

## RISKS RELATING TO OUR FINANCIAL CONDITION

***We depend on access to cash flows from our subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect our business, financial condition, results of operations and prospects.***

The Issuer is a holding company without business operations and assets other than interests in our subsidiaries, associated companies and joint ventures. To meet our obligations and cash flow requirements and to pursue our strategy, we utilize funding through a combination of distributions from our subsidiaries, associated companies and joint ventures, bank financing, divestments of holdings in certain companies and liquidity from the capital markets. Our subsidiaries, associated companies (including Tencent, Skillsoft, Delivery Hero, VK and Remitly) and joint ventures are separate and distinct legal entities that have no obligation to make any funds available to us or to each other, whether by intercompany loans or payment of dividends. As a result, dividend flows from our subsidiaries, associated companies and joint ventures could be volatile and some of our businesses have a limited track record of paying dividends, or have never paid dividends. For example, dividends and cash extractions received from our subsidiaries, associated companies, joint ventures and other investments increased by 25% between HY 2021 and HY 2022.

Our ability to utilize the cash flows from our subsidiaries, associated companies and joint ventures is subject, in certain countries, to the availability of a sufficient quantity of foreign exchange reserves, and potentially to foreign investment and exchange control laws. The interests of the minority shareholders of some of our subsidiaries and associated companies must be considered when those subsidiaries and associated companies make distributions, and any such distributions may also be subject to restrictions under applicable laws and regulations or any relevant shareholders' agreement. Accordingly, we may not be able to obtain cash from our subsidiaries, associated companies and joint ventures at the times and in the amounts that we require. Any failure by us to obtain distributions from our businesses could restrict our funding and our ability to meet our obligations or pursue our strategy.

In addition, our businesses may face funding and liquidity restrictions under the terms of the financing arrangements upon which we depend. Each of our businesses with external funding relies on our own separate credit facility and financing, to the extent that our business's balance sheet allows for financing. Several of our financing arrangements, including our U.S.$2.5 billion multi-currency revolving credit facility (the "**Revolving Credit Facility**"), contain financial covenants and other ongoing undertakings and requirements. For example, the availability of amounts under the Revolving Credit Facility is subject to financial covenants requiring us and our consolidated subsidiaries to, at all times, maintain a ratio of Net Debt (as defined below) to Value (as defined below) that does not exceed 20%. As at the date of this Base Prospectus, we are in compliance with all covenants. If these covenants, undertakings or requirements are not complied with, the financing may not be available and we could face liquidity difficulties. Similarly, the Company Notes (as defined below) contain customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, occurrence of certain bankruptcy and insolvency events and failure to pay certain judgments. Generally, an event of default under the relevant Company Note will allow the holders of at least 25% in aggregate principal amount of the then-outstanding relevant Company Note to accelerate the amounts due. In addition, many of our other local credit facilities must be renewed annually by the relevant lenders, and such extensions may not be available on commercially reasonable terms, or at all. Any liquidity constraints or lack of financing faced by us or our businesses could have an adverse effect on our business, financial condition, results of operations and prospects.

***We may incur more debt in the future.***

Subject to the terms and conditions of the Notes, our existing notes and our Revolving Credit Facility, we and our subsidiaries may incur additional indebtedness in the future, including in connection with future acquisitions, some of which may be secured by some or all of our assets. Any such incurrence of additional indebtedness could exacerbate the related risks that we now face.

***Our ability to invest in our businesses and execute our strategy could be adversely affected by a combination of currency, liquidity, interest rate and credit risks as well as the availability of and restrictions on the use of capital.***

A number of our businesses require significant investment. We currently utilize funding through a combination of our operating cash flow from our subsidiaries, associated companies and joint ventures, divestments of holdings in certain companies, bank financing and liquidity from the capital markets. The availability and pricing of such funding is subject to market conditions and other factors that are beyond our control, particularly with respect to bank financing and liquidity from the capital markets. In addition, we have a significant amount of debt, with our total debt amounting to U.S.$10.8 billion as of September 30, 2021 (with an additional U.S.$2.5 billion of additional undrawn capacity under our Revolving Credit Facility). Our debt levels could increase our sensitivity to such market conditions and other factors.

Our ability to invest in our businesses and execute our strategy could be adversely affected by any combination of the following factors:

- *Share repurchases*: In August 2021, we commenced a new share repurchase program to acquire up to U.S.$5.0 billion of Prosus Ordinary N Shares. As of November 30, 2021 we have completed approximately 70% of the program (U.S. $3.5 billion cash paid). This program follows a U.S.$5.0 billion share repurchase and share purchase agreement completed in June 2021, pursuant to which the Company acquired U.S.$1.37 billion of Prosus Ordinary Shares N and U.S.$3.63 billion of Naspers N Ordinary Shares in its parent company. To the extent we continue to execute share repurchase programs, our ability to invest in our businesses or execute our strategy could be impaired.

- *Foreign exchange:* Our activities and businesses expose us to fluctuations in currency exchange rates, in particular the U.S. Dollar against the Chinese Yuan Renminbi, Euro, Russian Ruble, Indian Rupee, Brazilian Real, Turkish Lira, Hong Kong Dollar, Romanian Leu and Polish Zloty. A substantial portion of our businesses and investments have revenue and expenses denominated in the local currency of the countries in which they operate, or in respect of our listed investments, shares trading in a currency other than the U.S. Dollar, while our financial statements are prepared in U.S. Dollars. Accordingly, a depreciation of these local currencies against the U.S. Dollar can have an adverse effect on our results of operations as it decreases the value of our profits generated in these local currencies in U.S. Dollar terms. In particular, as a result of our substantial stake in Tencent, and our reliance on Tencent for 74% of our revenue on an economic-interest basis during HY 2022, we are exposed to the risk of a depreciation of the Chinese Yuan Renminbi (the functional currency of Tencent's subsidiaries in the PRC) and the Hong Kong Dollar (owing to our shareholding and annual dividend from Tencent) against the U.S. Dollar. In addition, since the acquisition of our stake in Delivery Hero during FY 2018, we are exposed to foreign exchange translation risk as a result of this investment being denominated in Euros, which may result in losses when translated to U.S. Dollars in our financial statements. Any such fluctuations in currency exchange rates could negatively affect our profitability and impair our ability to invest in our businesses or execute our strategy.

- *Liquidity:* Although we seek to maintain sufficient liquidity through a combination of our cash reserves, operating cash flow from our subsidiaries, dividends received from associated companies and joint ventures, divestments of holdings in certain companies, bank financing and liquidity from capital markets, the occurrence of unforeseen events, such as deteriorating conditions in global or regional economies and/or the financial markets could result in us not being able to obtain financing for expansions of our existing businesses, acquisitions or other elements of our strategy. If we are unable to obtain financing on acceptable terms, or the economic climate deteriorates, our ability to invest in our businesses or execute our strategy could be impaired. See also "—*We depend on access to cash flows from our subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect our business, financial condition, results of operations and prospects*".

- *Interest rates:* Our financial debt and short-term investments expose us to fluctuations in interest rates. As of September 30, 2021, almost all of our gross outstanding financial debt accrued interest at a fixed rate, while the floating rate Revolving Credit Facility was undrawn. As of September 30, 2021, we had U.S.$11.3 billion invested in term deposits for periods of up to 12 months to secure fixed interest rates on our surplus cash. We also use interest rate swaps from time to time to convert floating rates into fixed rates. As of September 30, 2021, there were no interest rate swaps outstanding. Unfavorable market movements in interest rates could have a negative effect on our earnings and cash flows, as increasing interest rates would have a negative impact on the finance costs related to the unhedged portion of our indebtedness, while decreasing interest rates would have a negative impact on our income on our deposits. If such movements, or their impact on our earnings and cash flows, were significant, our ability to invest in our businesses and execute our strategy could be impaired.

- *Credit risk:* We face the risk that certain financial institutions, customers, counterparties or business partners fail to pay amounts due under their contractual obligations. Credit risk primarily arises from financial investments, derivative financial instruments and deposits with financial institutions. If a counterparty fails to honor a payment obligation, such a loss will negatively impact our results of operations and cash flows, which, in turn, could impair our ability to invest in our businesses and execute our strategy. Although we have adopted policies to manage our counterparty credit risk exposure, including the use of credit insurance policies, there can be no assurance that such tools will prove effective against the risk of default by, or the insolvency of, one or more counterparties.

- *Restrictions on the use of capital:* Our financing arrangements contain financial covenants that could limit our ability to finance or refinance our future operational and capital needs, including investments in our businesses, and could impair our ability to execute our strategy and pursue certain business activities that may be in our interest.

If, as a result of any combination of the above factors, we are unable to invest in our businesses and execute our strategy, including as a result of our inability to access additional borrowings, our business, financial condition, results of operations and prospects could be materially and adversely affected.

***Certain changes in accounting or financial reporting standards or interpretations issued by standard-setting bodies for IFRS-EU may adversely affect our reported revenue, profitability and financial results.***

We prepare our financial statements in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the European Union (“**IFRS-EU**”). IFRS-EU is periodically revised and new accounting pronouncements, as well as new interpretations of existing accounting pronouncements, could affect our reported revenue, profitability and financial results. In general, changes in IFRS-EU could have a significant impact on the amount or timing of our reported earnings, valuation of liabilities or assets, and classification of financial instruments between equity and liability on either a retrospective or prospective basis. Non-compliance with accounting and disclosure requirements could result in significant penalties

## LEGAL AND REGULATORY RISKS

***We are required to comply with numerous, complex, constantly evolving and sometimes conflicting legal and regulatory requirements in multiple jurisdictions, and could suffer adverse financial, operational or reputational impact due to non-compliance.***

Our businesses and investments primarily operate in China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, Africa and the Middle East. As a result, we are impacted by the laws and regulations of the various jurisdictions within these markets, including those concerning, among other things, competition and antitrust, foreign investment, labor, data protection and privacy, platforms and online content, intellectual property, ESG, corporate, tax, financial services, anti-money laundering, anti-bribery and anti-corruption and sanctions and export controls. In addition, we are subject to the rules of the markets on which our shares and notes are listed and traded, namely, Euronext Amsterdam, the JSE and A2X Markets and Euronext Dublin. These laws, regulations and rules are often complex, constantly evolving and in some cases may conflict with one another. Furthermore, operating in foreign jurisdictions entails an inherent risk of misinterpreting, or wrongly implementing, foreign laws and regulations or being applied in an unpredictable way. This risk is particularly acute for our smaller or less mature businesses and recent acquisitions. There can be no assurance that our businesses and investments have been in full compliance with all applicable laws and regulations at all times in the past, or will be able to be going forward. Allegations that our businesses or investments did not comply with applicable laws and regulations, even if unfounded, may, in addition to legal and financial consequences, negatively impact our reputation.

In addition, our Payments and Fintech segment, including PayU Global B.V. and its subsidiaries (“**PayU**”) and our minority investments in financial services businesses, operate in a highly regulated sector and are subject to a variety of laws, regulations and guidelines in a number of countries, including those governing "know your customer", payment services and lending, money transmission, financial transactions, foreign exchange restrictions, anti-money laundering and counter-terrorist financing, anti-bribery and anti-corruption, trade sanctions and export controls. Our Payments and Fintech segment operates in many jurisdictions that either currently, or will in the future, implement regulations for Payments processing, including regulations in respect of authorization, approval, licensing or permission to carry out business. There is a level of complexity that our Payments and Fintech segment faces in terms of interpreting, complying with and tracking changes to licensing requirements. Although we seek to monitor the regulatory status of our activities across all the jurisdictions in which we operate, it is not always possible to determine whether our Payments and Fintech segment conducts activities that are, or are treated by regulators as amounting to, regulated activities. In jurisdictions where our activities are not currently regulated, new regulations may be introduced in the future, which could result in increased costs, more onerous compliance obligations or changes to our business model. Any such regulatory change or any failure on our part to obtain the relevant authorization, approval, license or permission, or any change in a regulator's interpretation of such requirements, could materially impact our ability to provide payment services in that jurisdiction. In addition, PayU is subject to the Directive (EU) 2015/2366 of the European Parliament and of the Council of November 25, 2015 on payment services in the internal market ("**PSD2**"), payments-related legislation in Europe. As a result of these regulations or other regulations that may become applicable to us in the future, we may incur additional costs and administrative burdens and if our procedures are deemed by the relevant regulator to be inadequate, we could be exposed to fines or other penalties.

Finally, many of our businesses operate in jurisdictions where the application of rules and regulations are unclear and subject to multiple interpretations, particularly by different courts, regulators and other governmental agencies, which may differ from our interpretations, and are inconsistently enforced. Any inability on our part or those of our businesses to comply with such regulations could have a material adverse effect on our business, financial condition, results of operations and prospects.

***Restrictions on foreign investment and laws which discriminate against foreign- owned or invested companies could make it more difficult for us to invest or operate in certain markets or cause financial loss.***

There are several legislative and regulatory proposals and other initiatives underway, some of which have already been enacted, in jurisdictions in which we operate that could materially impact our ability to invest in certain markets or have a negative impact on our operations.

Foreign direct investment ("**FDI"**) screening regimes are being introduced or broadened in several jurisdictions. For example, in April 2020, India amended its FDI policy to require investors from countries sharing a land border with India to obtain approval of new transactions.

In the United States, effective February 2020, the scope of FDI review by the Committee on Foreign Investment in the United States was expanded to cover not only transactions that result in foreign control of U.S. businesses, but also non-controlling investments in U.S. business involved in certain sensitive sectors (including those involving critical technology or sensitive personal data of U.S. citizens). In October 2020, the EU introduced a new FDI regulation which provides a cooperation framework and rules for national screening. In Russia, FDI legislation has been amended in recent years to expand the Prime Minister's powers to submit transactions to screening, to allow the imposition of certain requirements on foreign investors (such as the transfer of technology or intellectual property) and to restrict offshore companies entering into certain transactions where disclosure requirements are not met. Where applicable to transactions pursued by us, these regimes increase our compliance burden and risk, as well as the risk that a transaction is delayed or cannot be completed. Where transactions are competitive, we may suffer a competitive disadvantage compared to parties that are not subject to such regimes (for example, local companies). Being unable to complete transactions or having a competitive disadvantage in a merger and acquisition context, could prevent us from being able to fully execute our strategy and therefore have a material adverse effect on our performance and results of operations.

On July 26, 2019, the Russian State Duma introduced a draft law (the "**SIR Bill**"), which, if enacted, would, among other things, restrict the ability of foreign shareholders and their affiliates to, individually or collectively, own, manage or control, directly or indirectly, more than 20% of the shares in an entity that owns a "significant information resource" ("**SIR**") being certain websites, webpages, information systems and/or software. As originally drafted, the definition of SIR is broad, leaves significant discretion for the Russian government to identify consumer internet businesses as SIRs and could include our business interests in Russia (such as VK, Avito and PayU). The SIR Bill was withdrawn in late 2019 and has been returned for redrafting. It is unclear when, if ever, the SIR Bill would be passed, and whether the law that is ultimately passed would contain the same provisions as the SIR Bill. If the SIR Bill were to be passed in its original format, we could be forced to decrease our interest in any SIR business, which could have a material adverse impact on our performance and results of operations.

See also "—*Uncertainties exist with respect to the Foreign Investment Law and its potential impact on our investment in Tencent and the viability of Tencent's current corporate structure, corporate governance and business operations*".

Further, when entering or investing in some countries with restrictions on foreign ownership or when dealing with regulators in such countries, it can be advantageous or even critical that we are able to give an assurance of our continuity of identity (i.e., that we will not, after entering a country or securing a license, be taken over by unknown entities with whom the country or regulator may be uncomfortable). We rely on our Protection Structure (as defined below) and Naspers Limited ("**Naspers**") relies on its voting control structure to give such assurances. See "—*Risks Relating to the Shareholder Structure—The interests of Naspers, as our majority shareholder, may differ from the interests of the holders of the Notes*".

***Competition and consumer protection laws are evolving in many countries and may result in increased regulation for our businesses, while strengthening of our market position could result in increased regulatory scrutiny.***

Competition and consumer protection laws in the countries in which we operate are evolving due to technological and market developments, and regulatory authorities may increase their regulation of our businesses as a result. For example, the Russian government's anticipated amendments to competition laws to specifically cater for the digital economy (known as the Fifth Anti-Monopoly Package), which sets market domination criteria for digital platforms and substantially increases the regulator's operational powers during merger control procedures, could impact our businesses in Russia. In the PRC, the Anti-monopoly Commission of the State Council promulgated the Anti-Monopoly Guidelines for Internet Platforms (the "**Guidelines**") on February 7, 2021. The Guidelines prohibit certain monopolistic acts by internet platforms in order to protect competition and safeguard the interests of users and business participating in the internet platform economy, including but not limited to prohibiting platforms with a dominant position from abusing their market dominance (such as using big data and analytics to discriminate between customers in terms of pricing and other transactional conditions, coercing counterparties into exclusivity arrangements, using technology means to block competitors' interfaces, favorable positioning in search results of goods displays and using bundling to sell services or products and compulsory collection of unnecessary user data). In addition, the Guidelines reinforce regulatory review for transactions related to internet platforms in order to safeguard market competition. As the Guidelines are relatively new, it is still uncertain and difficult to estimate their specific impact, but the Guidelines will be applicable to all participants in online platform businesses, such as Tencent and could result in increased scrutiny of or restrictions on Tencent's business.

To our knowledge, a certain number of PRC internet companies, including Tencent, adopt a Variable Interest Entity structure (a "**VIE structure**"), but there have been few precedents where internet companies with a VIE structure were investigated for being involved in a concentration of undertakings until recently. It has been long debated whether transactions involving internet companies with a VIE structure are subject to prior filing of notification requirements, since filings of a notification of a concentration of undertakings made by several internet companies were not accepted in the past. Due to such regulatory history in the industry and as a matter of common industry practice in the past, Tencent did not file prior notification of concentrations of undertakings. In April 2020, the State Administration for Market Regulation ("**SAMR**") published a case involving a concentration of undertakings where a VIE structure was involved (such case was closed in July 2020 and unconditional approval was granted). In November 2020, the draft Guidelines also, for the first time, expressly included concentrations involving a VIE structure within the ambit of the SAMR's merger control review if the reporting thresholds are triggered. Furthermore, in December 2020, the SAMR has, for the first time, formally penalized three internet companies with a VIE structure for failure to file prior notifications of implementing concentrations. Hence, starting from 2020, the SAMR has been reviewing historical cases of concentrations of undertakings of internet companies with a VIE structure, and past failures to file prior notification of concentration of undertakings may be investigated and penalized. When the Guidelines were officially promulgated on February 7, 2021, they confirmed that the concentrations involving a VIE structure will be within the ambit of the SAMR's merger control review if the reporting thresholds are triggered.

Tencent may receive close scrutiny from government agencies under the PRC anti-monopoly law and the Guidelines in connection with its business practices, investments and acquisitions. Any anti-monopoly lawsuit or administrative proceeding initiated against Tencent may result in its being subject to profit disgorgement, heavy fines and various constraints on its business, or result in negative publicity which could harm its reputation and results of operations.

Tencent has previously received a penalty from the SAMR related to its failure to file prior notification of concentrations of undertakings; for example, in March 2021 and in December 2020, each of Tencent and one of its subsidiaries, China Literature Limited, received from the SAMR an official notice of the imposition of a fine of RMB500,000, respectively, due to the foregoing reasons. There can be no assurance that Tencent or any of its subsidiaries will not be subject to more penalties in the future. These constraints could include forced termination of any agreements or arrangements that are determined to be in violation of PRC anti-monopoly laws, required divestitures and limitations on certain business practices, which may limit its ability to continue to innovate, diminish the appeal of its services and increase Tencent's operating costs. These constraints could also enable Tencent's competitors to develop websites, products and services that mimic the functionality of its services, which could decrease the popularity of its marketplaces among sellers, buyers and other participants, and cause its revenue and net income to decrease materially, which may in turn result in a material adverse effect on us. Where we or our associates have a leading position in the market, we may be subject to more stringent supervision by the relevant regulators or at greater risk of investigation for alleged abuse of our or their position in such markets, which could result in adverse regulatory action by the relevant authorities, including monetary fines and negative publicity.

***Non-compliance with anti-money laundering, anti-bribery, anti-corruption and other similar laws could expose us to legal liability and negatively impact our reputation, business, financial condition, results of operations and prospects.***

Our businesses conduct operations in, or may expand operations to, countries that present corruption risks and may have weak legal institutions or a lack of control and transparency. Our businesses may require approvals from, or certain formalities to be completed with, public officials. As a result, we are exposed to the risk that our employees, agents or other representatives could offer or make improper payments or offer or grant benefits in violation of anti-corruption laws and regulations. In addition, our businesses, and our Payments and Fintech segment in particular, are subject to various anti-money laundering and counter-terrorist financing laws and regulations that prohibit, among other things, involvement in transferring the proceeds of criminal activities. These laws and regulations are constantly changing, including as a consequence of the implementation in the EU of the Fourth Anti-Money Laundering Directive ("**MLD4**") and the introduction of the Fifth Anti-Money Laundering Directive ("**MLD5**"). Although we have anti-money laundering and anti-bribery and anti-corruption policies in place, there can be no assurance that such policies will be effective or that incidents of non-compliance with applicable laws and regulations will not arise, any of which could result in damage to our or one of our businesses' reputation and repeated compliance failures could call into question the integrity of our or one of our businesses' operations.

Any violation of or non-compliance with applicable anti-money laundering, anti-bribery or anti-corruption laws could expose us to investigations, criminal and/or civil liability, substantial fines in any of the jurisdictions in which we operate and loss of financing, the occurrence of any of which would have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

***We may be subject to litigation or governmental investigations that could harm or disrupt our business.***

Due to the international nature and scale of our operations, we may be subject to legal claims or legal or administrative action taken by governmental bodies due to non-compliance with legal requirements in many different jurisdictions. Such litigation and actions may be subject to uncertainty of outcome and may result in an adverse outcome for the business concerned. Adverse outcomes could include monetary damages, injunctive relief, loss of rights or permissions, or other remedies that could materially adversely affect our businesses and financial results. Even if legal claims are without merit, defending against significant lawsuits could be time-consuming, costly and divert management's attention from other business concerns.

In addition, the content that we make available to customers through our platforms could result in legal claims against us based on a variety of grounds, including defamation, negligence, copyright or trademark infringement, obscenity or facilitating illegal activities. Similar claims could result from the content generated and published by users of our platforms. See "*—Our consumer internet platforms may be used for illegal or improper purposes, and we may be subject to penalties or legal or regulatory actions or reputational damage*". Any such claims, with or without merit, could result in costly litigation or might require us to enter into royalty or licensing agreements, which may not be available on terms acceptable to us, or at all. As a result of infringement claims, a court could also issue an injunction preventing the distribution of certain products or the operation of certain platforms. We may incur significant costs defending these claims.

Any such legal claim or government investigation could affect our reputation, divert management's attention from other business concerns and could have a material impact on our business, financial condition, results of operations or prospects.

***Our consumer internet platforms may be used for illegal or improper purposes, and we may be subject to penalties or legal or regulatory actions or reputational damage.***

We face risks with respect to fraudulent and illegal activities on our consumer internet platforms. Certain of our platforms, such as those operated by Dante International S.A. ("**eMAG**"), OLX Global B.V. (the "**OLX Group**") and iFood (as defined below), are subject to the risks associated with the use of fraudulent credit card transactions to pay for the purchase of goods or services, which could result in penalties, or may periodically receive communications from buyers and sellers who may not have received the goods or services that they had contracted to purchase or payment for such goods or services. Although we can suspend the accounts of users who engage in fraudulent or deceptive conduct or fail to fulfil their obligations to other users, we do not have the ability to require users to deliver goods or services or make payments. Any negative publicity generated as a result of fraudulent or deceptive conduct by users of our platforms could damage our reputation and negatively affect our business, financial condition, results of operations and prospects.

In addition, users of our classifieds platforms may list or sell unlawful, counterfeit or stolen goods or unlawful services, or sell goods or services in an unlawful manner. Such activities carried out by users through our platforms have resulted in us receiving take-down orders from third parties to remove such listings from the platform as well as allegations of civil or criminal liability for unlawful activities against us. In certain circumstances, third parties, including government regulators and law enforcement officials, have alleged that our platforms aid and abet violations of certain laws, including laws regarding the sale of counterfeit items. Such allegations and suits may force us to pay substantial penalties or to modify our business practices in a manner that increases costs, lowers revenue, makes our platforms less convenient to users, and requires us to spend substantial resources, take additional protective measures or discontinue certain service offerings in order to combat these practices.

Our Payments and Fintech platforms may also be susceptible to potentially illegal or improper uses, including money laundering, circumvention of sanctions, illegal online gambling, fraudulent sales of goods or services, bank fraud, or the facilitation of other illegal activity. Changes in law have increased the penalties for intermediaries providing payment services for certain illegal activities and additional payments-related proposals are under active consideration by government authorities. In addition, we may be held liable by merchants or card networks or other related third parties arguing that any failure to prevent the use of our payment services for illegal purposes constitutes a breach of our duty of care vis-á-vis such merchants or third parties. Intellectual property rights owners or government authorities may seek to bring legal or regulatory action against providers of payments solutions, including us, that are peripherally involved in the sale or marketing of infringing items. Any threatened or resulting claims could result in reputational harm, and any resulting liabilities, loss of transaction volume or increased costs may materially and adversely affect our business, financial condition, results of operations and prospects.

***Regulation of the internet and ecommerce sectors is evolving and may change quickly in a way that requires changes to our business models, inhibits our ability to grow our business, or adversely affects our businesses by increasing our compliance burden and costs, as well as the risk of non-compliance.***

Government regulation and legal uncertainties may place administrative and financial burdens on our business. In addition to the regulations and laws that apply generally to businesses, we are subject to a number of laws and regulations specifically governing the internet and ecommerce. These laws and regulations cover, for example, business-to-business and consumer-to-business relationships, data privacy, data retention and data residency, competition in the digital sector, status of, and protections for, platform workers and the use of artificial intelligence/machine learning ("**AI**"). Furthermore, as the internet continues to change the nature of commercial relationships on a global scale, and as the use of the internet and mobile devices becomes more prevalent, these laws and regulations continue to evolve. Existing and future regulations and laws relating to the internet may impede the growth and availability of the internet and online services, inhibit our ability to grow our businesses, or adversely affect our businesses by increasing costs and administrative burdens, as well as the risk of non-compliance and associated consequences.

For example, privacy-related regulation of the internet is becoming more prevalent across countries and such regulations could interfere with our collection and use of personal data as part of our business operations. In particular, the European Union General Data Protection Regulation (the "**GDPR**") imposes strict conditions and limitations on the processing, use and transmission of personal data. Relevant government authorities and courts may construe GDPR requirements in a manner that requires swift changes to business operations and commercial agreements, which can adversely affect our ability to maintain a steady state of compliance with such requirements. Further, other jurisdictions have recently proposed or enacted laws similar to the GDPR, which would impose additional restrictions on our operations, such as the Brazilian General Data Protection Law, which came into force in August 2020, and the recently proposed Indian Personal Data Protection Bill. A number of such laws contemplate stringent data residency requirements, such as the Indian Personal Data Protection Bill, which requires that certain categories of personal data be stored only within the country.

Other examples of regulations that impact or can impact our business are the EU Platform to Business Regulation (EU) 2019/1150 which aims to promote fairness and transparency for business users of online intermediation services and which came into force on July 12, 2020 and the EU Omnibus Directive 2019/2161, part of the EU Consumer New Deal, which focusses on the relationship between consumers and online platforms and will apply as of May 28, 2022.

In December 2020, the European Commission presented two new legislative packages called the Digital Services Act (the "**DSA**") and the Digital Markets Act (the "**DMA**"). The DSA is aimed at increasing transparency and combatting disinformation with the goal of protecting users of digital platforms. The DSA rules are adapted to today's business models and include new digital service providers such as app stores, media-sharing platforms and marketplaces. The DMA will broaden the EU's competition and antitrust law framework and is likely to introduce specific new rules for "gatekeeper" platforms. Both proposals for EU regulations have entered the legislative process within the EU institutions, which can bring substantial change to their content. Adoption by the EU Council and the European Parliament is expected for mid-2022 at the earliest, and the entry into force is unlikely to occur before 2023.

Aside from the EU other jurisdictions have proposed some form of ex ante regulation to supplement existing ex-post competition regarding large digital platforms.

In recent years several jurisdictions (i.e. competition authorities) have become more active in challenging, blocking, and remedying proposed mergers in digital markets. Some countries are introducing procedural reforms to increase the scope of digital transactions subject to merger review, as well as proposals to change the substantive test for merger reviews in digital markets.

In April 2021, the European Commission presented its draft proposal for a regulation laying down harmonized rules on AI, known as the AI Act ("**AIA**"). The AIA aims to ensure that AI applications in the EU are deployed safely and prevent consumer harm. It would prohibit certain AI uses and proposes rules for high-risk AI applications, including certain Food Delivery and EdTech applications, which would require our businesses to implement a governance and AI risk assessment process, among other requirements. Complying with these requirements may impact the speed to market for deploying AI by our businesses operating in the EU. There is also a risk that certain AI applications may not be approved within the proposed scheme, which could have an impact on business efficiency and innovation opportunity. In its current form, the draft AIA would create new enforcement powers for appointed regulators, including the ability to issue fines of up to 6% of an undertaking's global turnover. The legislative process is at an early stage and the draft requires the agreement of the European Parliament and the Council of the EU, so entry into force after a one-year grace period is unlikely to occur before 2024.

In 2018, Russia introduced new rules on data retention, requiring businesses like Avito and VK to store internet user messages and metadata for a specified period in Russia, as well as provide national security and law enforcement authorities with access to such data. Another regulation from 2018 introduced certain hardware and software requirements with respect to such information storage. In 2019, Russia also introduced legislation aimed at increased national sovereignty over the internet (known as the Sovereign Internet Law), which applies to businesses like Avito and VK. This law requires Russian web traffic and data to pass through points controlled by state authorities and the use of specific IT systems and software.

The law with respect to platform workers is evolving in many countries, with the legal status of these workers in some cases being determined to be, or reclassified as, employees or quasi-employees, rather than contractors or being granted certain additional benefits. In 2020, India introduced a new Code on Social Security 2020 which extended certain labor protections to platform workers and introduced a new social security fund, to which businesses like OLX and Swiggy are required to contribute between 1% and 2% of their turnover, limited to 5% of the pay-outs being made to platform workers. In December 2021, the European Commission presented a proposal for an EU Directive on platform workers. If adopted as such, most platform work would be defined as employment, and food delivery couriers as workers, provided the platform controls their performance. In consequence, couriers would be entitled to a host of benefits and rights (including paid leave and contributory pensions) which would have financial and operational impact on our food segment companies operating in the EU. The timeline for adoption at EU level is 18-24 months, after which EU Member States are due to enact into national law. However, application is not likely to occur before the end of 2024 or early 2025.

There can be no assurance that we have been in full compliance with internet and ecommerce related laws and regulations in the past due to the complexity and pace of change of applicable regulations or for other reasons. In addition, because certain laws, regulations and legal requirements are relatively new and evolving, their interpretation and enforcement may be uncertain and could materially impact how we conduct our businesses.

The continued growth and development of ecommerce may lead to more stringent consumer protection and competition laws, which may impose additional costs or compliance burdens on us. Changes in privacy-related laws, regulations, self-regulatory obligations and other legal obligations, or changes in industry standards or consumer sentiment could raise compliance costs or other costs of doing business, increase liability risks and require us to change business practices, including changing, limiting or ceasing altogether the collection, use, sharing or transfer of data relating to customers.

Furthermore, we adopt an innovation-centered approach to business, which may result in investments, capital or resource allocations into new or emerging businesses, product lines and technologies that are unregulated or less regulated. Regulation of disruptive technologies is largely in its infancy in most jurisdictions, and accordingly the laws that may become applicable (and their resultant impact on us) are unclear and unpredictable.

Any failure on our part to comply with applicable regulations could have a material adverse effect on our business, financial condition, results of operations and prospects.

***We may be unable to adequately protect our intellectual property rights or may be accused of infringing the intellectual property rights of third parties.***

We rely on trademark, copyright, trade secret, patent and other intellectual property laws and regulations as well as employment agreements and third-party non-disclosure agreements to establish and protect our proprietary rights. We conduct business in some jurisdictions, particularly in China, Latin America and Central and Eastern Europe, where it is more challenging to register intellectual property assets or where the extent of legal protection for our intellectual property rights is not well established or is uncertain. Even where the legal protection for our intellectual property rights is well established, our intellectual property rights may be challenged, limited, invalidated or circumvented. Despite patent, trademark and copyright protection, third parties may be able to copy, infringe or otherwise profit from our intellectual property rights without our authorization. We may also be unable to prevent or take remedial action against third parties from acquiring trademarks that are similar to, infringe upon or otherwise decrease the value of our trademarks or other proprietary rights.

At the same time, we are subject to the risk that third parties may assert claims against us based on their patents and other intellectual property rights. In particular, the intellectual property field covering online and related technologies is rapidly evolving and surrounded by a great deal of uncertainty, and our technologies, processes or business models and methods may be found to infringe on the intellectual property rights of third parties. As a result, we may have to pay substantial damages if we are found to have infringed third-party patents or other intellectual property rights. Failure to enforce or protect our proprietary rights, or to defend against allegations of infringement of proprietary rights of third parties, may result in loss of our proprietary rights, legal liability, the incurrence of substantial costs, damage awards, reputational harm, loss of business profits or royalties, and the diversion of other valuable resources.

We currently hold many domain names, which are generally regulated by governmental agencies and internet regulatory bodies. Regulatory bodies could establish additional top-level domains, appoint additional domain name registrars, modify the requirements for holding domain names and/or modify the processes, rules and rights relating to domain name disputes and remedial action. As a result, we may fail to acquire or maintain the use of domain names necessary for our business in all of the jurisdictions in which we seek to conduct business. We may also be unable to prevent or take remedial action against third parties from acquiring internet domain names or other online brand identities (e.g., social media pages or electronic messaging accounts) that are similar to, infringe upon or otherwise decrease the value of our trademarks, domain names or other proprietary rights. If we are unable to protect our domain names and/or control the use of domain names and other online brand identities incorporating our trademarks, our reputation and brand could be impaired and we could lose customers.

If we are, for any reason, unable to adequately protect our intellectual property rights, or are accused of infringing the intellectual property rights of third parties, this could have a material adverse effect on our business, financial condition, results of operations or prospects.

## RISKS RELATING TO MARKETS IN WHICH WE OPERATE

***Our international operations expose us to a variety of economic, social and political risks.***

We are active in a large number of markets, including China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, Africa and the Middle East. Although we and our investments are diversified across the individual markets where we see growth potential, these markets tend to be in growth markets, which are generally subject to greater risk than more developed markets. As a result, we are exposed to a variety of global and local economic, political, regulatory and social conditions, including, among others, currency fluctuations, high interest rates, civil unrest, political instability, health risks and regulations restricting or limiting foreign ownership, which could affect our strategy and have a material adverse effect on our business, financial condition, results of operations and prospects. See "*—Legal and Regulatory Risks—Restrictions on foreign investment and laws which discriminate against foreign-owned or invested companies could make it more difficult for us to invest or operate in certain markets or cause financial loss*".

Our operations are carried out in a large number of foreign currencies, which exposes us to risk in connection with fluctuations or devaluations of currencies, which could affect our results. For more information, see "*Risks Relating to our Financial Condition—Our ability to invest in our businesses and execute our strategy could be adversely affected by a combination of currency, liquidity, interest rate and credit risks as well as the availability of and restrictions on the use of capital*". Our businesses also have to analyze and operate in opaque or unfamiliar legal systems that may contain conflicting regulatory requirements and are often subject to arbitrary enforcement by authorities, and may face complex taxation issues. See "*—Legal and regulatory risks— We are required to comply with numerous, complex, constantly evolving and sometimes conflicting legal and regulatory requirements in multiple jurisdictions, and could suffer adverse financial, operational or reputational impact due to non-compliance*". In addition, financial and economic sanctions may be imposed or tightened by other countries or international organizations on the countries in which our businesses operate, which could force us to dispose of certain of its interests in such countries. See "*—Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on our business, results of operations, financial condition and cash flows*". Our businesses may also be faced with limitations on the remittance of dividends and other cross-border payments or on the recovery of amounts withheld due to withholding taxes.

We also face specific risks as a foreign company doing business in markets that may have regulations in place designed to restrict or limit the ability of foreign companies to conduct business. We may find it more difficult to acquire the licenses and other approvals needed to operate in these markets than local competitors. We may also not be accustomed to how business is conducted in these markets, and may misinterpret, misunderstand or be unaware of local rules, regulations or customs, or have to comply with laws and regulations which are not consistent or even conflict with standards that we have adopted elsewhere, or are generally accepted in other countries. In some cases, we may be treated unfairly or differently than other businesses and may face arbitrary or harmful actions, such as revocations of licenses or other difficulties, with little or no means of recourse. As we continue to expand our international operations, particularly within growth markets, the complications of operating in such countries may worsen and there can be no assurance we can manage them effectively, or at all, which could impact on our strategy and have a material adverse effect on our business, financial condition, results of operations and prospects.

***Global and regional economic and financial conditions could have a material adverse effect on our business, financial condition, results of operations and prospects.***

Our financial performance and the performance of our businesses could be adversely affected by a deterioration of global or regional economic and financial conditions, including due to the COVID-19 pandemic. Many economies around the world, including many of those in which we operate, have suffered slowdowns and/or recessionary conditions over the past decade. These conditions were amplified by volatile credit, equity market conditions, trade barriers and "trade wars". Although certain of these conditions have improved, there can be no assurance that such conditions will not recur, even in the near term. Moreover, even in times of economic recovery, there can be no assurance that our financial performance and that of our businesses will recover to prior levels in a short period of time, if at all. Further, during periods of adverse economic conditions, we and our businesses may have difficulty accessing financial markets, which could make it more difficult or impossible to obtain funding for existing or proposed projects or investments or to pursue our strategy on acceptable conditions, or at all.

In addition, although we are invested in a large number of markets around the world, a significant proportion of our capital is invested in growth markets, particularly in the Mainland of China and India. The economies of countries that are experiencing high levels of growth are subject to rapid and significant change and are vulnerable to internal and external shocks, including the effects of the COVID-19 pandemic, potential domestic political uncertainty and changing investor sentiment due to monetary policy changes in developed countries and other factors. In addition, slowdowns or economic turmoil in global markets or in one growth market tends to affect the economies in other growth markets more acutely than countries which are perceived to have more developed or stable economies. The economies of many growth markets differ from the economies of most developed countries in many respects, including in relation to levels of government involvement, level of development, economic growth rate and control of foreign currency terms. In recent years, many of these economies have undergone significant economic transitions and their respective governments have pursued economic reforms. There can be no assurance that these governments will continue to pursue economic reforms or that any such reforms will not have an adverse effect on our businesses.

In particular, there have been concerns about the relationship between China and the United States, following rounds of tariffs imposed by these countries on one another's goods and several Executive Orders directed at Chinese companies or their products and services. Controversies may arise in the future between these two countries and trade relationships between the two may change. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the economic conditions in China. Likewise, although the Indian economy has experienced significant economic growth in recent years, it faces major challenges in sustaining its growth, including the need for substantial infrastructure development and improving access to healthcare and education.

In addition, we are exposed to changes in the Russian economy, in particular through Avito, VK and PayU. The Russian economy has been negatively affected by sanctions imposed on Russia by a number of countries and Russian Ruble interest rates remain high. The combination of these factors has resulted in reduced access to capital, a higher cost of capital and uncertainty regarding economic growth, which could negatively affect these businesses' financial position, results of operations and business prospects. We are also exposed to changes in the Brazilian economy through our business and investments in Brazil, particularly iFood. Brazil has periodically experienced rates of inflation higher than expected. Such inflation, along with governmental measures to fight inflation and public speculation about possible future measures, has had significant negative effects on the Brazilian economy. In addition, any effort on the part of the Brazilian government to preserve economic stability, as well as any public speculation about possible future initiatives, may contribute significantly to economic uncertainty in Brazil.

Any prolonged slowdown in these economies, including due to the COVID-19 pandemic, may lead to reduced internet-related activities and consumer spending and could have an adverse impact on our businesses and investments in these countries. See "*Risks Relating to Our Businesses–The continuing impacts of COVID-19 are highly unpredictable and could be significant, and may have an adverse effect on our business, financial condition, results of operations and prospects*".

***Uncertainties exist with respect to the Foreign Investment Law and its potential impact on our investment in Tencent and the viability of Tencent's current corporate structure, corporate governance and business operations.***

Our investment in Tencent may be affected by uncertainty arising from new foreign ownership regulations in the Mainland of China, particularly due to the Structure Contracts arrangement that Tencent uses to operate its business.

In March 2019, the National People's Congress of the PRC approved the Foreign Investment Law, which came into force on January 1, 2020 and replaced the laws regulating foreign investment in the Mainland of China. Since the Foreign Investment Law is relatively new, uncertainties exist in relation to its interpretation and implementation. For instance, under the Foreign Investment Law, "**foreign investment**" refers to the investment activities directly or indirectly conducted by foreign individuals, enterprises or other entities in the Mainland of China. Though it does not explicitly classify contractual arrangements as a form of foreign investment, there can be no assurance that foreign investment via contractual arrangements, such as the Structure Contracts, would not be interpreted as a type of indirect foreign investment activity under the definition in the future. In addition, the definition contains a catch-all provision that includes investments made by foreign investors through means stipulated in laws or administrative regulations or other methods prescribed by the State Council of the PRC. Such uncertainties have not been resolved in the regulations that have been adopted to implement the Foreign Investment Law. Therefore, it still leaves leeway for future laws, administrative regulations or provisions promulgated by the State Council of the PRC to provide for contractual arrangements as a form of foreign investment. In any of these cases, it will be uncertain whether the Structure Contracts will be deemed to be in violation of the market access requirements for foreign investment under the PRC laws and regulations. If either the regulatory authorities or the courts of the PRC find that the Structure Contracts do not comply with PRC laws and regulations, Tencent could be subject to penalties and could be forced to relinquish its interest in its value-added telecommunications services business and related business in the Mainland of China, which would have a material adverse effect on Tencent's business and the market price of Tencent's shares.

Furthermore, if future laws, administrative regulations or provisions prescribed by the State Council of the PRC mandate further actions to be taken by companies with respect to existing contractual arrangements, Tencent may face substantial uncertainties as to whether it can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect Tencent's current corporate structure, corporate governance and business operations, which may in turn result in adverse effect on the market value of the Prosus Ordinary Shares N, which would significantly affect our results of operations on an economic-interest basis and financial condition. For further information, see "*—Risks Relating to Our Businesses—Tencent's performance will have a material impact on our results of operations on an economic interest basis and our financial condition*".

***Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on our business, results of operations, financial condition and cash flows.***

Our businesses and investments operate in a variety of jurisdictions, serving over 100 countries as of September 30, 2021. Tax laws, treaties and regulations in the jurisdictions in which we operate may change and there may be changes in enforcement of tax law. Additionally, tax laws, treaties and regulations are complex and subject to varying interpretations. We cannot be sure that our interpretations are always accurate or that the responsible tax authority agrees with our views. If tax laws, treaties or regulations change or our tax positions are challenged by the tax authorities, we could incur additional tax liabilities, which could increase our costs of operations and have a material adverse effect on our business, financial condition and results of operations. In some instances, the tax authorities may seek to impose substantial penalties and interest charges, which may result in significantly higher costs if we are unsuccessful in defending the claim of negotiations or proceedings are protracted.

On October 8, 2021, the OECD issued a statement with an update on the status of the global negotiations on reforming the international tax system. This statement builds on the earlier statement released on July 1, 2021 and is supported by 137 out of the 141 participating countries in the G20/OECD Inclusive Framework program. "Pillar One" of the plan aims to ensure a fairer distribution of profits and taxing rights among countries, regardless of whether firms have a physical presence in the countries where they generate revenues. The measures of Pillar One will only apply to the largest and most profitable Multinational Enterprises ("**MNEs**"). "Pillar Two" seeks to put a floor on competition over corporate income tax, through the introduction of a global minimum corporate tax rate of 15%. In the coming months the plan is to address the open issues so that the new rules can start having effect in 2023. In addition there is a high level commitment on the abolishment of existing Digital Services Taxes and agreement not to introduce new Digital Services Taxes (i.e., taxes on certain revenue streams of digital companies, such as search engine, social media and online marketplace companies, which derive value from users in a relevant taxation jurisdiction) going forward (also beyond 2023).

It is expected that we will, like other MNEs, be impacted by this new tax framework. The exact implications, including an estimate of the quantification of the impact per country, can only be made once the full details about the program and the ways in which it will be implemented under domestic legislation of the participating countries is available.

***Our international activities increase the compliance risk associated with economic and trade sanctions imposed by the United States, the European Union and other jurisdictions.***

We, our businesses, our investments and our business partners may be subject to complex economic and trade sanctions laws, including those imposed by the United States, the European Union and other jurisdictions. Economic and trade sanctions laws prohibit most dealings with listed persons, entities or bodies designated under the applicable sanctions regime, and restrict or prohibit certain business activities in certain sanctioned territories (notably, in respect of U.S. sanctions, Cuba, Iran, North Korea, Syria and Crimea).

In addition, Russia's annexation of Crimea in March 2014 led the European Union and United States to place sanctions on certain Russian persons. Subsequently, the European Union and the United States have extended the list of sanctioned Russian entities and persons.

If sanctions would apply to any of our investments, we could be restricted in our dealings in such investments, suffer a decrease in value of our investments, or be required to dispose of our investments in order to remain in compliance with such sanctions. If sanctions would apply to any of our business partners, we could be required to cease doing business with such partners in order to comply with sanctions, which could be detrimental to our business operations. Any failure to comply with applicable sanctions could have a material adverse effect on our business, financial condition, results of operations and prospects.

***The U.S. government has issued certain Executive Orders that may have negative impacts on Tencent's business, and it cannot assure that the U.S. government will not issue similar Executive Orders or other laws and regulations in the future.***

The Executive Order, entitled "Securing the Information and Communications Technology and Services Supply Chain" ("**Executive Order 13873**") was issued on May 15, 2019. Executive Order 13873 authorizes the U.S. Secretary of Commerce to prohibit or condition information and communication technology transactions with entities under the jurisdiction of a "foreign adversary", as that term has been defined by the U.S. Secretary of Commerce (which names the PRC as a "foreign adversary" jurisdiction). The U.S. Department of Commerce promulgated regulations to implement provisions of Executive Order 13873, with its interim final rule effective as of March 22, 2021 (the rule is effective as of that date, however the U.S. Department of Commerce may revise and issue a different final rule). The rule includes the processes and procedures that the U.S. Secretary of Commerce will use to identify, assess and address certain transactions which the U.S. Secretary of Commerce may prohibit or make subject to certain mitigation measures under Executive Order 13873. Given the broad scope of Executive Order 13873 and the U.S. Department of Commerce's implementing regulations, certain transactions conducted by Tencent may be adversely impacted.

In addition, the Executive Order issued on January 19, 2021 entitled "Taking Additional Steps To Address the National Emergency With Respect to Significant Malicious Cyber-Enabled Activities" ("**Executive Order 13984**") required the U.S. Secretary of Commerce to propose regulations to require U.S. infrastructure as a service (IaaS) provider to verify the identity of any foreign person that obtains an account. Executive Order 13984 would also require that certain special measures be adopted if reasonable grounds (as described in the order) exist for relevant U.S. government agencies to conclude that a foreign jurisdiction has a significant number of foreign persons offering U.S. IaaS products that are used for malicious cyber-enabled activities or otherwise has a significant number of foreign persons directly obtaining U.S. IaaS products for use in malicious cyber-enabled activities. To date, the U.S. Secretary of Commerce has not promulgated regulations to implement Executive Order 13984 but issued an advance notice of proposed rulemaking, published in the U.S. Federal Register on September 24, 2021, which solicited public comments on questions pertinent to the development of regulations pursuant to this Executive Order. It is unclear, however, when the U.S. Secretary of Commerce will issue regulations pursuant to Executive Order 13984 and what the implications of any such regulations may be. If regulations are implemented pursuant to Executive Order 13984, Tencent's cloud services and transactions with U.S. IaaS providers may be adversely impacted.

On June 9, 2021, President Biden issued an Executive Order entitled "Protecting Americans' Sensitive Data from Foreign Adversaries" ("**Executive Order 14034**"). Although Executive Order 14034 revoked Executive Order 13943, which sought to restrict the operation of WeChat in the United States, Executive Order 14034 also required, among other things, the Secretary of Commerce, in consultation with the heads of other U.S. government departments and agencies, to review the potential risks to U.S. national security and the sensitive data of U.S. persons related to the use of "connected software applications" designed, developed, manufactured, or supplied by persons owned or controlled by, or subject to the jurisdiction or direction of, the PRC and certain other jurisdictions that the U.S. Department of Commerce has designated as "foreign adversary" jurisdictions pursuant to Executive Order 13873. Executive Order 14034 ultimately requires the Secretary of Commerce to submit a report to the Office of the President describing additional recommended U.S. government actions to address these risks. Given the broad scope of Executive Order 14034, it is possible that additional U.S. government actions pursuant to this order may adversely affect Tencent's business if implemented.

The U.S. government has also taken steps to prohibit U.S. persons from transacting in publicly traded securities of certain identified Chinese companies. On June 3, 2021, President Biden issued Executive Order 14032 ("**Executive Order 14032**"), revising and superseding Executive Order 13959 ("**Executive Order 13959**"), as amended, which had prohibited U.S. persons from transacting in publicly traded securities of designated "Communist Chinese Military

Companies" ("**CCMCs**") as well as securities derivative of, or designed to provide investment exposure to, such securities. Executive Order 14032 largely retains the same prohibitions as Executive Order 13959, but replaces Executive Order 13959's criteria for designation in its entirety and places the authority to make designations with the U.S. Treasury Secretary. Executive Order 14032 extends the designation criteria of Executive Order 13959 to include not only companies determined to operate, or which have operated, in the defense and related materiel sector of China's economy, but also those determined to operate or to have operated in the surveillance technology sector of China's economy. The U.S. Department of the Treasury's Office of Foreign Assets Control maintains a list of entities designated pursuant to Executive Order 14032, known as the "Non-SDN Chinese Military-Industrial Complex Companies" list ("**CMICs**"), which replaced the prior CCMC list in its entirety. Although Tencent is not currently impacted by the prohibitions of the CMIC sanctions program, a number of Chinese telecommunications companies have been designated as CMICs pursuant to Executive Order 14032. Pursuant to Executive Order 14032, the U.S. government has significant discretion to make or revise such designations, and if it were to do so, this could have a material adverse impact on a broader range of companies, which could potentially include Tencent.

Although, to date, none of Tencent's products, services and transactions have become prohibited as a result of the implementation of any of the above Executive Orders, there can be no assurance that these Executive Orders would not have an adverse effect on the operation of Tencent's business in the future, particularly if these Executive Orders are specifically implemented against its products or services in the United States. There is also no assurance that the United States will not issue additional Executive Orders or other laws or regulations that may adversely affect Tencent's business and financial conditions.

**RISKS RELATING TO THE SHAREHOLDER STRUCTURE**

***The interests of Naspers, as our majority shareholder, may differ from the interests of the holders of the Notes.***

The Issuer's issued share capital currently comprises Ordinary Shares A1, Ordinary Shares B and Ordinary Shares N (together, the "**Ordinary Shares**"), each carrying one vote per share, for so long as the Protection Structure (as defined below) has not been activated. As of September 30, 2021, Naspers holds 56.9% of the Prosus Ordinary Shares N and 100% of the Prosus Ordinary Shares B, which on a combined basis represents 72.7% of the voting rights of Prosus. As a result of the cross holding between Prosus and Naspers, which is governed by a Cross-holding Agreement, the economic interest attributable to Naspers is 40.9% (the effective economic interest that Naspers, and therefore Naspers free float shareholders, has under the Cross-holding Agreement, which excludes shares held by share trusts related to the Naspers Group's share incentive plans). Naspers has significant control over our management and affairs and controls all matters requiring approval by our shareholders, including the election or removal of directors and approval of any significant corporate transaction, such as a merger or other sale of us or our assets (see "*Additional Information—Group Structure*"). In addition, Naspers itself is controlled through a voting control structure, see "*—Legal and regulatory risks—Restrictions on foreign investment and laws which discriminate against foreign-owned or invested companies could make it more difficult for us to invest or operate in certain markets or cause financial loss*". This concentrated control means a third party cannot acquire, or attempt to acquire, control over us without Naspers's support and may also discourage shareholder initiatives at changing our management or strategy.

We have a protection structure under our articles of association (the "**Articles of Association**"), whereby upon Naspers making, or being obliged to make, a filing with *Stichting Autoriteit Financiële Markten* (the "**AFM**") that it ceases to be entitled to exercise at least 50% plus one vote out of the total number of voting rights that may be exercised at our general meeting (the "**General Meeting**"), the Protection Structure will be activated and the A1 Ordinary Shares, carrying one vote per share, will automatically convert to A2 Ordinary Shares, carrying 1,000 votes per share. The majority of the A Ordinary Shares are held by two companies, Naspers Beleggings (RF) Limited ("**Nasbel**") and Keeromstraat 30 Beleggings (RF) Limited ("**Keerom**"), that together also comprise the voting control structure of Naspers. Nasbel and Keerom collectively hold 79.95 % of the A Ordinary Shares, which, if the Protection Structure is activated, will carry more than 50% of the total voting rights of the Ordinary Shares. In that case, Nasbel and Keerom will together directly control matters requiring approval by our shareholders. Naspers, Nasbel and Keerom, individually or together, may have interests that differ from your interests as a holder of the Notes and may vote in a way that is adverse to your interests as a holder of Notes.

## RISKS RELATING TO THE NOTES

***An active trading market for the Notes may not develop, and transfers of the Notes will be subject to restrictions.***

The Notes issued under the Program will be a class of securities that have never been traded (unless in the case of any particular Tranche, such Tranche is to be consolidated and form a single series with a Tranche of Notes that is already issued and for which there is such a market). While we may apply for the admission of the Notes to listing and to trading on the GEM, we cannot assure you that any particular Tranche of Notes will be so admitted. In addition, the Program also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems at the option of the Issuer. An active trading market for any particular Tranche of Notes may not develop, or if one does develop, it may not be sustained.

The Notes have not been registered under the Securities Act or any U.S. state securities laws, and the Issuer has no obligation or intention subsequently to register or exchange registered securities for the Notes. Accordingly, the Notes can only be offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Therefore, a Noteholder may be required to bear the risk of our investment for an indefinite period. It is your obligation to ensure that your offers and sales of the Notes within the United States and other markets comply with applicable securities laws. See "*Subscription and Sale*".

***To service any Notes and our other indebtedness, we will require a significant amount of cash, and our ability to generate cash will depend on many factors, some of which are beyond our control.***

Our ability to make payments on Notes and our other indebtedness, to refinance our indebtedness, and to fund planned capital expenditures and working capital requirements will partly depend on our ability to generate cash in the future. This ability is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. See "*—Risks Relating to Our Businesses*", "*—Risks Relating to Markets in Which We Operate*" and "*—Risks Related to the Issuer's Business—The Issuer is a holding company with no revenue-generating operations of its own*".

We cannot assure you that our future cash flow, cash on hand or available borrowings will be sufficient to enable us to service and repay any Notes and our other indebtedness or to fund our other liquidity needs. If we are unable to satisfy our debt obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our indebtedness, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot assure you that any refinancing or debt restructuring would be possible, that any assets could be sold or, if sold, of the timing of the sales and the amount of proceeds realized from those sales, or that additional financing could be obtained on acceptable terms.

***The Notes cleared through DTC will initially be held in book-entry form and therefore you must rely on the procedures of DTC to exercise any rights and remedies.***

Unless and until Notes in definitive registered form, or definitive registered Notes, are issued in exchange for book-entry interests, owners of book-entry interests will not be considered owners or holders of Notes cleared through DTC. DTC, or its nominee, will be the registered holder of the Global Notes cleared through DTC for the benefit of its participants, including Euroclear and Clearstream, Luxembourg. After payment to the registered holder, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of DTC, Euroclear and/or Clearstream, Luxembourg, and if you are not a participant in DTC, Euroclear and/or Clearstream, Luxembourg, on the procedures of the participants through which you own your interest, to exercise any rights and obligations of a holder under the Fiscal and Paying Agency Agreement.

Unlike the holders of Notes themselves, owners of book-entry interests will not have any direct rights to act upon our solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC, Euroclear and/or Clearstream, Luxembourg or, if applicable, from a participant. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any matters on a timely basis.

Similarly, upon the occurrence of an event of default under the Fiscal and Paying Agency Agreement unless and until definitive registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through DTC, Euroclear and/or Clearstream, Luxembourg. The procedures to be implemented through DTC, Euroclear and/or Clearstream, Luxembourg may not be adequate to ensure the timely exercise of rights under the Notes.

***Because the Global Notes denominated in Euro will be held by or on behalf of Euroclear and/or Clearstream, Luxembourg, investors will have to rely on their procedures for transfer and payment with the Issuer.***

Notes denominated in Euro issued under the Program may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or, in the case of Notes issued in NSS form, a common safekeeper, for Euroclear and/or Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. Euroclear, and/or Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg.

While the Notes denominated in Euro are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of a common depositary or common safekeeper, as the case may be, for Euroclear and/or Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear, and/or Clearstream, Luxembourg to appoint appropriate proxies.

***Certain of our debt agreements impose restrictions on us. Failure to comply with any of these restrictions could result in acceleration of our debt. Should this occur, we may not have sufficient cash to pay our accelerated indebtedness.***

Certain of our debt instruments, in particular our Revolving Credit Facility, contain covenants that restrict some of our corporate activities, which may adversely affect our ability to finance future operations or capital needs or to engage in new business activities. These restrictions include, among other things, our ability to:

- incur additional indebtedness;
- create a security interest over any of our assets;
- engage in mergers, acquisitions or asset sales;
- engage in sale and leaseback transactions; and
- alter the business we conduct.

In addition, our debt instruments require us to maintain certain financial ratios. As a result of these covenants, we will be limited in the manner in which we can conduct our business, and may be unable to engage in favorable business activities or finance future operations or capital needs. See "*We depend on access to cash flows from our subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect our business, financial condition, results of operations and prospects*".

Accordingly, these restrictions may limit our ability to successfully operate our business. A failure to comply with the restrictions contained in our debt instruments, or to maintain the financial ratios required by debt instruments, could lead to an event of default, which could result in an acceleration of the indebtedness. We cannot assure you that our future operating results will be sufficient to enable compliance with the covenants in our debt instruments or to remedy any such default. In addition, in the event of an acceleration, we may not have or be able to obtain sufficient funds to make any accelerated payments, including those under any Notes.

***If the Notes include a feature that allows you to require us to repurchase your Notes upon the occurrence of specific change of control events affecting us, we may not be able to repurchase any Notes.***

We may from time to time issue Notes under the Program that give you the right to require us, upon the occurrence of specific change of control events affecting us, to repurchase your Notes at 101% of their principal amount, plus accrued and unpaid interest. Our ability to repurchase your Notes upon such a change of control event would be limited by our access to funds at the time of the repurchase and the terms of our debt agreements. Upon a change of control event, we may be required immediately to repay the outstanding principal, any accrued interest on and any other amounts owed by us under our Revolving Credit Facility. The source of funds for these repayments would be our available cash or cash generated from other sources.

However, we cannot assure you that we will have sufficient funds available upon a change of control to make these repayments and any required repurchases of tendered Notes.

***The Notes and/or the Fiscal and Paying Agency Agreement may be modified without your consent.***

The Notes and/or the Fiscal and Paying Agency Agreement may be modified without your consent. The Issuer and Fiscal and Paying Agent, the Paying Agent, the Transfer Agent and the Registrar, may agree, without the consent of the Noteholders, to:

- any modification of the Fiscal and Paying Agency Agreement which is, in the sole opinion of the Issuer, not materially prejudicial to the interests of the Noteholders;
- any modification of the Notes or the Fiscal and Paying Agency Agreement which is, in the sole opinion of the Issuer, of a formal, minor or technical nature or is made to correct a manifest error, to cure any ambiguity or to correct or supplement any provisions to the Notes or the Fiscal and Paying Agency Agreement which may be defective or inconsistent with any other provision contained therein or the description thereof herein, or to comply with mandatory provisions of the law of the Netherlands; or
- any modification of the Fiscal and Paying Agency to conform it to the text of the Terms and Conditions of the Notes, the terms included in a Pricing Supplement or the terms included in the Terms and Conditions of the Notes in any Drawdown Prospectus, as applicable.

The conditions of the Notes contain provisions for calling votes of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not vote and Noteholders who voted in a manner contrary to the majority. See "*Terms and Conditions of the Notes—Modifications and Amendment*".

***The Notes are solely our obligations and, unlike some of our existing indebtedness, are not guaranteed by Naspers.***

The Notes are solely our obligations and, unlike some of our existing indebtedness (including the 2025 Notes and the 2027 Notes), are not guaranteed by Naspers. We will depend on our operating subsidiaries, and dividends from investments of such subsidiaries, associated companies and joint ventures to provide the funds necessary to pay the principal of, and the interest on, the Notes. The creditors of these subsidiaries are entitled to amounts payable to them by the subsidiaries before the subsidiaries may pay any dividends to us. Thus, our ability to service our debt obligations, including our ability to pay the principal of, and interest on, the Notes when due, depends on their ability first to satisfy their obligations to their creditors and then pay dividends to us. These operating subsidiaries, associated companies and joint ventures have also not guaranteed the Notes, and have no obligation, contingent or otherwise, to pay amounts due under the Notes or to make funds available for these payments, whether in the form of loans, dividends or otherwise.

***The Notes will be unsecured obligations of the Issuer and will be subordinated to secured obligations upon insolvency.***

Any Notes issued under the Program will not be secured by any of our assets. Holders of secured obligations of the Issuer will have a priority claim on our assets securing the debt owed to them. In the event of any distribution of assets or payment in any foreclosure, dissolution, winding up, liquidation, reorganization, or other bankruptcy proceeding, the assets securing the claims of secured creditors will be available to satisfy the claims of those creditors, if any, before they are available to unsecured creditors, including Noteholders. In any of the foregoing events, there is no assurance to Noteholders that there will be sufficient assets to pay amounts due on any Notes.

***Notes will be structurally subordinated to the obligations of our subsidiaries.***

Holders of any Tranche of Notes will have a direct claim based on such Notes against the Issuer, but will not have a direct claim based on such Notes against any operating subsidiaries or Naspers. The right of Noteholders to receive payments under the Notes will be structurally subordinated to all liabilities of the operating subsidiaries, associated companies and joint ventures. In the event of a bankruptcy, liquidation, reorganization or similar proceeding relating to a subsidiary, the right of Noteholders to participate in a distribution of the assets of such subsidiary will rank behind such subsidiary's creditors as well as our associated companies' and joint ventures' creditors (including trade creditors) and preferred stockholders (if any), except to the extent that the Issuer has direct claims against such subsidiary. As of September 30, 2021, our subsidiaries had U.S.$5,411 million of total liabilities outstanding (excluding intercompany liabilities). In addition, pursuant to the expected terms of any Tranche of Notes, our subsidiaries are permitted to incur additional indebtedness.

***The Notes may not be a suitable investment for all investors.***

Each potential investor in the Notes must determine the suitability of that investment in light of their own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the merits and risks of investing in the Notes;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of their particular financial situation, an investment in the Notes and the impact such investment will have on their overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect their investment and their ability to bear the applicable risks.

Potential investors should not invest in the Notes unless they have the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities and each potential investor should consult their legal advisers or the appropriate regulators.

***Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.***

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks relating to the structure or marketing of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Moreover, any downgrading by one or more credit rating agencies may affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes. If our credit ratings are downgraded for any reason, it could limit the availability to us of indebtedness on commercially favorable terms or result in a sell-off of our existing bonds as some investors' mandates restrict them to hold investment-grade assets only, which could have a negative effect on our financial position and our ability to refinance our existing debt.

***Because the Conditions are governed by New York law, changes in New York law could materially and adversely impact the value of any Notes affected thereby.***

The Conditions are governed by New York law. No assurance can be given as to the impact of any possible judicial decision or change to New York law or administrative practice after the date of this Base Prospectus, and any such change could materially and adversely impact the value of any Notes affected by it.

***There are potential conflicts of interest between Noteholders and the Calculation Agent (if any).***

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders (including where a Dealer acts as a calculation agent), including with respect to certain determinations and judgments that such Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the terms of the Notes and upon their redemption.

***New and existing insolvency laws may preclude Noteholders from recovering payments due on the Notes.***

With the entry into force of the Dutch Act on Court Confirmation of Extrajudicial Restructuring Plans (*Wet homologatie onderhands akkoord*) ("**WHOA**") on January 1, 2021, debtors now have the ability to offer a restructuring plan outside of formal insolvency proceedings. The WHOA is inspired on the UK Scheme of Arrangements and the US Chapter 11 procedure and it offers debtors additional possibilities to restructure their debt. Unlike a restructuring plan in suspension of payments and in bankruptcy proceedings, a restructuring plan under the WHOA can be offered to secured creditors as well as shareholders. The WHOA provides, *inter alia*, for cross class cramdown, the restructuring of group company obligations through aligned proceedings, the termination of onerous contracts, the suspension of certain *ipso facto* clauses in contracts and supporting court measures. A WHOA restructuring plan may result in claims against the Issuer being compromised if the relevant majority votes in favor of such a restructuring plan and it is subsequently confirmed by the Dutch courts. A restructuring plan under the WHOA can extend to claims against entities that are not incorporated under Dutch law and/or are residing outside the Netherlands. Accordingly, the WHOA can affect the rights of the Noteholders and therefore the Notes.

Voting on a WHOA restructuring plan is done in classes. A class is deemed to accept the plan if two thirds of the total amount of the debt of that class or, in the case of a class of shareholders, two thirds of the share capital of that class, participating in the vote, vote in favor. The WHOA provides for the possibility for a restructuring plan to be binding on a dissenting class (i.e., cross class cramdown). Under the WHOA, the court will confirm a restructuring plan if at least one class of creditors (other than a class of shareholders) that can be expected to receive a distribution in case of a bankruptcy of the debtor approves the plan, unless there is a statutory ground for refusal. The court can, *inter alia*, refuse confirmation of a restructuring plan on the basis of (i) a request by a dissenting creditor, if the value of the distribution that such creditor receives under the plan is lower than the distribution it can be expected to receive in case of a bankruptcy of the debtor or (ii) a request of a dissenting creditor in a dissenting class, if the plan provides for a distribution of value that deviates from the statutory or contractual ranking and priority to the detriment of that class, unless there is a reasonable ground to do so. There is one mandatory refusal ground specifically applicable to secured financial creditors. If the restructuring plan entails a debt-for-equity swap in which such creditors do not wish to participate, and these creditors do not have the right to opt for a different kind of distribution, the court will refuse confirmation of such plan on the request of such creditor.

Under the WHOA, the court may grant a stay on enforcement of a maximum of four months, with a possible extension of four months. Unless approval by the court is obtained, for the duration of such moratorium, all enforcement action against the assets of (or in the possession of) the debtor is suspended, including action to enforce security over the assets of the debtor or, in case of an undisclosed right of pledge over receivables, the collection, or notification to the debtors. Furthermore, any petitions for bankruptcy in respect of the debtor are suspended and the court may lift attachments on the debtor's assets at the request of the debtor or restructuring expert.

***The Notes may be subject to interest rate risk.***

As specified in the applicable Drawdown Prospectus or the applicable Pricing Supplement, the Notes may bear interest at a fixed rate. Investment in fixed rate notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate notes. If interest rates start to rise then the income to be paid by the Notes might become less attractive and the price upon any sale of the Notes could fall.

***There is no guarantee that Notes issued under the New Safekeeping Structure will meet the Eurosystem eligibility criteria, which may adversely affect the market value of such Notes.***

The NSS has been introduced to allow for the possibility of debt instruments being issued and held in a manner which will permit them to be recognized as eligible collateral for monetary policy of the central banking system for the Euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However, in any particular case, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria, as updated from time to time and generally published on the website of the European Central Bank. If Notes do not satisfy Eurosystem eligibility criteria, then such Notes will not be eligible collateral of the Eurosystem and this may adversely affect the market value of such Notes as an equivalent investment which meets the Eurosystem eligibility criteria may be more attractive to investors.

***The regulation and reform of benchmarks may adversely affect the value of Notes linked to such benchmarks.***

LIBOR, EURIBOR and other indices which are deemed to be benchmarks are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented (see "*—Uncertainty about the future of LIBOR and EURIBOR may adversely affect the return on the Floating Rate Notes and the price at which the Notes can be sold*" below). These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a benchmark.

The Benchmarks Regulation was published in the Official Journal of the EU on June 29, 2016 and applied from January 1, 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Among other things it (i) requires benchmark administrators to be authorized or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognized or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorized or registered (or, if non-EU based, not deemed equivalent or recognized or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to a rate or index deemed to be a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the benchmark.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to such benchmark; (ii) trigger changes in the rules or methodologies used in the benchmarks; or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Notes linked to a benchmark, such as the Floating Rate Notes.

***Uncertainty about the future of LIBOR and EURIBOR may adversely affect the return on the Floating Rate Notes and the price at which the Notes can be sold.***

On July 27, 2017, the Chief Executive of the United Kingdom Financial Conduct Authority (the "**FCA**"), which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. Additionally, on March 5, 2021, the FCA announced that: (a) immediately after December 31, 2021, publication of the one-week and two-month LIBOR for U.S. dollars will permanently cease; (b) immediately after June 30, 2023, publication of the overnight and 12-month LIBOR for U.S. dollars will permanently cease; and (c) immediately after June 30, 2023, the one-month, three-month and six-month LIBOR for U.S. dollars will cease to be provided or, subject to the FCA's consideration of the case, be provided on a synthetic basis and no longer be representative of the underlying market and economic reality they are intended to measure and that representativeness will not be restored. Companies and firms are urged to be able to run their business without LIBOR from this date and to reduce the stock of "legacy" LIBOR contracts. These announcements indicate that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021 or, in the case of U.S. dollar-denominated Floating Rate Notes, June 30, 2023. It is impossible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. At this time, no consensus exists as to what rate or rates may become accepted alternatives to LIBOR and it is impossible to predict the effect of any such alternatives on the value of LIBOR-based securities such as the Floating Rate Notes.

Furthermore, in March 2017, the European Money Markets Institute (the "**EMMI**") (formerly EURIBOR-EBF) published a position paper referring to certain proposed reforms to EURIBOR, which reforms aim to clarify the EURIBOR specification, to develop a transaction-based methodology for EURIBOR and to align the relevant methodology with the Benchmarks Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. EMMI has since strengthened its governance framework and has developed a hybrid methodology for EURIBOR. On November 28, 2019, EMMI confirmed it has completed the transitioning of the panel banks from the quote-based EURIBOR methodology to the hybrid methodology. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR or EURIBOR may adversely affect LIBOR or EURIBOR rates during the term of the Notes and the return on the Notes and the trading market for LIBOR or EURIBOR-based securities. In the event that a published LIBOR or EURIBOR rate is unavailable after 2021, the rate on Floating Rate Notes using LIBOR or EURIBOR as a reference rate will be determined as set forth in Condition 4 of the "*Terms and Conditions of the Notes*".

Investors should be aware that, if LIBOR or EURIBOR (or any other benchmark) were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR or EURIBOR (or any other benchmark) will be determined for the relevant period by the fall-back provisions applicable to such Notes set out in the Terms and Conditions. Depending on the manner in which the rate of interest is to be determined under the Terms and Conditions, this may (i) be reliant upon the provision by reference banks of offered quotations which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of the rate of interest determined in relation to such Notes in respect of the preceding interest period. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR or EURIBOR (or any other benchmark). If a Benchmark Event (as defined in the Terms and Conditions) occurs, there is a possibility that the Rate of Interest (as defined in the Terms and Conditions) could alternatively be set by an Independent Adviser or the Issuer (without a requirement for the consent or approval of Noteholders) by reference to a Successor Rate or an Alternative Rate (each as defined in the Terms and Conditions) and that such Successor Rate or Alternative Reference Rate may be adjusted by applying an Adjustment Spread (as defined in the Terms and Conditions) (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders arising out of the replacement of the relevant benchmark. If no Adjustment Spread is determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the relevant Rate of Interest.

The consent of the Noteholders shall not be required in connection with effecting a Successor Rate or an Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Fiscal and Paying Agent. The Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate and specific terms of any Benchmark Replacement (each as defined in the Terms and Conditions) give notice thereof to the Fiscal and Paying Agent, the Calculation Agent and the Noteholders.

The above-mentioned risks related to benchmarks may also impact a wider range of benchmarks in the future. Investors in Floating Rate Notes which reference such other benchmarks should be mindful of the applicable interest rate fall-back and benchmark replacement provisions applicable to such Notes and the adverse effect this may have on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR or EURIBOR (or any other benchmark).

***There is a risk that we may be considered an 'administrator' under the Benchmarks Regulation***

We may be considered an 'administrator' under the Benchmarks Regulation. This is the case if we are considered to be in control over the provision of the Benchmark Replacement and/or the determined Rate of Interest on the basis of the Successor Rate or Alternative Reference Rate and any adjustments made thereto by us and/or otherwise in determining the applicable Rate of Interest in the context of a fallback scenario.

The Benchmarks Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorized, recognized or endorsed, as applicable, in accordance with the Benchmarks Regulation. There is a risk that administrators (which may include the Issuer in the circumstances as described above) of certain benchmarks will fail to obtain such registration, authorization, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. We cannot guarantee that we will and will be able to timely obtain registration or authorization to administrate a benchmark, in the event that we are considered to be an administrator under the Benchmarks Regulation. This will also affect our ability to apply the fallback provision of Condition 4(d) of the "*Terms and Conditions of the Notes*", meaning that the Reference Rate will remain unchanged (but subject to the other provisions of Condition 4 of the "*Terms and Conditions of the Notes*", particularly Conditions 4(a) and 4(b)) and which may ultimately result in the effective application of a fixed rate to what was previously a Floating Rate Note. Other administrators may cease to administer certain benchmarks because of the additional costs of compliance with the requirements of the Benchmarks Regulation such as relating to governance and conflict of interest, control frameworks, record-keeping and complaints-handling.

Potential investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation and benchmark reforms, investigations and licensing issues in making any investment decision with respect to the Notes.

***You may not be able to enforce judgments against us and our Directors and officers that are obtained in courts of the United States.***

The Issuer is incorporated in the Netherlands. Most of our Directors and executive officers reside outside the United States. Substantially all our assets, and those of our Directors and executive officers, are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us, or our Directors or executive officers, or to enforce judgments against such persons issued by United States courts based upon the civil liability provisions of the federal securities laws or other laws of the United States or any of its states. In addition, it may not be possible for investors to effect service of process in other countries outside of the Netherlands, upon us or our Directors or executive officers, or to enforce judgments of the courts of such countries against such persons based upon the civil liability provisions of the laws of such countries, without the involvement of a competent Dutch court.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Historical Financial Data

Unless otherwise indicated, the financial information contained in this Base Prospectus has been prepared in accordance with IFRS-EU. This Base Prospectus contains our unaudited condensed consolidated interim financial statements as of, and for, the six months ended September 30, 2021 (the "**Interim Condensed Consolidated Financial Statements**") beginning on page F-91 and our audited annual consolidated financial statements as of, and for the year ended, March 31, 2021 and the related notes thereto (the "**2021 Annual Consolidated Financial Statements**"), as well as our audited annual consolidated financial statements as of, and for the year ended, March 31, 2020 and the related notes thereto (the "**2020 Annual Consolidated Financial Statements**" and, together with the 2021 Annual Consolidated Financial Statements, the "**Annual Consolidated Financial Statements**" and, together with the Interim Condensed Consolidated Financial Statements, the "**Financial Statements**"), which are incorporated herein by reference (see "*Information Incorporated by Reference*"). A change in accounting policy was adopted retrospectively and the results presented for the year ended March 31, 2020 have been restated for comparative purposes in the 2021 Annual Consolidated Financial Statements, but not in the 2020 Annual Consolidated Financial Statements. Therefore, the results presented for the year ended March 31, 2020 in the 2021 Annual Consolidated Financial Statements may not be directly comparable to the results presented for the year ended March 31, 2020 in the 2020 Annual Consolidated Financial Statements. See "*—Change in Accounting Policy and Comparative Financial Data*" below for more information. The 2020 Annual Consolidated Financial Statements include comparative information as of, and for, the year ended March 31, 2019. The Interim Condensed Consolidated Financial Statements include comparative information as of, and for the six months ended, September 30, 2020. The change in accounting policy was adopted retrospectively affecting the results presented for the six months ended September 30, 2020. Unless otherwise indicated, all information for the year ended March 31, 2019 in this Base Prospectus has been derived from the 2020 Annual Consolidated Financial Statements. In this Base Prospectus, references to a particular "**Fiscal Year**" or "**FY**" refer to the year ended on March 31 of that year and references to a particular "**Half Year**" or "**HY**" refer to the six-month period ended on September 30 of that year.

The Annual Consolidated Financial Statements have been audited by, and the Interim Condensed Consolidated Financial Statements have been reviewed by, PricewaterhouseCoopers Accountants N.V. ("**PwC Netherlands**"), an independent registered public audit firm located at Thomas R. Malthusstraat 5, 1066 JR Amsterdam, The Netherlands. PwC Netherlands has not resigned, been removed or not been reappointed as our auditors during the six months ended September 30, 2021. The auditor signing the auditor's reports and review report on behalf of PwC Netherlands is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

The Interim Condensed Consolidated Financial Statements and the Annual Consolidated Financial Statements should be read in conjunction with PwC's auditor's reports and review report thereon.

### Change in Accounting Policy and Comparative Financial Data

Effective April 1, 2020, the Group made a voluntary change to its accounting policy regarding the subsequent measurement of written put option arrangements with non-controlling shareholders. Subsequent changes in the carrying value of put option liabilities previously recognized in the income statement in "Other finance income – net" are now being recognized through equity.

The Group considers that the change in the accounting policy will provide more relevant information about the effects of underlying transactions with non-controlling shareholders. Written put option arrangements are considered equity transactions because the settlement with non-controlling shareholders does not result in the loss of control over a subsidiary. Furthermore, as part of the business combination accounting, the Group simultaneously recognizes the non-controlling interest on initial recognition of the written put option liability, because the risks and rewards of ownership are not deemed to have transferred to the Group until the written put option liability is settled.

The Group has adopted this change in accounting policy retrospectively, however, the impact is insignificant to the consolidated statement of financial position as all previous remeasurements recognized through the consolidated income statement are already accumulated in equity as at the effective date of the change. The previous remeasurements accumulated in retained earnings have been reclassified to the "Existing control business combination reserve". Consequently, comparative figures on the consolidated statement of financial position have been restated for the reclassification between retained earnings and other reserves. The carrying value of the written put option liabilities and the total equity of the Group in the comparative periods remain unchanged. The consolidated income statement and finance income/costs note have been restated for the remeasurement of written put option liabilities as these are now recognized directly in equity.

Below is a summary of the impact of the change in accounting policy on the 2021 Annual Consolidated Financial Statements, including the impact on the Group's basic, diluted and headline earnings per share.

***Condensed Consolidated Income Statement***

| | Year ended March 31, 2020 | | |
|---|---|---|---|
| | Previously reported U.S.$ 'm | Change in Accounting Policy[1] U.S.$'m | Restated U.S.$'m |
| **Profit for the period** | **3,715** | **(53)** | **3,662** |
| **Attributable to:** | | | |
| Equity holders of the Group | 3,824 | (53) | 3,771 |
| Non-controlling interest | (109) | | (109) |
| | 3,715 | (53) | 3,662 |
| **Earnings per share (US cents)** | | | |
| Basic | 235 | (3) | 232 |
| Diluted | 231 | (3) | 228 |
| **Headline earnings, (U.S.$m)** | **2,795** | **(53)** | **2,742** |
| **Headline earnings per share (US)** | | | |
| Basic | 172 | (3) | 169 |
| Diluted | 168 | (3) | 165 |

(1) Represents the impact of the change in the accounting policy for the remeasurement of written put option with non-controlling shareholders previously recognized in "Other finance income/(costs)-net".

***Condensed consolidated statement of changes in equity***

| | Year ended March 31, 2020 | | |
|---|---|---|---|
| | Previously reported U.S.$'m | Change in Accounting Policy[1] U.S.$'m | Restated U.S.$'m |
| Share capital and premium | 606 | - | 606 |
| Other reserves | (1,922) | (338) | (2,260) |
| Retained earnings | 30,416 | 338 | 30,754 |
| Non-controlling interests | 214 | - | 214 |
| **Total equity** | **29,314** | **-** | **29,314** |

(1) Represents the impact of the change in accounting policy for the remeasurement of written put option liabilities with non-controlling shareholders previously accumulated in retained earnings that has been reclassified to "Existing control business combination reserve".

The change in accounting policy was adopted retrospectively and the results of the year ended March 31, 2020 have been restated for comparative purposes in the Comparison of Results of Operations for the year ended March 31, 2021 and the year ended March 31, 2020. The change in accounting policy for the year ended March 31, 2020 is presented above for information purposes. The Comparison of Results of Operations for the year ended March 31, 2020 and the year ended March 31, 2019, have not been restated to reflect the change in accounting policy, as the impact is not considered by us to be material to the results of operations for those periods.

**Segmental Data**

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("**CODM**") in order to allocate resources to the segments and to assess their performance. The CODM has been identified as our executive Directors, who make strategic decisions. We have the same governance structure as our ultimate controlling parent, Naspers. We have the same board and management oversight, including the same individuals comprising the CODM. Accordingly, the CODM for Naspers is the same CODM for us.

Within the Interim Condensed Consolidated Financial Statements, the Group currently presents nine (FY 2021: eight; FY 2020: nine; FY 2019: nine) operating segments based on its business by service or product as follows: Ecommerce, comprising Classifieds, Food Delivery, Payments and Fintech, Edtech, Etail and Other ecommerce, Social and Internet Platforms, comprising Tencent and the VK and Corporate. Following the Trip.com transaction in FY 2020, our Travel segment no longer exists and is not reported on after FY 2020. On April 1, 2021, the Group created a new Edtech segment. The Edtech equity-accounted investments were presented in the "Other ecommerce" segment in prior periods and have been reclassified and presented as part of the new Edtech segment for the six months ended September 30, 2020.

In the year ended March 31, 2021, the CODM approved a change in presentation of corporate costs. Corporate costs, previously disclosed in the Other ecommerce segment, are now included in the Corporate services segment. This provides more clarity and transparency regarding the total corporate costs incurred by the Group and results in a more accurate reflection of the operating performance of the Other ecommerce segment.

The change in presentation was adopted retrospectively and the results for the year ended March 31, 2020 have been restated for comparative purposes in the Comparison of Results of Operations for the year ended March 31, 2021 and the year ended March 31, 2020. The Comparison of Results of Operations for the year ended March 31, 2020 and the year ended March 31, 2019, have not been restated to reflect the change in presentation, as the impact is not considered by us to be material to the results of operations for those periods. The change in presentation also affected the results presented for the six months ended September 30, 2020.

We proportionately consolidate our share of the results of our associated companies and joint ventures in our reportable segments. This is considered to be more reflective of the economic value to us of these investments and corresponds to the manner in which the CODM assesses operating performance of the various segments. Segmental performance is mainly assessed on the basis of revenue and trading profit. Revenue and trading profit are presented on an economic-interest basis (i.e. including a proportionate consolidation of the revenue of associated companies and joint ventures) in our segmental review and are accordingly not directly comparable to our consolidated revenue and trading profit figures. For further information, see "*—Non-IFRS Financial Measures and APMs—Economic interest*" below.

**Non-IFRS Financial Measures and APMs**

This Base Prospectus contains certain non-IFRS financial measures ("**Non-IFRS Measures**"), which are not liquidity or performance measures under IFRS, and which we consider to be alternative performance measures ("**APMs**"). These APMs are prepared in addition to the figures that are prepared in accordance with IFRS. Such measures include trading profit, adjusted EBITDA, headline earnings, core headline earnings, free cash flow, growth in local currency excluding acquisitions and disposals, and economic interest information.

We provide Non-IFRS Measures and other information because the Board believes that they provide investors with additional information to measure our operating performance. Our use of Non-IFRS Measures may vary from the use of other companies in our industry. The measures used should not be considered as an alternative to net income (loss), revenue or any other performance measure derived in accordance with IFRS or to net cash inflow (outflow) from operating activities as a measure of liquidity. The Non-IFRS Measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of our results as reported under IFRS. They may exclude or include amounts that are included or excluded, as applicable, in the calculation of the most directly comparable measures in accordance with IFRS. Their usefulness is therefore subject to limitations, which are described below. In particular, other companies in the industry may define the Non-IFRS Measures used herein differently than we do. In those cases, it may be difficult to compare the performance of those entities to our performance based on these similarly-named Non-IFRS Measures. In addition, the exclusion of certain items from Non-IFRS Measures does not imply that these items are necessarily non-recurring. From time to time, we may exclude additional items if we believe doing so would result in more transparent and comparable disclosure.

The Non-IFRS Measures should be considered in conjunction with the Financial Statements prepared in accordance with IFRS. The following discussion provides definitions of Non-IFRS Measures. For reconciliations of these Non-IFRS Measures to their most directly comparable IFRS measures, see "*Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs*".

Each of the Non-IFRS Measures presented as APMs is defined below:

- **Trading profit/loss**: Trading profit/loss represents operating profit/loss, as adjusted to exclude: (i) amortization of intangible assets recognized in business combinations and acquisitions, as these expenses are not considered operational in nature; (ii) retention option expenses linked to business combinations; (iii) other losses/gains—net, which includes dividends received from investments, profits and losses on sale of assets, fair-value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities; (iv) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and (v) subsequent fair value re-measurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the Group has a cash cost on settlement with participants).

- **Adjusted EBITDA** Adjusted EBITDA represents operating profit/loss, as adjusted to exclude: (i) depreciation; (ii) amortization; (iii) retention option expenses linked to business combinations; (iv) other losses/gains—net, which includes dividends received from investments, profits and losses on sale of assets, fair-value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities; (v) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and (vi) subsequent fair value re-measurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the Group has a cash cost on settlement with participants).

- **Headline earnings**: Headline earnings represents net profit for the year attributable to the Group's equity holders, excluding certain defined separately identifiable remeasurements relating to, amongst others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains and losses on acquisitions and disposals of investments as well as assets, dilution gains and losses on equity-accounted investments, remeasurement gains and losses on disposal groups classified as held for sale and remeasurements included in equity-accounted earnings, net of related taxes (both current and deferred) and the related non-controlling interests. These remeasurements are determined in accordance with Circular 1/2021, headline earnings, as issued by the South African Institute of Chartered Accountants, at the request of the JSE Limited in relation to the calculation of headline earnings and disclosure of a detailed reconciliation of headline earnings to the earnings numbers used in the calculation of basic earnings per share in accordance with the requirements of IAS 33 – *Earnings per Share*, under the JSE Listings Requirements.

- **Core headline earnings**: Core headline earnings represent headline earnings excluding certain non-operating items. Specifically, headline earnings are adjusted for the following items to derive core headline earnings: (i) equity-settled share-based payment expenses on transactions where there is no cash cost to the Group. These include those relating to share-based incentive awards settled by issuing treasury shares as well as certain share-based payment expenses that are deemed to arise on shareholder transactions; (ii) subsequent fair value re-measurement of cash-settled share-based incentive expenses; (iii) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; (iv) deferred taxation income recognized on the first-time recognition of deferred tax assets as this generally relates to multiple prior periods and distorts current period performance; (v) fair-value adjustments on financial instruments and unrealized currency translation differences, as these items obscure the Group's underlying operating performance; (vi) one-off gains and losses (including acquisition-related costs) resulting from acquisitions and disposals of businesses as these items relate to changes in the Group's composition and are not reflective of the Group's underlying operating performance; (vii) the amortization of intangible assets recognized in business combinations and acquisitions; and (viii) the donations due to COVID-19, as these expenses are not considered operational in nature. These adjustments are made to the earnings of businesses controlled by the Group as well as the Group's share of earnings of associates and joint ventures, to the extent that the information is available.

- **Free cash flow:** Free cash flow represents cash generated from operations, plus dividends received, minus: (i) net capital expenditure; (ii) capital leases repaid (gross); and (iii) cash taxation paid. Free cash flow reflects an additional way of viewing our liquidity that the Board believes is useful to investors because it represents cash flows that could be used for distribution of dividends, repayment of debt (including interest thereon) or to fund our strategic initiatives, including acquisitions, if any.

- **Growth in local currency excluding acquisitions and disposals:** We apply certain adjustments to the segmental revenue and trading profit reported in the Financial Statements to present the growth in such metrics in local currency and excluding the effects of changes in our composition. Such underlying adjustments provide a view of our underlying financial performance that management believes is more comparable between periods by removing the impact of changes in foreign exchange rates and changes in our composition on our results. Such adjustments are referred to herein as "**growth in local currency, excluding acquisitions and disposals**". We apply the following methodology in calculating growth in local currency, excluding acquisitions and disposals:

    - Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted is calculated as the constant currency results, arrived at using the methodology outlined above, compared to the prior period's actual IFRS-EU results. The relevant average exchange rates (relative to the U.S. dollar) used for our most significant functional currencies, were: Euro (HY 2022: 1.189; FY 2021: 1.1691; FY 2020: 1.1103; FY 2019: 1.1537), Chinese Yuan Renminbi (HY 2022: 0.1552; FY 2021: 0.1479; FY 2020: 0.1433; FY 2019: 0.1485), Polish Zloty (HY 2022: 0.2617; FY 2021: 0.2593; FY 2020: 0.2569; FY 2019: 0.2684), Russian Ruble (HY 2022: 0.0136; FY 2021: 0.0134; FY 2020: 0.0152; FY 2019: 0.0153), Indian Rupee (HY 2022: 0.0136; FY 2021: 0.0135; FY 2020: 0.0141; FY 2019: 0.0143), Romanian Leu (HY 2022: 0.2413; FY 2021: 0.2405; FY 2020: 0.2330; FY 2019: 0.2466) and Brazilian Real (HY 2022: 0.1909; FY 2021: 0.1830; FY 2020: 0.2398; FY 2019: 0.2622).

    - Adjustments made for changes in our composition relate to acquisitions, mergers and disposals of subsidiaries and equity-accounted investments, as well as to changes in our shareholding in our equity-accounted investments. For acquisitions, adjustments are made to remove the revenue and trading profit/(loss) of the acquired entity from the current reporting period and, in subsequent reporting periods, to ensure that the current reporting period and the comparative reporting period contain revenue and trading profit/(loss) information relating to the same number of months. For mergers, adjustments are made to include a portion of the prior period's revenue and trading profit/(loss) of the entity acquired as a result of a merger. For disposals, adjustments are made to remove the revenue and trading profit/(loss) of the disposed entity from the previous reporting period to the extent that there is no comparable revenue or trading profit/(loss) information in the current period and, in subsequent reporting periods, to ensure that the previous reporting period does not contain revenue and trading profit/(loss) information relating to the disposed business. In the six months ended September 30, 2021, net adjustments made for all acquisitions and disposals during the relevant period amounted to a negative adjustment of U.S.$521 million on revenue and a negative adjustment of U.S.$241 million on trading profit. In FY 2021, net adjustments made for all acquisitions and disposals during the relevant period amounted to a positive adjustment of U.S.$454 million on revenue and a positive adjustment of U.S.$170 million on trading profit. In FY 2020, net adjustments made for all acquisitions and disposals during the relevant period amounted to a negative adjustment of U.S.$157 million on revenue and a negative adjustment of U.S.$27 million on trading profit. In FY 2019, net adjustments made for all acquisitions and disposals during the relevant period amounted to a negative adjustment of U.S.$985 million on revenue and a negative adjustment of U.S.$235 million on trading profit.

- **Economic interest:** Investments in associated companies and joint ventures have been accounted for under the equity method for all periods, unless otherwise indicated. Associated companies are those companies over which we exercise significant influence, but which we do not control or jointly control. Joint ventures are arrangements in which we contractually share control over an activity with others and in which the parties have rights to the net assets of the arrangement. This approach is consistent with the application of the equity method of accounting required by IFRS-EU in the Financial Statements. References to "revenue from the Group" or "trading profit from the Group", as applicable, therefore exclude our share of revenue or trading profit from investments in associated companies and joint ventures. We have, however, also included certain information based on the proportionate consolidation of associated companies and joint ventures in that section, as indicated therein and as further explained below.

  IFRS 8, Operating Segments, aligns the reporting of operating segments with internal management reporting. As the CODM analyzes segment results in accordance with the investments in associated companies and joint ventures on a proportionately consolidated basis for segmental reporting purposes, this method is also applied for segment reporting in the financial statements. Proportionate consolidation is a method of accounting whereby our share of each of the income and expenses of associated companies and joint ventures is combined line by line with similar items in our operating segments. We refer to revenue and trading profit measures that include its share of revenue or trading profit from investments in associated companies and joint ventures as "proportionately consolidated" or on an "economic-interest" basis.

  Our associate and joint venture investments have historically been accounted for under the equity method for purposes of the Financial Statements. Unless otherwise indicated, associate and joint venture investments are presented under the equity method of accounting throughout this Base Prospectus. Certain information has been presented based on the proportionate consolidation accounting method in this Base Prospectus where indicated.

  Most major foreign associated companies and joint ventures do not have year-ends that are coterminous with ours, and our accounting policy is to account for an appropriate lag period in reporting our results. The maximum lag period is three months. Any significant transactions occurring in the lag period to our March year-end are taken into account. In the Interim Condensed Consolidated Financial Statements, significant transactions and events that occur during the lag period are adjusted for by including any material non-operational transactions as part of our share of equity-accounted investments in the income statement or as part of our share of equity-accounted investments' movement in other comprehensive income and net asset value in the statement of other comprehensive income with the corresponding entry to the investment value of the associate. In this Base Prospectus, references to segmental revenue for the Group refer to its external revenue only and do not include any inter-segmental revenue, which are eliminated on consolidation.

**Certain Operational Metrics**

This Base Prospectus contains certain operational metrics which are not part of our Financial Statements or our financial accounting records and have not been audited or otherwise reviewed by independent auditors, consultants or experts. We track certain operational metrics with internal systems and tools, and our minority investments with information provided by such companies, that are not independently verified by any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies or the assumptions used. Our internal systems and tools have a number of limitations and the methodologies used for tracking metrics may change over time. If our internal systems and tools, or those of its minority investments, undercount or overcount performance or contain algorithmic or other technical errors, these metrics may not be accurate. These metrics should not be considered in isolation or as alternative measures of performance.

Each of these metrics is defined below:

- **Gross merchandise value** ("**GMV**")**:** a measure of the growth of a business determined by the total value of merchandise sold over a given time period through a consumer-to-consumer ("**C2C**") or B2C platform.

- **Average monthly paying listers:** a measure of the number of monthly users on a platform who yield one or more revenue-generating transactions, such as listing fees or advertising.

- **Total payments in value:** a measure of payments, net of payment reversals, successfully completed through a payments platform (PayU), excluding transactions processed through gateway products (i.e., those that link a merchant's website to its processing network and enable merchants to accept credit or debit card online payments).

- **Internal rate of return:** is presented in this Base Prospectus for illustrative purposes only and is calculated based on the estimated valuations of our internet investments. The estimated valuations are calculated as of March 31, 2021 and September 30, 2021 using a combination of: (i) prevailing share prices for stakes in listed assets; (ii) valuation estimates derived from the average of sell-side analysts currently covering Prosus for stakes in unlisted assets; and (iii) post-money valuations on transactions of these assets or from similar recent transactions for stakes in unlisted assets where analyst consensus is not available. In respect of (ii) above, we do not endorse, and did not participate in, or provide any information for purposes of the preparation of the market valuations calculated by third-party analysts. These valuation estimates have not been confirmed by an independent third-party expert, such as an accounting firm or an investment bank. Accordingly, these valuation estimates may not reflect past, present or future fair values, or any potentially achievable fair value in the future and no reliance can be placed on these valuation estimates.

### Rounding and Negative Amounts

Certain figures in this Base Prospectus, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

In preparing the financial information included in this Base Prospectus, most numerical figures are presented in millions of U.S. dollars. For the convenience of the reader of this Base Prospectus, certain numerical figures in this Base Prospectus are rounded to the nearest million. Accordingly, figures shown for the same category presented in different tables may vary slightly, and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

The percentages (as a percentage of revenue or costs and period-on-period percentage changes) presented in the textual financial disclosure in this Base Prospectus are derived directly from the financial information included elsewhere in this Base Prospectus. Such percentages may be computed on the numerical figures expressed in millions of U.S. dollars. Therefore, such percentages are not calculated on the basis of the financial information in the textual disclosure that has been subjected to rounding adjustments in this Base Prospectus.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts are shown by "—" or "negative" before the amount.

### Currency

In this Base Prospectus, unless otherwise indicated: all references to:

- "**Brazilian Real**" or "**BRL**" are references to the lawful currency of Brazil;

- "**Chinese Yuan Renminbi**" or "**RMB**" are references to the lawful currency of China;

- "**Euro**" or "**€**" are references to the single currency introduced at the start of the third stage of the European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 on May 3, 1998 on the introduction of the Euro, as amended;

- "**Hong Kong Dollar**" or "**HK$**" are references to the lawful currency of Hong Kong;

- "**Indian Rupee**" are references to the lawful currency of India;

- "**Polish Zloty**" are references to the lawful currency of Poland;

- "**Pounds Sterling**" or "**£**" are references to the lawful currency of England;

- "**Romanian Leu**" are references to the lawful currency of Romania;
- "**Russian Ruble**" or "**RUB**" are references to the lawful currency of Russia;
- "**South African Rand**" or "**ZAR**" are references to the lawful currency of South Africa;
- "**Turkish Lira**" are references to the lawful currency of Turkey; and
- "**U.S. dollar**" or "**U.S.$**" are references to the lawful currency of the United States.

**Market and Industry Data**

All references to industry forecasts, industry statistics, market data and market share in this Base Prospectus comprise estimates compiled by analysts, competitors, industry professionals and organizations, of publicly available information or of our own assessment of our markets and sales. The data included in this Base Prospectus relating to Tencent, VK (previously known as Mail.ru Group), Delivery Hero, and certain of our other associated companies, joint ventures and investments (including, but not limited to, Trip.com) have been derived from their publicly available information. Certain information in this Base Prospectus regarding the ecommerce industry is derived from our independent market research using the sources referenced, and such information should not be relied upon in making, or refraining from making, any investment decision.

Statements based on our own estimates, insights, opinions or proprietary information contain words such as "believe", "expect" and "see" and as such do not purport to cite, refer to or summarize any third-party or independent source and should not be so read.

This Base Prospectus contains statistics, data and other information relating to markets, market positions, market shares, market sizes and other industry data pertaining to our business and markets. The information in this Base Prospectus that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as we are aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information provided inaccurate or misleading.

Industry publications and market studies generally state that their information is obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the projections that they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Base Prospectus, the source of such information has been identified.

In this Base Prospectus, certain statements are made regarding our competitive and market position. We believe these statements to be true, based on industry statistics and market data, but we have not independently verified the information. We cannot guarantee that a third party using different methods to assemble, analyze or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, our competitors may define their markets and their own relative positions in these markets differently than we do and may also define various components of their business and operating results in a manner that makes such figures incomparable with our figures.

## SELECTED FINANCIAL AND OTHER INFORMATION

The following tables set out our consolidated income statement, summary of consolidated statement of financial position, summary of consolidated statement of cash flows and certain other financial data as at the dates and for the periods indicated. The selected consolidated financial information set out below has been derived from and should be read together with the Interim Condensed Consolidated Financial Statements beginning on page F-91, including the notes thereto and the Annual Consolidated Financial Statements, in the case of the 2021 Annual Consolidated Financial Statements, beginning on page F-2 or, in the case of the 2020 Annual Consolidated Financial Statements, incorporated by reference herein, including the notes thereto.

In addition, the selected consolidated financial information set out below is a summary only. It may not contain all of the information that is important to prospective investors and, accordingly, should be read in conjunction with "*Presentation of Financial and Other Information*" and "*Risk Factors*". For more information on the Group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities, please see "*Presentation of Financial and Other Information—Change in Accounting Policy and Comparative Financial Data*".

### Consolidated Income Statement

| | Six months ended September 30 | | Fiscal Year | | |
|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 (Restated)(1) | 2019(1) |
| | *(U.S.$ in millions)* | | | | |
| Revenue from contracts with customers | 3,065 | 2,173 | 5,116 | 3,330 | 2,655 |
| Cost of providing services and sale of goods | (2,070) | (1,435) | (3,455) | (2,177) | (1,600) |
| Selling, general and administration expenses | (1,354) | (921) | (2,614) | (1,762) | (1,437) |
| Other (losses)/gains—net | 55 | (24) | (87) | 16 | (40) |
| **Operating loss** | **(304)** | **(207)** | **(1,040)** | **(593)** | **(422)** |
| Interest income | 29 | 59 | 83 | 201 | 265 |
| Interest expense | (180) | (108) | (262) | (223) | (200) |
| Other finance income/(costs)—net | (171) | (5) | 177 | 61 | 114 |
| Share of equity-accounted results | 4,074 | 2,875 | 7,095 | 3,930 | 3,409 |
| Impairment of equity-accounted investments | (1) | (18) | (30) | (21) | (88) |
| Dilution gains/(losses) on equity-accounted investments | 120 | 63 | 981 | (52) | (182) |
| Gain on partial disposal of equity-accounted investments | 12,339 | 19 | 19 | — | — |
| Net gains on acquisitions and disposals | (18) | 211 | 309 | 434 | 1,610 |
| **Profit before taxation** | **15,888** | **2,889** | **7,332** | **3,737** | **4,506** |
| Taxation | (69) | 128 | 67 | (75) | (258) |
| **Profit from continuing operations** | **15,819** | **3,017** | **7,399** | **3,662** | **4,248** |
| Loss from discontinued operations | — | — | — | — | (738) |
| **Profit for the year** | **15,819** | **3,017** | **7,399** | **3,662** | **3,510** |
| Attributable to: | | | | | |
| Equity holders of the Group | 15,891 | 3,015 | 7,449 | 3,771 | 3,581 |
| Non-controlling interests | (72) | 2 | (50) | (109) | (71) |

(1) Refer to note 2 of the 2021 Annual Consolidated Financial Statements for details of the Group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current period. The change in accounting policy was adopted retrospectively and the results presented for the year ended March 31, 2020 have been restated for comparative purposes in the Comparison of Results of Operations for the year ended March 31, 2021 and the year ended March 31, 2020. The Comparison of Results of Operations for the year ended March 31, 2020 and the year ended March 31, 2019 have not been restated to reflect the change in accounting policy, as the impact is not considered by us to be material to the results of operations for those periods.

**Summary of Statement of Financial Position**

| | As at September 30 | As at March 31 | | |
|---|---|---|---|---|
| | 2021 | 2021 | 2020 | 2019 |
| **ASSETS** | | *(U.S.$ in millions)* | | |
| Goodwill and other intangible assets | 4,855 | 2,884 | 3,013 | 2,829 |
| Investments in associates | 47,916 | 40,556 | 22,233 | 19,746 |
| Investments in joint ventures | 153 | 158 | 72 | 95 |
| Other non-current assets | 2,955 | 4,985 | 1,337 | 351 |
| Inventory | 385 | 321 | 213 | 148 |
| Trade receivables | 174 | 150 | 111 | 135 |
| Other current assets | 745 | 1,892 | 731 | 515 |
| Short-term investments | 7,464 | 1,211 | 3,873 | 7,037 |
| Cash and cash equivalents | 6,189 | 3,571 | 4,181 | 2,135 |
| **TOTAL ASSETS** | **70,836** | **55,728** | **35,764** | **32,991** |
| **EQUITY AND LIABILITIES** | | | | |
| Total equity | 54,668 | 43,186 | 29,314 | 27,382 |
| Total debt[(1)] | 10,813 | 8,192 | 3,807 | 3,274 |
| Other non-current liabilities[(2)] | 418 | 454 | 591 | 790 |
| Trade payables | 391 | 344 | 291 | 244 |
| Other current liabilities | 4,546 | 3,552 | 1,761 | 1,301 |
| **TOTAL EQUITY AND LIABILITIES** | **70,836** | **55,728** | **35,764** | **32,991** |

(1) Total debt includes total interest-bearing loans, interest-bearing capitalized leases, bank overdrafts and other non-interest-bearing loans.

(2) Other non-current liabilities include written put option liabilities, cash-settled share-based payment liabilities and other non-current liabilities.

**Summary of Statement of Cash Flows**

| | Six months ended September 30 | | Fiscal Year | | |
|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2019 |
| | | *(U.S.$ in millions)* | | | |
| Cash from operations | (228) | — | (52) | (475) | (372) |
| Dividends received from investments and equity-accounted companies | 571 | 458 | 458 | 382 | 342 |
| **Cash generated from/(utilized in) operating activities** | **343** | **458** | **406** | **(93)** | **(30)** |
| Interest income received | 23 | 81 | 106 | 224 | 201 |
| Interest costs paid | (245) | (118) | (248) | (230) | (215) |
| Taxation paid | (107) | (35) | (105) | (110) | (101) |
| **Net cash generated from/(utilized in) operating activities** | **14** | **386** | **159** | **(209)** | **(145)** |
| Net capital expenditures | (86) | (24) | (117) | (97) | (106) |
| Investments in subsidiaries, associates, joint ventures and businesses | (4,011) | (359) | (1,980) | (865) | (1,397) |
| Disposals of subsidiaries, associates and businesses | 14,634 | 193 | 241 | 109 | 1,821 |
| Acquisition of short-term investments[(1)] | (7,462) | (2,439) | (1,208) | (3,866) | (8,591) |
| Maturity of short-term investments[(1)] | 1,211 | 3 | 3,839 | 7,010 | 1,624 |
| Loans advanced to related parties | (23) | (120) | (318) | — | — |
| Cash paid for shares in holding company[(2)] | (1,287) | — | (2,350) | — | — |
| Cash paid for other investments | (1,096) | — | (1,322) | (30) | — |

| | Six months ended September 30 | | Fiscal Year | | |
|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2019 |
| | (U.S.$ in millions) | | | | |
| Cash movement in other investing activities | 37 | (15) | (3) | 9 | (4) |
| **Net cash (utilized in)/generated from investing activities** | **1,917** | **(2,761)** | **(3,218)** | **2,270** | **(6,653)** |
| Payments for repurchase of shares / Proceeds from issue of shares | (1,461) | — | (1,415) | — | — |
| Net proceeds from/(repayment of) loans, related party funding and capitalized leases | 2,501 | 2,138 | 4,390 | 166 | (390) |
| Contributions made to Naspers share trusts | (151) | (69) | (79) | — | — |
| Additional investment in existing subsidiaries | (115) | (228) | (270) | (64) | (1,607) |
| Additional investment from non-controlling shareholders | 65 | 51 | 53 | 127 | 56 |
| Dividends and capital repayments to shareholders | — | — | (214) | — | (16) |
| Distribution[3] | — | — | — | (215) | — |
| Other movements in financing activities | (130) | (19) | (15) | 3 | 2 |
| **Net cash generated from/(utilized in) financing activities** | **709** | **1,873** | **2,450** | **17** | **(1,955)** |
| **Net movement in cash and cash equivalents** | **2,640** | **(502)** | **(609)** | **2,078** | **(8,753)** |

(1) Relates to short-term cash investments with maturities of more than three months from the date of acquisition. See note 37 of the 2021 Annual Consolidated Financial Statements for more information.

(2) Relates to payments for investments at fair value through other comprehensive income, including U.S.$1.29 billion in the six months ended September 30, 2021 (March 31, 2021: U.S.$2.5 billion) paid for Naspers shares.

(3) Relates to distributions as a result of common control transactions. See note 17 of the 2021 Annual Consolidated Financial Statements for more information.

### Summary Segmental Data

The following tables set out our revenue and trading (loss)/profit by segment on an economic-interest basis for the periods indicated along with a reconciliation to our consolidated revenue and trading (loss)/profit for the relevant periods as reported on a statutory basis.

| | Revenue | | | | | Trading (loss)/profit[1] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Six months ended September 30 | | Fiscal Year | | | Six months ended September 30 | | Fiscal Year | | |
| | 2021 | 2020 | 2021 | 2020 Restated [2] | 2019 | 2021 | 2020 Restated [4][2] | 2021 | 2020 Restated [2] | 2019 |
| | (U.S.$ in millions) | | | | | | | | | |
| **Ecommerce comprising:** | | | | | | | | | | |
| —Classifieds | 1,301 | 628 | 1,599 | 1,281 | 857 | 108 | 29 | 9 | 34 | (6) |
| —Food Delivery | 1,261 | 610 | 1,486 | 751 | 377 | (312) | (189) | (355) | (624) | (171) |
| —Payments and Fintech | 359 | 252 | 577 | 428 | 360 | (31) | (31) | (68) | (67) | (43) |
| —Etail | 1,029 | 965 | 2,250 | 1,363 | 1,529 | (11) | 24 | 68 | (20) | (101) |
| —Edtech[3] | 120 | 51 | 115 | 67 | 21 | (48) | (13) | (14) | (18) | (11) |
| —Travel | — | — | — | 146 | 234 | — | — | — | (22) | (37) |
| —Other[3][4] | 101 | 102 | 203 | 230 | 218 | (78) | (34) | (69) | (65) | (206) |
| **Total Ecommerce** | **4,171** | **2,608** | **6,230** | **4,266** | **3,596** | **(372)** | **(214)** | **(429)** | **(782)** | **(575)** |
| **Social and Internet Platforms comprising:** | | | | | | | | | | |
| —Tencent | 12,250 | 9,912 | 22,155 | 16,779 | 14,457 | 3,373 | 2,968 | 6,126 | 4,601 | 3,929 |
| —VK (previously Mail.ru Group) | 213 | 170 | 371 | 410 | 287 | 12 | 15 | 28 | 98 | 23 |

| | Revenue | | | | | Trading (loss)/profit[(1)] | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Six months ended September 30 | | Fiscal Year | | | Six months ended September 30 | | Fiscal Year | | |
| | 2021 | 2020 | 2021 | 2020 Restated [(2)] | 2019 | 2021 | 2020 Restated [(4)(2)] | 2021 | 2020 Restated [(2)] | 2019 |
| | *(U.S.$ in millions)* | | | | | | | | | |
| **Total Social and Internet Platforms** | **12,463** | **10,082** | **22,526** | **17,189** | **14,744** | **3,385** | 2,983 | **6,154** | **4,699** | **3,952** |
| Corporate services[(4)] | — | — | — | — | — | **(78)** | **(40)** | **(110)** | **(140)** | — |
| **Total (economic interest)** | **16,634** | **12,690** | **28,756** | **21,455** | **18,340** | **2,935** | **2,729** | **5,615** | **3,777** | **3,377** |
| Less: | | | | | | | | | | |
| Equity-accounted investments | (13,569) | (10,517) | (23,640) | (18,125) | (15,685) | (3,102) | (2,770) | (5,778) | (4,198) | (3,683) |
| **Total from continuing operations** | **3,065** | **2,173** | **5,116** | **3,330** | **2,655** | **(167)** | **(41)** | **(163)** | **(421)** | **(306)** |
| Total from discontinued operations[(5)] | — | — | — | — | 644 | — | — | — | — | (154) |
| **Total consolidated group** | **3,065** | **2,173** | **5,116** | **3,330** | **3,299** | **(167)** | **(41)** | **(163)** | **(421)** | **(460)** |

(1) For a reconciliation of trading profit to operating profit, see "—*Non-IFRS Financial Measures and APMs*" below.

(2) In the year ended March 31, 2021, the CODM approved the change in presentation of corporate costs. Corporate costs, previously disclosed in the Other ecommerce segment, are now included in the Corporate services segment. This provides more clarity and transparency to the total corporate costs incurred by the Group and results in a more accurate reflection of the operating performance of the Other ecommerce segment.

The change in presentation was adopted retrospectively and the results of the year ended March 31, 2020 have been restated for comparative purposes in the Comparison of Results of Operations for the year ended March 31, 2021 and the year ended March 31, 2020. The change in presentation for the year ended March 31, 2020 is presented above for information purposes. The Comparison of Results of Operations for the year ended March 31, 2020 and the year ended March 31, 2019, have not been restated to reflect the change in presentation, as the impact is not considered by us to be material to the results of operations for those periods. The change in presentation also affected the results presented for the six months ended September 30, 2020.

(3) From April 1, 2021, the Group created a new Edtech segment. The Edtech equity-accounted investments were presented in the "Other ecommerce" segment in prior periods and have been reclassified and presented as part of the new Edtech segment here.

(4) During the fiscal year ended March 31, 2021, the Naspers board approved a change to the Naspers group's definitions of adjusted EBITDA and trading profit/(loss) related to the treatment of SAR share-based compensation benefits. These non-IFRS measures now include the impact of the Naspers group's SAR share-based compensation expenses based on the grant date fair value for cash-settled share-based compensation benefits. They therefore exclude the subsequent remeasurement of the Naspers group's cash-settled share-based compensation benefits. This resulted in the restatement of these measures for the six months ended September 30, 2020.

(5) Discontinued operations relate to the Group's sub-Saharan Video-Entertainment business which we disposed of in September 2018 and which was subsequently listed and distributed by Naspers Limited to its shareholders in an unbundling transaction in February 2019.

## Non-IFRS Financial Measures and APMs

The tables below present certain non-IFRS financial measures, which are not liquidity or performance measures under IFRS, and which we consider to be APMs. These APMs are prepared in addition to the figures that are prepared in accordance with IFRS and are not audited. We use APMs to provide additional information to investors and to enhance their understanding of our results. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined in accordance with IFRS. Moreover, these metrics may be defined or calculated differently by other companies, and, as a result, they may not be comparable to similar metrics calculated by our peers. See "*Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs*" below for more information, including definitions of these measures.

| | Six months ended September 30 | | Fiscal Year | | |
|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2019 |
| | *(U.S.$ in millions)* | | | | |
| Trading loss from continuing operations[1][6] | (167) | (41) | (163) | (421) | (306) |
| Adjusted EBITDA from continuing operations[2][6] | (105) | 11 | (53) | (324) | (265) |
| Headline earnings[3] | 2,354 | 2,429 | 5,840 | 2,795 | 3,806 |
| Core headline earnings[3] | 2,338 | 2,252 | 4,859 | 3,357 | 3,090 |
| Free cash flow[4] | 118 | 370 | 126 | (338) | (258) |
| Total segmental revenue (economic interest)[5] | 16,634 | 12,690 | 28,756 | 21,455 | 18,340 |
| Total segmental trading profit (economic interest)[5] | 2,935 | 2,729 | 5,615 | 3,777 | 3,377 |
| Total debt[*] | 10,813 | 5,924 | 8,192 | 3,807 | 3,274 |
| Net cash/(debt)[**] | 2,840 | 4,027 | (3,410) | 4,247 | 5,898 |

* Total debt includes total interest-bearing capitalized leases, bank overdrafts, call loans and other interest-bearing loans and other non-interest bearing loans.

** Net debt represents total debt less total cash and cash equivalents (including short-term investments). Total debt includes total interest-bearing capitalized leases, bank overdrafts, call loans and other interest-bearing loans and other non-interest bearing loans.

(1) The following table reconciles operating loss from continuing operations to trading loss from continuing operations for the periods indicated.

| | Six months ended September 30 | | Fiscal Year | | |
|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2019 |
| | *(U.S.$ in millions)* | | | | |
| Operating loss from continuing operations[6] | (304) | (207) | (1,040) | (593) | (422) |
| Adjusted for: | | | | | |
| Finance costs on capitalized lease liabilities | (5) | (5) | (10) | (8) | — |
| Amortization of other intangible assets[a] | 60 | 57 | 131 | 94 | 87 |
| Other (gains)/losses-net[b] | (55) | 24 | 87 | (16) | 40 |
| Retention option expenses | 2 | 11 | 62 | 61 | 11 |
| Remeasurement of cash-settled share-based incentive expenses | 128 | 66 | 594 | 25 | (45) |
| Share-based incentives settled in Naspers N ordinary shares[c] | 7 | 13 | 13 | 16 | 23 |
| **Trading loss from continuing operations[6]** | **(167)** | **(41)** | **(163)** | **(421)** | **(306)** |

(a) Amortization of other intangible assets related to intangible assets recognized in business combinations and on acquisitions.

(b) Other losses/(gains)-net comprise profits and losses on the disposal of assets, impairment losses related to goodwill, other intangible assets and other assets, and fair-value adjustments on financial instruments. See note 28 of the 2021

Annual Consolidated Financial Statements and note 9 of the Interim Condensed Consolidated Financial Statements for more information.

(c) Refers to share-based incentives settled in equity instruments of the Group, where we have no obligation to settle the awards with participants, as they are settled by Naspers.

(2) The following table reconciles operating loss from continuing operations to Adjusted EBITDA from continuing operations for the periods indicated.

| | Six months ended September 30 | | Fiscal Year | | |
|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2019 |
| | | | *(U.S.$ in millions)* | | |
| Operating loss from continuing operations[6] | (304) | (207) | (1,040) | (593) | (422) |
| Impact of operating loss between continuing and discontinued operations | — | — | — | — | 8 |
| Depreciation | 53 | 43 | 93 | 80 | 25 |
| Amortization | 64 | 61 | 138 | 103 | 95 |
| Other losses/(gains)—net[a] | (55) | 24 | 87 | (16) | 40 |
| Retention option expenses | 2 | 11 | 62 | 61 | 11 |
| Remeasurement of cash-settled share-based incentive expenses | 128 | 66 | 594 | 25 | (45) |
| Share-based incentives settled in Naspers N ordinary shares[b] | 7 | 13 | 13 | 16 | 23 |
| **Adjusted EBITDA from continuing operations[6]** | **(105)** | **11** | **(53)** | **(324)** | **(265)** |

(a) Other losses/(gains)-net comprise profits and losses on the disposal of assets, impairment losses related to goodwill, other intangible assets and other assets, and fair-value adjustments on financial instruments. See note 28 of the 2021 Annual Consolidated Financial Statements and note 9 of the Interim Condensed Consolidated Financial Statements for more information.

(b) Refers to share-based incentives settled in equity instruments of the Group, where we have no obligation to settle the awards with participants, i.e. they are settled by Naspers.

(3) The following table reconciles net profit attributable to shareholders to headline earnings and core headline earnings for the periods indicated. The adjustments below are made to the earnings of consolidated businesses controlled by us as well as the earnings of associates and joint ventures, to the extent that the information is available.

| | Six months ended September 30 | | Fiscal Year | | |
|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2019 |
| | | *(U.S.$ in millions)* | | | |
| Net profit attributable to shareholders from continuing operations[6] | 15,891 | 3,015 | 7,449 | 3,824 | 4,303 |
| Adjusted for (net of tax effects and non-controlling interests): | | | | | |
| Impairment of property, plant and equipment and other assets | — | — | — | — | 5 |
| Impairment of goodwill and other intangible assets | — | — | 67 | 10 | 1 |
| Net loss/(gain) on disposal of investments | 8 | (389) | (502) | (394) | (1,437) |
| Remeasurements included in equity accounted earnings | (1,062) | (133) | (196) | (616) | 670 |
| Dilution losses/(gain) on equity-accounted investments | (120) | (63) | (1,000) | 52 | 182 |
| Gain recognized on partial disposal of equity accounted investments | (12,339) | (19) | — | — | — |
| Gain recognized on loss of control transactions | — | — | — | (17) | — |
| Gain recognized on loss of significant influence | (25) | — | — | (12) | — |
| Remeasurements of previously held interest | — | — | — | (73) | (6) |

| | Six months ended September 30 | | Fiscal Year | | |
|---|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** | **2019** |
| | *(U.S.$ in millions)* | | | | |
| Impairment/(reversal of impairment) of equity-accounted investments | 1 | 18 | 22 | 21 | 88 |
| **Headline earnings** | **2,354** | **2,429** | **5,840** | **2,795** | **3,806** |
| Adjusted for: | | | | | |
| Equity-settled share-based payment expenses | 591 | 352 | 746 | 608 | 514 |
| Remeasurement of cash-settled share-based incentive expenses | 123 | 66 | 594 | — | — |
| Amortization of other intangible assets[(a)] | 337 | 189 | 440 | 363 | 283 |
| Fair-value adjustments and currency translation differences[(b)] | (1,103) | (843) | (2,896) | (672) | (1,544) |
| Retention option expense | 2 | 10 | 62 | 56 | 10 |
| Reversal of deferred tax assets relating to prior period losses | — | — | 6 | — | — |
| Donations related to COVID-19[(c)] | — | 13 | 13 | 114 | — |
| Business combination transaction costs[(d)] | 34 | 36 | 54 | 93 | 21 |
| Other[(e)] | — | 10 | — | — | — |
| **Core headline earnings** | **2,338** | **2,252** | **4,859** | **3,357** | **3,090** |
| ***Headline earnings per N ordinary share (US cents)***[(f)] | **149** | **150** | **360** | **172** | **235** |

(a) Amortization of other intangible assets related to intangible assets recognized in business combinations and on acquisitions.

(b) Represents fair-value adjustments on financial instruments (including put option liabilities) and unrealized currency translation differences.

(c) Represents donations made to various governments and organizations in the countries in which we operate in support of their response to the COVID-19 pandemic.

(d) Represents transaction costs related to business combinations net of taxes and the effects of non-controlling interests.

(e) Other adjustments relate mainly to the increase in provisions related to disposals.

(f) Headline earnings per share for HY 2022, HY 2021, FY 2021, FY 2020 and FY 2019 are calculated by dividing headline earnings by the weighted average number of N Ordinary Shares for each respective period. For purposes of the calculation of headline earnings per share, the weighted average number of participating N Ordinary Shares for the six months ended September 30, 2021 was assumed to be 1,578 million (HY 2021: 1,625 million; FY 2021, FY 2020 and FY 2019: 1,622 million) N Ordinary Shares.

(4) The following table reconciles cash from operating activities to free cash flow for the periods indicated.

| | Six months ended September 30 | | Fiscal Year | | |
|---|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 | 2019 |
| | (U.S.$ in millions) | | | | |
| Cash from continuing operations[6] | (228) | — | (52) | (475) | (372) |
| Capital expenditure[a] | (86) | (24) | (117) | (97) | (106) |
| Capital leases repaid, gross | (27) | (24) | (48) | (29) | (21) |
| Interest on capitalized leases | (5) | (5) | (10) | (9) | — |
| Dividends received | 571 | 458 | 458 | 382 | 342 |
| Taxation paid | (107) | (35) | (105) | (110) | (101) |
| **Free cash flow** | **118** | **370** | **126** | **(338)** | **(258)** |

(a) Includes net cash flows from the acquisition and disposal of property, plant and equipment and other intangible assets.

(5) The following tables present certain segmental metrics on an economic-interest basis and in local currency, excluding acquisitions and disposals, illustrating the impact of changes in foreign exchange rates and changes in our composition on its results. For further information, see "*Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs*" below.

(6) Continuing operations are only relevant for 2019 figures.

| | Six months ended September 30 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2020 A[1] | 2021 B[2] | 2021 C[3] | 2021 D | 2021 E[4] | 2021 F[1][5] | 2021 G[6] | 2021 H[7] |
| | Total | Group composition disposal adjustment | Group composition acquisition adjustment | Foreign currency adjustment | Local currency growth | Total | Local currency growth | Total period-over-period growth |
| | (U.S.$ in millions) | | | | | | (% Change) | |
| | Unaudited | | | | | | | |
| **Segmental revenue (economic interest)** | | | | | | | | |
| Ecommerce comprising: | | | | | | | | |
| —Classifieds | 628 | ( 7) | 66 | ( 11) | 625 | 1 301 | **101%** | **107%** |
| —Food Delivery | 610 | ( 2) | 98 | 31 | 524 | 1 261 | **86%** | **107%** |
| —Payments and Fintech | 252 | ( 5) | 7 | ( 4) | 109 | 359 | **44%** | **42%** |
| —Etail | 965 | ( 1) | - | 27 | 38 | 1 029 | **4%** | **7%** |
| —Edtech | 51 | 6 | 33 | 1 | 29 | 120 | **51%** | **135%** |
| —Other | 102 | ( 64) | 36 | ( 4) | 31 | 101 | **82%** | **(1)%** |
| **Total Ecommerce** | 2 608 | ( 73) | 240 | 40 | 1 356 | 4 171 | **53%** | **60%** |
| Social and Internet Platforms comprising: | | | | | | | | |
| —Tencent | 9 912 | ( 684) | - | 931 | 2 091 | 12 250 | **23%** | **24%** |
| —VK (previously Mail.ru) | 170 | ( 4) | - | - | 47 | 213 | **28%** | **25%** |
| **Total Social and Internet Platforms** | 10 082 | ( 688) | - | 931 | 2 138 | 12 463 | **23%** | **24%** |
| Corporate and intergroup eliminations | - | - | - | - | - | - | **-** | **-** |
| **Total segmental revenue (economic interest)** | 12 690 | ( 761) | 240 | 971 | 3 494 | 16 634 | **29%** | **31%** |

| | Six months ended September 30 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2020 A[1] | 2021 B[2] | 2021 C[3] | 2021 D | 2021 E[4] | 2021 F[1][5] | 2021 G[6] | 2021 H[7] |
| | Restated[8] | | | | | | | |
| | Total | Group composition disposal adjustment | Group composition acquisition adjustment | Foreign currency adjustment | Local currency growth | Total | Local currency growth | Total period-over-period growth |
| | | | *(U.S.$ in millions)* | | | | *(% Change)* | |
| | | | | Unaudited | | | | |
| **Segmental trading profit (economic interest)** | | | | | | | | |
| Ecommerce comprising: | | | | | | | | |
| —Classifieds | 29 | 12 | 7 | 3 | 57 | 108 | **139%** | **272%** |
| —Food Delivery | (189) | 15 | (31) | (11) | (96) | (312) | **(55)%** | **(65)%** |
| —Payments and Fintech | (31) | 3 | (1) | (2) | - | (31) | **-** | **-** |
| —Etail | 24 | - | - | 1 | (36) | (11) | **(150)%** | **(146)%** |
| —Edtech | (13) | 1 | (19) | (1) | (16) | (48) | **(133)%** | **(269)%** |
| —Other | (34) | (5) | (18) | (1) | (20) | (78) | **(51)%** | **(129)%** |
| **Total Ecommerce** | (214) | 26 | (62) | (11) | (111) | (372) | **(59)%** | **(74)%** |
| Social and Internet Platforms comprising: | | | | | | | | |
| —Tencent | 2,968 | (205) | - | 259 | 351 | 3,373 | **13%** | **14%** |
| —VK (previously Mail.ru) | 15 | - | - | - | (3) | 12 | **(20)%** | **(20)%** |
| **Total Social and Internet Platforms** | 2,983 | (205) | - | 259 | 348 | 3385 | **13%** | **13%** |
| Corporate and intergroup eliminations | (40) | - | - | - | (38) | (78) | **(95)%** | **(95)%** |
| **Total segmental trading profit (economic interest)** | 2,729 | (179) | (62) | 248 | 199 | 2,935 | **8%** | **8%** |

(1) IFRS 8, Operating Segments, aligns the reporting of operating segments with internal management reporting. As the CODM analyzes segment results in accordance with the investments in associated companies and joint ventures on a proportionately consolidated basis for segmental reporting purposes, this method is also applied for segment reporting in the financial statements. Proportionate consolidation is a method of accounting whereby the share of each of the income and expenses of associated companies and joint ventures is combined line by line with similar items in the operating segments. The Group refers to revenue and trading profit measures that include its share of revenue or trading profit from investments in associated companies and joint ventures as ''proportionately consolidated'' or on an ''economic-interest'' basis.

(2) Represents all revenue relating to companies that were disposed of, or partially disposed of, during the relevant fiscal half year (with regard to a step down in the percentage ownership, the amount is calculated as prior half year revenue multiplied by the decrease in shareholding in the current half year).

(3) Adjustment to prior half year revenue relating to companies that were acquired during the relevant fiscal half year (with regard to a step up in the percentage ownership, the amount is calculated as current half year revenue multiplied by the increase in shareholding in the relevant half year).

(4) Growth in local currency excluding disposal and acquisition adjustments.

(5) Represents the sum of columns A, B, C, D and E in the respective table above.

(6) Represents the result of dividing column E by the sum of columns A and B and multiplying the result by 100.

(7) Represents the result of dividing column F by A, subtracting 1 and then multiplying the result by 100.

(8) During the year ended March 31, 2021, the way that corporate costs were presented to the CODM was changed. Corporate costs, previously allocated and disclosed in the 'Other ecommerce' subsegment, are now included in the

‘Corporate’ segment. This provides more clarity on the total corporate costs incurred by the Group. This change had no impact on the overall Group trading (loss)/profit. The change in presentation was adopted retrospectively and the results for the six months ended September 30, 2020 have been restated for comparative purposes in this table. The change in presentation for the six months ended September 30, 2020 is presented above for information purposes. In the table below, the results of Comparison of Results of Operations for the six months ended September 30, 2020 and the six months ended September 30, 2019, have not been restated to reflect the change in presentation, as the impact is not considered by us to be material to the results of operations for those periods.

| | Six months ended September 30 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2019 A(1) | 2020 B(2) | 2020 C(3) | 2020 D | 2020 E(4) | 2020 F(1)(5) | 2020 G(6) | 2020 H(7) |
| | Total | Group composition disposal adjustment | Group compositio n acquisition adjustment | Foreign currency adjustment | Local currency growth | Total | Local currency growth | Total period-over-period growth |
| | | | *(U.S.$ in millions)* | | | | *(% Change)* | |
| | | | | Unaudited | | | | |
| **Segmental revenue (economic interest)** | | | | | | | | |
| Ecommerce comprising: | | | | | | | | |
| —Classifieds | 587 | (38) | 140 | (43) | (18) | 628 | (3)% | 7% |
| —Payments and Fintech | 199 | (8) | 24 | (18) | 55 | 252 | 29% | 27% |
| —Food Delivery | 306 | (7) | 2 | (112) | 421 | 610 | 141% | 99% |
| —Etail | 525 | (6) | 81 | 3 | 362 | 965 | 70% | 84% |
| —Travel | 146 | (146) | — | — | — | — | -% | (100)% |
| —Other | 145 | (25) | 15 | (24) | 42 | 153 | 35% | 6% |
| **Total Ecommerce** | 1,908 | (230) | 262 | (194) | 863 | 2,608 | 51% | 37% |
| Social and Internet Platforms comprising: | | | | | | | | |
| —Tencent | 7,800 | (25) | — | (33) | 2,170 | 9,912 | 28% | 27% |
| —VK (previously Mail.ru) | 217 | (57) | — | (22) | 32 | 170 | 20% | (22)% |
| **Total Social and Internet Platforms** | 8,017 | (82) | — | (55) | 2,202 | 10,082 | 28% | 26% |
| Corporate and intergroup eliminations | — | — | — | — | — | — | — | — |
| **Total segmental revenue (economic interest)** | **9,925** | **(312)** | **262** | **(249)** | **3,064** | **12,690** | **32%** | **28%** |
| **Segmental trading profit/(loss) (economic interest)** | | | | | | | | |
| Ecommerce comprising: | | | | | | | | |
| —Classifieds | 37 | 16 | (21) | (12) | (9) | 12 | (15)% | (68)% |
| —Payments and Fintech | (38) | 3 | (2) | (1) | — | (38) | -% | -% |
| —Food Delivery | (283) | 3 | (1) | 3 | 91 | (187) | 33% | 34% |
| —Etail | (15) | 3 | (1) | — | 33 | 20 | 275% | 233% |
| —Travel | (21) | 21 | — | — | — | — | -% | (100)% |
| —Other | (96) | — | (10) | 4 | (21) | (123) | (22)% | (28)% |
| **Total Ecommerce** | (416) | 46 | (35) | (6) | 95 | (316) | 26% | 24% |
| Social and Internet Platforms comprising: | | | | | | | | |
| —Tencent | 2,264 | (7) | — | (16) | 727 | 2,968 | 32% | 31% |
| —VK (previously Mail.ru) | 70 | (56) | — | (2) | 3 | 15 | 21% | (79)% |

| | Six months ended September 30 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2019 A(1) | 2020 B(2) | 2020 C(3) | 2020 D | 2020 E(4) | 2020 F(1)(5) | 2020 G(6) | 2020 H(7) |
| | Total | Group composition disposal adjustment | Group compositio n acquisition adjustment | Foreign currency adjustment | Local currency growth | Total | Local currency growth | Total period-over-period growth |
| | (U.S.$ in millions) | | | | | | (% Change) | |
| | Unaudited | | | | | | | |
| **Total Social and Internet Platforms** | 2,334 | (63) | — | (18) | 730 | 2,983 | 32% | 28% |
| Corporate services | — | — | — | — | (3) | (3) | (100)% | (100)% |
| **Total segmental trading profit/(loss) (economic interest)** | **1,918** | **(17)** | **(35)** | **(24)** | **822** | **2,664** | **43%** | **39%** |

(1) In accordance with IFRS 8, *Operating Segments*, which aligns the reporting of operating segments with internal management reporting, we report investments in associated companies and joint ventures on a proportionately consolidated basis for segmental reporting purposes only. Proportionate consolidation is a method of accounting whereby our share of each of the income and expenses of associated companies and joint ventures is combined line by line with similar items in our operating segments. We refer to revenue and trading profit measures that include its share of revenue or trading profit from investments in associated companies and joint ventures as "proportionately consolidated" or on an "economic-interest" basis.

(2) Represents all revenue relating to companies that were disposed of, or partially disposed of, during the relevant fiscal year (with regard to a step down in the percentage ownership, the amount is calculated as prior year revenue multiplied by the decrease in shareholding in the current year).

(3) Adjustment to prior year revenue relating to companies that were acquired during the relevant fiscal year (with regard to a step up in the percentage ownership, the amount is calculated as current year revenue multiplied by the increase in shareholding in the relevant year).

(4) Growth in local currency excluding disposal and acquisition adjustments.

(5) Represents the sum of columns A, B, C, D and E in the respective table above.

(6) Represents the result of dividing column E by the sum of columns A and B and multiplying the result by 100.

(7) Represents the result of dividing column F by A, subtracting 1 and then multiplying the result by 100.

| | Fiscal Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2020 A(1) | 2021 B(2) | 2021 C(3) | 2021 D | 2021 E(4) | 2021 F(1)(5) | 2021 G(6) | 2021 H(7) |
| | Total | Group composition disposal adjustment | Group composition acquisition adjustment | Foreign currency adjustment | Local currency growth | Total | Local currency growth | Total period-over-period growth |
| | (U.S.$ in millions) | | | | | | (% Change) | |
| | Unaudited | | | | | | | |
| **Segmental revenue (economic interest)** | | | | | | | | |
| Ecommerce comprising: | | | | | | | | |
| —Classifieds | 1,281 | (115) | 318 | (91) | 206 | 1,599 | 18% | 25% |
| —Payments and Fintech | 428 | (11) | 37 | (28) | 151 | 577 | 36% | 35% |
| —Food Delivery | 751 | (17) | 6 | (189) | 935 | 1,486 | 127% | 98% |
| —Etail | 1,363 | (11) | 95 | 67 | 736 | 2,250 | 54% | 65% |
| —Travel | 146 | (146) | — | — | — | — | -% | (100)% |
| —Other | 297 | (54) | 33 | (41) | 83 | 318 | 34% | 7% |
| **Total Ecommerce** | **4,266** | **(354)** | **489** | **(282)** | **2,111** | **6,230** | **54%** | **46%** |
| Social and Internet Platforms comprising: | | | | | | | | |

| | Fiscal Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2020 A[1] | 2021 B[2] | 2021 C[3] | 2021 D | 2021 E[4] | 2021 F[1][5] | 2021 G[6] | 2021 H[7] |
| | **Total** | **Group composition disposal adjustment** | **Group composition acquisition adjustment** | **Foreign currency adjustment** | **Local currency growth** | **Total** | **Local currency growth** | **Total period-over-period growth** |
| | | | *(U.S.$ in millions)* | | | | *(% Change)* | |
| | | | | **Unaudited** | | | | |
| **Segmental revenue (economic interest)** | | | | | | | | |
| —Tencent | 16,779 | (54) | — | 786 | 4,644 | 22,155 | 28% | 32% |
| —VK (previously Mail.ru) | 410 | (61) | — | (50) | 72 | 371 | 21% | (10)% |
| **Total Social and Internet Platforms** | **17,189** | **(115)** | **—** | **736** | **4,716** | **22,526** | **28%** | **31%** |
| Corporate and intergroup eliminations | — | — | — | — | — | — | — | — |
| **Total segmental revenue (economic interest)** | **21,455** | **(469)** | **489** | **454** | **6,827** | **28,756** | **33%** | **34%** |
| **Segmental trading profit (economic interest)** | | | | | | | | |
| Ecommerce comprising: | | | | | | | | |
| —Classifieds | 34 | 45 | (33) | (26) | (11) | 9 | (14)% | (74)% |
| —Payments and Fintech | (67) | 5 | (7) | (3) | 4 | (68) | 6% | (1)% |
| —Food Delivery | (624) | 17 | (3) | (2) | 257 | (355) | 42% | 43% |
| —Etail | (20) | 8 | (2) | 3 | 79 | 68 | 758% | 440% |
| —Travel | (22) | 22 | — | — | — | — | -% | 100% |
| —Other[8] | (83) | 4 | 1 | 8 | (13) | (83) | (16)% | -% |
| **Total Ecommerce** | **(782)** | **101** | **(44)** | **(20)** | **316** | **(429)** | **46%** | **45%** |
| Social and Internet Platforms comprising: | | | | | | | | |
| —Tencent | 4,601 | (15) | — | 194 | 1,346 | 6,126 | 29% | 33% |
| —VK (previously Mail.ru) | 98 | (57) | — | (4) | (9) | 28 | (22)% | (71)% |
| **Total Social and Internet Platforms** | **4,699** | **(72)** | **—** | **190** | **1,337** | **6,154** | **29%** | **31%** |
| Corporate and intergroup eliminations[8] | (140) | — | — | — | 30 | (110) | 21% | 21% |
| **Total segmental trading profit (economic interest)** | **3,777** | **29** | **(44)** | **170** | **1,683** | **5,615** | **44%** | **49%** |

(1) IFRS 8, Operating Segments, aligns the reporting of operating segments with internal management reporting. As the CODM analyzes segment results in accordance with the investments in associated companies and joint ventures on a proportionately consolidated basis for segmental reporting purposes, this method is also applied for segment reporting in the financial statements. Proportionate consolidation is a method of accounting whereby the share of each of the income and expenses of associated companies and joint ventures is combined line by line with similar items in the operating segments. The Group refers to revenue and trading profit measures that include its share of revenue or trading profit from investments in associated companies and joint ventures as ''proportionately consolidated'' or on an ''economic-interest'' basis.

(2) Represents all revenue relating to companies that were disposed of, or partially disposed of, during the relevant fiscal year (with regard to a step down in the percentage ownership, the amount is calculated as prior year revenue multiplied by the decrease in shareholding in the current year).

(3) Adjustment to prior year revenue relating to companies that were acquired during the relevant fiscal year (with regard to a step up in the percentage ownership, the amount is calculated as current year revenue multiplied by the increase in shareholding in the relevant year).

(4) Growth in local currency excluding disposal and acquisition adjustments.

(5) Represents the sum of columns A, B, C, D and E in the respective table above.

(6) Represents the result of dividing column E by the sum of columns A and B and multiplying the result by 100.

(7) Represents the result of dividing column F by A, subtracting 1 and then multiplying the result by 100.

(8) During the current year, the CODM approved the change in presentation of corporate costs. Corporate costs, previously disclosed in the Other ecommerce segment, are now included in the Corporate services segment. This provides more clarity and transparency to the total corporate costs incurred by the Group and results in a more accurate reflection of the operating performance of the Other ecommerce segment.

The change in presentation was adopted retrospectively and the results of the year ended March 31, 2020 have been restated for comparative purposes in the Comparison of Results of Operations for the year ended March 31, 2021 and the year ended March 31, 2020. The change in presentation for the year ended March 31, 2020 is presented above for information purposes. The Comparison of Results of Operations for the year ended March 31, 2020 and the year ended March 31, 2019, have not been restated to reflect the change in presentation, as the impact is not considered by us to be material to the results of operations for those periods.

| | Fiscal Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **2019 A[1]** | **2020 B[2]** | **2020 C[3]** | **2020 D** | **2020 E[4]** | **2020 F[1][5]** | **2020 G[6]** | **2020 H[7]** |
| | **Total** | **Group composition disposal adjustment** | **Group composition acquisition adjustment** | **Foreign currency adjustment** | **Local currency growth** | **Total** | **Local currency growth** | **Total period-over-period growth** |
| | | | *(U.S.$ in millions)* | | | | *(% Change)* | |
| | | | | **Unaudited** | | | | |
| **Segmental revenue (economic interest)** | | | | | | | | |
| Ecommerce comprising: | | | | | | | | |
| —Classifieds | 857 | (4) | 133 | (22) | 317 | 1,281 | 37% | 49% |
| —Payments and Fintech | 360 | (11) | 25 | (20) | 74 | 428 | 21% | 19% |
| —Food Delivery | 377 | (16) | 55 | (45) | 380 | 751 | 105% | 99% |
| —Etail | 1,529 | (355) | 73 | (72) | 188 | 1,363 | 16% | (11)% |
| —Travel | 234 | (99) | — | — | 11 | 146 | 8% | (38)% |
| —Other | 239 | (30) | 58 | (19) | 49 | 297 | 23% | 24% |
| **Total Ecommerce** | **3,596** | **(515)** | **344** | **(178)** | **1,019** | **4,266** | **33%** | **19%** |
| Social and Internet Platforms comprising: | | | | | | | | |
| —Tencent | 14,457 | (38) | — | (615) | 2,975 | 16,779 | 21% | 16% |
| —VK (previously Mail.ru) | 287 | (4) | 56 | (2) | 73 | 410 | 26% | 43% |
| **Total Social and Internet Platforms** | **14,744** | **(42)** | **56** | **(617)** | **3,048** | **17,189** | **21%** | **17%** |
| Corporate and intergroup eliminations | — | — | — | — | — | — | — | — |
| **Revenue from continuing operations (economic interest)** | **18,340** | **(557)** | **400** | **(795)** | **4,067** | **21,455** | **23%** | **17%** |
| Revenue from discontinued operations (economic interest) | 644 | (644) | — | — | — | — | — | (100)% |
| **Total segmental revenue (economic interest)** | **18,984** | **(1,201)** | **400** | **(795)** | **4,067** | **21,455** | **23%** | **13%** |
| **Segmental trading profit/(loss) (economic interest)** | | | | | | | | |
| Ecommerce comprising: | | | | | | | | |
| —Classifieds | (6) | 1 | (31) | 15 | 55 | 34 | 1,100% | 667% |
| —Payments and Fintech | (43) | 6 | (17) | (1) | (12) | (67) | (32)% | (56)% |
| —Food Delivery | (171) | (7) | (91) | 28 | (383) | (624) | (215)% | (265)% |
| —Etail | (101) | 57 | — | 3 | 21 | (20) | 48% | 80% |
| —Travel | (37) | 9 | — | — | 6 | (22) | 21% | 41% |
| —Other | (217) | 18 | (18) | 2 | (4) | (219) | (2)% | (1)% |
| **Total Ecommerce** | **(575)** | **84** | **(157)** | **47** | **(317)** | **(918)** | **(65)%** | **(60)%** |

| | Fiscal Year | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2019 A[(1)] | 2020 B[(2)] | 2020 C[(3)] | 2020 D | 2020 E[(4)] | 2020 F[(1)(5)] | 2020 G[(6)] | 2020 H[(7)] |
| | Total | Group composition disposal adjustment | Group composition acquisition adjustment | Foreign currency adjustment | Local currency growth | Total | Local currency growth | Total period-over-period growth |
| | | | *(U.S.$ in millions)* | | | | *(% Change)* | |
| | | | | Unaudited | | | | |
| **Segmental revenue (economic interest)** | | | | | | | | |
| Social and Internet Platforms comprising: | | | | | | | | |
| —Tencent | 3,929 | (10) | — | (170) | 852 | 4,601 | 22% | 17% |
| —VK (previously Mail.ru) | 23 | — | 56 | (1) | 20 | 98 | 87% | 326% |
| **Total Social and Internet Platforms** | **3,952** | **(10)** | **56** | **(171)** | **872** | **4,699** | **22%** | **19%** |
| Corporate services | — | — | — | (1) | (3) | (4) | (100)% | (100)% |
| **Trading profit from continuing operations (economic interest)** | **3,377** | **74** | **(101)** | **(125)** | **552** | **3,777** | **16%** | **12%** |
| Trading loss from discontinued operations (economic interest) | (154) | 154 | — | — | — | — | — | (100)% |
| **Total segmental trading profit (economic interest)** | **3,223** | **228** | **(101)** | **(125)** | **552** | **3,777** | **16%** | **17%** |

(1) IFRS 8, Operating Segments, aligns the reporting of operating segments with internal management reporting. As the CODM analyzes segment results in accordance with the investments in associated companies and joint ventures on a proportionately consolidated basis for segmental reporting purposes, this method is also applied for segment reporting in the financial statements. Proportionate consolidation is a method of accounting whereby our share of each of the income and expenses of associated companies and joint ventures is combined line by line with similar items in our operating segments. We refer to revenue and trading profit measures that include its share of revenue or trading profit from investments in associated companies and joint ventures as "proportionately consolidated" or on an "economic-interest" basis.

(2) Represents all revenue relating to companies that were disposed of, or partially disposed of, during the relevant fiscal year (with regard to a step down in the percentage ownership, the amount is calculated as prior year revenue multiplied by the decrease in shareholding in the current year).

(3) Adjustment to prior year revenue relating to companies that were acquired during the relevant fiscal year (with regard to a step up in the percentage ownership, the amount is calculated as current year revenue multiplied by the increase in shareholding in the relevant year).

(4) Growth in local currency excluding disposal and acquisition adjustments.

(5) Represents the sum of columns A, B, C, D and E in the respective table above.

(6) Represents the result of dividing column E by the sum of columns A and B and multiplying the result by 100.

(7) Represents the result of dividing column F by A, subtracting 1 and then multiplying the result by 100.

## INFORMATION INCORPORATED BY REFERENCE

A copy of the Base Prospectus is available on the website of Euronext Dublin at https://live.euronext.com/ and our website at https://www.prosus.com/investors (such websites are not, and should not be deemed to, constitute a part of, or be incorporated into, this Base Prospectus).

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by Euronext Dublin. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document that is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Where only certain sections of a document referred to above are incorporated by reference in this Base Prospectus, the parts of the document that are not incorporated by reference are either not applicable to prospective investors in the Notes or covered elsewhere in this Base Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

### 2020 Annual Consolidated Financial Statements

Our audited annual consolidated financial statements as of, and for the year ended, March 31, 2020, including the comparative information as of, and for the year ended, March 31, 2019, and the related notes thereto, filed as part of the base prospectus, dated July 13, 2020, which has previously been published and has been filed with Euronext Dublin, are incorporated herein by reference.

### Tencent Public Disclosures

Prospective investors should only rely on the information that is provided in this Base Prospectus or incorporated by reference into this Base Prospectus. As a public company with shares listed on the Hong Kong Stock Exchange, Tencent is required to disclose certain information on an ongoing and/or periodic basis regarding its business, management, results of operations, financial condition and risks. This information may be obtained on the Investor Relations section of the Tencent website at http://www.tencent.com/. All information with respect to Tencent in this Base Prospectus, or any Pricing Supplement or Drawdown Prospectus (unless otherwise specified therein), is derived from information available on the Tencent website, which is not incorporated by reference in this Base Prospectus, or any Pricing Supplement or Drawdown Prospectus (unless otherwise specified therein), or from publicly available sources. See also "*—No Incorporation of Website*".

### No Incorporation of Website

Prospective investors should only rely on the information that is provided in this Base Prospectus or incorporated by reference into this Base Prospectus. Unless specifically incorporated by reference into this Base Prospectus, no other documents or information, including the contents of the Issuer's website, including any websites accessible from hyperlinks on such website or any websites of any subsidiary, associated company and joint venture of the Issuer, form part of, or are incorporated by reference into, this Base Prospectus. All information with respect to Tencent, VK and Delivery Hero in this Base Prospectus is derived from information available on their respective websites, which are not incorporated by reference in this Base Prospectus, or from publicly available sources.

## INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Base Prospectus includes forward-looking statements. 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 sometimes identified by the use of forward-looking terminology such as "aim", "annualized", "anticipate", "assume", "believe", "continue", "could", "estimate", "expect", "forecast", "goal", "hope", "intend", "likely", "may", "objective", "plan", "position", "potential", "predict", "project", "risk", "seek", "should", "target", "will" or "would" or the highlights or the negatives thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Base Prospectus and include statements that reflect the Issuer's intentions, beliefs or current expectations and projections about our future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which we operate. In particular, the statements under the headings "*Summary*", "*Risk Factors*" and "*Business*" regarding our strategy, targets, expectations, objectives, future plans and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this Base Prospectus 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. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Important factors that could cause our actual results to so vary include, but are not limited to:

- competitive pressures, rapid technological innovation and the ability to adapt to changing technologies or changes in consumer preferences;
- the continuing impacts of COVID-19, potential future waves and the impact on behavioral trends;
- the market price and volatility of Tencent's shares, the Chinese economy and regulation impacting Tencent, as well as the effectiveness and validity of the Structure Contracts;
- levels of investment, trading losses, profitability and impairments in respect of our businesses that are still developing;
- financial risks, including our level of debt, liquidity, fluctuations in exchange rates and interest rates, as well as our reliance on cash flows from subsidiaries, associated companies and joint ventures;
- any failure to maintain or improve, or any disruption in, our technology infrastructure and our ability to safeguard its data and the data of its users;
- reliance on access to cash flows from our subsidiaries, associated companies and joint ventures;
- our lack of control over companies in which we have made minority investments and other risks associated with such investments;
- our ability to identify consumer trends in growth markets;
- adverse legal or regulatory developments or changes in accounting standards;
- our expansions, which may increase our risk profile;
- increased valuations due to competition between investors;
- actual or alleged non-compliance with applicable law or regulations and any legal claims or government investigations in respect of our businesses;
- economic, social and political risks in the markets in which we and our businesses operate;
- dependence on third-party vendors, service providers, partners, application marketplaces and search engines;

- reliance on advertising revenue;
- changes in the insurance market, including premiums and the scope of coverage;
- difficulties associated with successfully completing acquisitions and integrating acquired businesses;
- the loss of key personnel or changes in costs associated with staffing;
- difficulties in maintaining our brand recognition and protecting its intellectual property rights or domain names;
- increased scrutiny and costs associated with ESG compliance, as well as third-party ESG scoring;
- our inability to adequately protect our intellectual property rights;
- limitations or restrictions on foreign investment and ownership; and
- adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations.

Forward-looking statements in this Base Prospectus speak only as of the date of this Base Prospectus. Except as required by applicable laws and regulations, we expressly disclaim any obligation or undertaking to update or revise the forward-looking statements contained in this Base Prospectus to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based.

## PRICING SUPPLEMENTS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Group and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer and/or the Group. In relation to the different types of Notes that may be issued under the Program, the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes that is not known at the date of this Base Prospectus and that can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes that is not included in this Base Prospectus and that is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Pricing Supplement or in a Drawdown Prospectus.

For a Tranche of Notes that is the subject of a Pricing Supplement, the Pricing Supplement will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes that is the subject of a Pricing Supplement are the Conditions described in the relevant Pricing Supplement as completed to the extent described in the relevant Pricing Supplement.

The terms and conditions applicable to any particular Tranche of Notes that is the subject of a Drawdown Prospectus will be the Conditions as included in the relevant Drawdown Prospectus.

Each Drawdown Prospectus will be constituted in the case of Notes that are to be admitted to trading on a regulated market for the purposes of the Prospectus Regulation and each Pricing Supplement or Drawdown Prospectus, as applicable, will be constituted in the case of Notes that are to be admitted to trading on another market or stock exchange, or are to be unlisted, by a single document containing the necessary information relating to the Issuer and the relevant Notes.

## FORMS OF THE NOTES

The registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold outside the United States, will initially be represented by a global note in registered form (a "**Global Note**").

Global Notes will either (1) be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**") or (2) be deposited with (i) the common depositary for the relevant Clearing System, in the case of a Global Note not intended to be issued under the NSS, and registered in the name of a nominee of the common depositary; or (ii) the common safekeeper for the relevant Clearing System, in the case of a Global Note intended to be issued under the NSS, and registered in the name of a nominee of the common safekeeper. Persons holding beneficial interests in Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form outside the United States.

In a press release dated October 22, 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the European Central Bank (the "**ECB**") announced that it has assessed the new holding structure and custody arrangements for registered notes which the international central securities depositories ("**ICSDs**") had designed in cooperation with market participants and that Notes to be held under the NSS would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form would be offered by Euroclear and Clearstream, Luxembourg as of June 30, 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after September 30, 2010 would only be eligible as collateral in Eurosystem operations if the NSS was used.

The NSS allows Notes in registered form to be issued and held in a manner which will permit them to be recognized as eligible collateral for monetary policy of the Eurosystem and intra-day credit operations by the Eurosystem either upon their issue or at any other time prior to the applicable maturity date. However, such recognition will depend, with respect to any issue of Notes, upon satisfaction of the Eurosystem eligibility criteria. See "*Risks Relating to the Notes—There is no guarantee that Notes issued under the New Safekeeping Structure will meet the Eurosystem eligibility criteria, which may adversely affect the market value of such Notes"*.

The Global Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Global Notes will be made to the holder shown on the register of Noteholders of the Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the registered Notes in definitive form will be made to the holder shown on the register of Noteholders on the Regular Record Date (as defined in Condition 4(a) of the "*Terms and Conditions of the Notes*") in the manner provided in that Condition.

Interests in a Global Note will be exchangeable (free of charge), in whole but not in part, for definitive registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available or (iii) in the case of Notes registered in the name of a nominee for a common depositary or, in the case of Notes issued in NSS form, common safekeeper for Euroclear and/or Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 17 of the "*Terms and Conditions of the Notes*" if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Global Note) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

**Transfer of Interests**

***Interests in a Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Note. No beneficial owner of an interest in a Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "Subscription and Sale".***

## TERMS AND CONDITIONS OF THE NOTES

The following, subject to completion, is a description of the terms and conditions of the Notes that will be endorsed upon each Global Note and each definitive Note, if any, issued in exchange for any Global Note of a relevant Series (as defined herein). The following description is subject to completion in accordance with the completion, replacement or modification in accordance with the provisions of the applicable Pricing Supplement or Drawdown Prospectus (each as defined herein) in relation to any Notes. Any other such terms and conditions as set forth in an applicable Pricing Supplement or Drawdown Prospectus will be endorsed upon each Global Note and each definitive Note, if any. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Fiscal and Paying Agency Agreement (as defined below) or in the applicable Drawdown Prospectus or Pricing Supplement, as applicable, unless the context otherwise requires or unless otherwise stated.

In these Terms and Conditions, the expression "**Notes**" shall mean (i) in relation to any Notes represented by a Global Note (as defined below), units of the lowest Specified Denomination (as defined below) of the relevant Notes, (ii) definitive Notes issued in exchange for a Global Note and (iii) any Global Note issued under, and with the benefit of, the Amended and Restated Fiscal and Paying Agency Agreement dated on or around December 16, 2021 (as it may be further updated, supplemented and/or restated from time to time, the "**Fiscal and Paying Agency Agreement**"), among the Issuer and Citibank, N.A., London Branch, as fiscal and paying agent (the "**Fiscal and Paying Agent**").

Subject to the restrictions on resale set forth elsewhere in this Base Prospectus, the Notes may be presented for registration of transfer or exchange at the office of the Fiscal and Paying Agent or the Transfer Agent, as applicable. No service charge will be made for any transfer or exchange of such Notes, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith and evidence of the transfer's compliance with applicable transfer restrictions, including those described elsewhere in this Base Prospectus. The Issuer has appointed Citibank, N.A., London Branch as its Transfer Agent and Registrar in respect of the Notes (the "**Transfer Agent**" and "**Registrar**"). As used herein, "**Calculation Agent**" means Citibank, N.A., London Branch or any other person specified as the calculation agent in the applicable Drawdown Prospectus or the applicable Pricing Supplement. The Fiscal and Paying Agent, any additional paying agent (each a "**Paying Agent**" and, together with the Fiscal and Paying Agent, the "**Paying Agents**") and the Calculation Agent are referred to together as the "**Agents**".

Notes may be issued at such times as shall be agreed between the Issuer and the relevant Dealer(s) pursuant to a distribution agreement dated July 5, 2021, as supplemented on or around December 16, 2021, between the Issuer and the Dealers named therein or as determined by the Issuer if no Dealer will be appointed in respect of an offering of a Tranche (as defined below) of Notes. The provisions of the Notes to be issued shall be indicated in the applicable Drawdown Prospectus or the applicable Pricing Supplement.

References herein to the applicable "**Pricing Supplement**" are to Part A of the Pricing Supplement attached or endorsed on the Notes and expressions defined or used in the applicable Pricing Supplement shall have the same meanings in these Terms and Conditions, unless the context otherwise requires or unless otherwise stated. References herein to the applicable "**Drawdown Prospectus**" shall be deemed to have the same meaning as assigned to such term under "*Notice to Investors*" herein.

The following summaries of certain provisions of the Notes and the Fiscal and Paying Agency Agreement do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the relevant Notes and the related Drawdown Prospectus or the applicable Pricing Supplement. Copies of the Fiscal and Paying Agency Agreement (which contains the forms of the Notes), together with copies of the applicable Drawdown Prospectus or the applicable Pricing Supplement for each issue of Notes, will be available for inspection, free of charge, during normal business hours, at the registered office of the Fiscal and Paying Agent, being at the date hereof at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and at the specified office of each of the Paying Agents. The Noteholders will be deemed to have notice of all the provisions of the Fiscal and Paying Agency Agreement, which will be binding on them. Words and expressions defined in the Fiscal and Paying Agency Agreement shall have the same meanings where used herein unless the context otherwise requires or unless otherwise stated.

### 1 General

As used herein, "**Series**" means the Notes of each original issue of Notes together with the Notes of any further issues expressed to be consolidated and form a single series with the Notes of an original issue and which are denominated in the same currency and the terms of which (other than the Issue Date, the Interest Commencement Date and Issue Price) are otherwise identical (including whether or not they are listed on any stock exchange) and shall be deemed to include the Global Notes and any definitive Notes of such Series; and the expressions "**Notes of the relevant Series**", "**Noteholders**" and "**holders of Notes of the relevant Series**" and related expressions shall be construed accordingly. As used herein, "**Tranche**" means all Notes of the same Series with the same Issue Date, Interest Commencement Date and Issue Price.

## 2 Form, Denomination, Title and Transfer

(a) Form, Denomination and Title

(i) Notes of a Series sold to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act of 1933, as amended (the "**Securities Act**") will be represented by one or more permanent global certificates in fully registered form (the "**Global Notes**"). Beneficial interests in the Global Notes will trade only in book-entry form, and Global Notes will (a) in the case of a Global Note that is not intended to be held under the New Safekeeping Structure (the "**NSS**"), either (i) be registered in the name of The Depository Trust Company ("**DTC**"), or its nominee, and deposited with a custodian for DTC or (ii) registered in the name of a nominee for, and deposited on or about the issue date with, a common depositary for Euroclear SA/NV ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**" and, together with Euroclear and DTC, "**Clearing Systems**" and each a "**Clearing System**") or (b) in the case of a Global Note that is intended to be held under the NSS, registered in the name of a nominee for, and deposited on or about the issue date with, a common safekeeper for Euroclear and/or Clearstream Luxembourg, in each case as specified in the applicable Drawdown Prospectus or the applicable Pricing Supplement.

(ii) A series of Notes will be denominated in U.S. dollars ("**USD Notes**"), Euros ("**Euro Notes**") or Pounds Sterling ("**GBP Notes**") (or another currency agreed between the Issuer and the relevant Dealer as stated in the applicable Drawdown Prospectus or the applicable Pricing Supplement). Payments of the principal of and any premium or interest on the USD Notes will be made in U.S. dollars. Payments of the principal of and any premium or interest on the Euro Notes will be made in Euros. Payments of the principal of and any premium or interest on the GBP Notes will be made in Pounds Sterling.

(iii) The Notes may, to the extent specified in the applicable Drawdown Prospectus or the applicable Pricing Supplement, (i) bear interest calculated by reference to one or more fixed rates of interest (such Note, a "**Fixed Rate Note**"), (ii) bear interest calculated by reference to one or more floating rates of interest (such Note, a "**Floating Rate Note**"), or (iii) be a combination of any of the foregoing.

(iv) For so long as any of the Notes of a given Tranche are represented by a Global Note, the Notes will be intended to be eligible for clearance through (1) DTC and its participants, including Euroclear and Clearstream, Luxembourg, which participants shall be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, in the case of USD Notes, or (2) Euroclear and Clearstream, Luxembourg, in the case of Euro Notes and GBP Notes.

(v) For so long as DTC or its nominee is the registered owner or holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Fiscal and Paying Agency Agreement and the Notes (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly), except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

(vi) For so long as any of the Notes of a given Tranche are represented by a Global Note deposited with and registered in the name of a nominee for a common depositary or common safekeeper, as the case may be, for Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Note standing to the account of any person shall be conclusive and binding for all purposes save in the case of a manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the registered holder shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Notes (and the expressions "**Noteholder**" and "**holder of Notes**" shall be construed accordingly).

(vii) Unless otherwise specified in the applicable Drawdown Prospectus or the applicable Pricing Supplement, USD Notes will be issued in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof, Euro Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof and GBP Notes will be issued in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof, or an equivalent or higher denomination in any currency agreed between the Issuer and the relevant Dealer as stated in the applicable Drawdown Prospectus or the applicable Pricing Supplement (the "**Specified Denominations**"), except that the minimum denomination of each Note listed on a stock exchange in circumstances which require the publication of a prospectus under the Prospectus Regulation or equivalent law or regulation will be at least such amount as may be allowed or required from time to time by the relevant regulator or central bank (or equivalent body) or any laws or regulations applicable to U.S. dollars or Euros, as applicable.

(viii) Unless otherwise specified in the applicable Drawdown Prospectus or the applicable Pricing Supplement, the Notes will not be subject to any sinking fund or analogous provisions.

(b) *Transfers and Exchanges of Notes*

(i) *Transfers of Interests in Global Notes*

Transfers of beneficial interests in Global Notes will be effected by DTC, or Euroclear and/or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such Clearing Systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for definitive Notes only in the Specified Denominations and only in accordance with the terms and conditions specified in the Fiscal and Paying Agency Agreement.

(ii) *Transfers of Definitive Notes*

Subject to the provisions of paragraph (v) below and to compliance with all applicable legal and regulatory restrictions, upon the terms and subject to the conditions set forth in the Fiscal and Paying Agency Agreement, including the transfer restrictions contained therein, a definitive Note may be transferred in whole or in part (in the Specified Denominations). In order to effect any such transfer, (A) the Noteholder or Noteholders must (1) surrender the Note for registration of the transfer of the Note (or the relevant part of the Note) at the specified office of the Registrar, with the form of transfer thereon duly executed by the holder or holders thereof or his, her or their attorney or attorneys duly authorized in writing and (2) complete and deposit such other certifications specified in the Fiscal and Paying Agency Agreement and as may be required by the Registrar and (B) the Registrar must, after due and careful inquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in the Fiscal and Paying Agency Agreement). Subject to the provisions above, the Registrar will, within three (3) business days (being for this purpose a day on which banks are open for business in the city where the specified office of such Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new definitive Note of a like aggregate nominal amount to the Note (or the relevant part of the Note) transferred. In the case of the transfer of only part of a definitive Note, a new definitive Note in respect of the balance of the Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(iii) *Registration of Transfer Upon Partial Redemption*

In the event of a partial redemption of Notes under Condition 6 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Note, or part of a Note, called for partial redemption.

(iv) *Costs of Registration*

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular, uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(v) *Exchanges and Transfers of Notes Generally*

(a) Beneficial interests in Global Notes will not be exchangeable for definitive Notes and will not otherwise be issuable as definitive Notes unless:

(I) in the case of Notes registered in the name of a nominee for DTC, DTC either (1) notifies the Issuer or its nominee that it is unwilling or unable to continue to act as depositary for the Notes and the Issuer does not appoint a successor or alternative nominee within ninety (90) days; or (2) DTC ceases to be a clearing agency registered under the U.S. Securities Exchange Act of 1934, as amended, and the Issuer does not appoint a successor within ninety (90) days;

(II) in the case of Notes registered in the name of a nominee for a common depositary or common safekeeper, as the case may be, for Euroclear and/or Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention to permanently cease business or have in fact done so and, in any such case, no successor clearing system is available;

(III) the Issuer is wound up and it fails to make a payment on the Notes when due;

(IV) there has occurred and is continuing an Event of Default and DTC or Euroclear and/or Clearstream Luxembourg or their respective nominee requests that the Global Notes be exchanged for definitive Notes; or

(V) at any time the Issuer determines at its option and in its sole discretion that the Global Notes of a particular Series should be exchanged for definitive Notes of that Series in registered form.

If any of the events described in the preceding paragraph occurs, the Issuer will issue definitive Notes in an amount equal to a holder's beneficial interest in the Notes. Definitive Notes will be issued only in the Specified Denomination, and will be registered in the name of the person DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, specified in a written instruction to the Registrar of the Notes.

(b) Holders of Notes in definitive form may exchange such Notes for interests in a Global Note (if any) of the same Series at any time, subject to compliance with all applicable legal and regulatory restrictions and upon the terms and subject to the conditions set forth in the Fiscal and Paying Agency Agreement.

**3 Status of the Notes**

The Notes shall constitute direct, unconditional, unsecured and unsubordinated general obligations of the Issuer. The Notes shall rank *pari passu* among themselves, without any preference of one over the other by reason of priority of date of issue or otherwise and at least equally with all other present and future unsecured and unsubordinated general obligations of the Issuer from time to time outstanding (save to the extent that laws affecting creditors' rights generally in a bankruptcy, winding up, administration or other insolvency procedure may give preference to any of such other obligations).

## 4 Interest

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from, and including, the Interest Commencement Date specified in the applicable Drawdown Prospectus or the applicable Pricing Supplement, at the rate per annum equal to the Rate of Interest payable in arrears on the date so specified in the applicable Drawdown Prospectus or Pricing Supplement on which interest is payable in each year (each, an "**Interest Payment Date**"), subject to adjustment as described below, and on the Maturity Date so specified if that does not fall on an Interest Payment Date. Interest on the Fixed Rate Notes due on an Interest Payment Date will be paid to the holder shown on the register of Noteholders at the close of business on the Regular Record Date, whether or not such date is a Business Day. If the Notes are in definitive form, except as provided in the applicable Drawdown Prospectus or Pricing Supplement, the amount of interest payable on each Interest Payment Date will be the Fixed Coupon Amount if one is specified in the applicable Drawdown Prospectus or Pricing Supplement and otherwise an amount that would have been payable in respect of such Notes had they been in the form of Global Notes. The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date and, if the period from the Interest Commencement Date to such Interest Payment Date differs from the period between subsequent Interest Payment Dates, the amount of the first interest payment will be the initial Broken Amount (as such term is specified in the applicable Drawdown Prospectus or Pricing Supplement). If the Maturity Date is not an Interest Payment Date, interest from, and including, the preceding Interest Payment Date (or the Interest Commencement Date, as the case may be) to, but excluding, the Maturity Date will be the final Broken Amount specified in the applicable Drawdown Prospectus or Pricing Supplement.

If the Modified Following Business Day Convention is specified in the applicable Drawdown Prospectus or Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date, or other date, should occur or (y) if any Interest Payment Date, or other date, would otherwise fall on a day which is not a Business Day, then such Interest Payment Date, or other date, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date, or other date, shall be brought forward to the immediately preceding Business Day. Unless the applicable Drawdown Prospectus or Pricing Supplement specify that the Business Day Convention is 'adjusted', any such adjustment to an Interest Payment Date, or other date, shall not affect the amount of interest payable in respect of a Fixed Rate Note and, for the purposes of the determination of any amount in respect of interest and the applicable Day Count Fraction, the number of days in the relevant period shall be calculated on the basis that no adjustment has been made to the relevant Interest Payment Date, or other date.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Drawdown Prospectus or Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount (as such term is specified in the applicable Drawdown Prospectus or Pricing Supplement),

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of U.S. dollars or Euros, as applicable, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts, determined in the manner provided above, for each Calculation Amount comprising the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a) (*Interest on Fixed Rate Notes*), if '30/360' is specified in the applicable Drawdown Prospectus or the applicable Pricing Supplement, the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date or, if different from the Issue Date, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; unless otherwise specified in the applicable Drawdown Prospectus or the applicable Pricing Supplement.

(b) *Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest from, and including, the Interest Commencement Date at the rate equal to the Rate of Interest and such interest will be payable in arrears on either:

(A) the Specified Interest Payment Date(s) (each an "**Interest Payment Date**") in each year specified in the applicable Drawdown Prospectus or Pricing Supplement; or

(B) if no Interest Payment Date(s) is/are specified in the applicable Drawdown Prospectus or Pricing Supplement, each date (each also an "**Interest Payment Date**") which, except as otherwise mentioned in these Terms and Conditions or specified in the applicable Drawdown Prospectus or Pricing Supplement, falls the number of months or such other periods specified as the Interest Period(s) in the applicable Drawdown Prospectus or Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. Interest on the Floating Rate Notes due on an Interest Payment Date will be paid to the holder shown on the register of Noteholders at the close of business on the Regular Record Date, whether or not such date is a Business Day.

If a Business Day Convention is specified in the applicable Drawdown Prospectus or Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date, or other date, should occur or (y) if any Interest Payment Date, or other date, would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in the case where an Interest Period is specified in accordance with the preceding paragraph (B), the Floating Rate Convention, such Interest Payment Date, or other date, (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply mutatis mutandis or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date, or other date, shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date, or other date, shall be the last Business Day of the month in which such Interest Payment Date, or other date, would have fallen; or

(2) the Following Business Day Convention, such Interest Payment Date, or other date, shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date, or other date, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date, or other date, shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date, or other date, shall be brought forward to the immediately preceding Business Day.

"**Business Day**" means (i) any day, other than Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in The City of New York, United States, London, United Kingdom or Amsterdam, The Netherlands, in the case of USD Notes, (ii) a Target Settlement Day, in the case of Euro Notes or (iii) any day, other than Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in London, United Kingdom or Amsterdam, The Netherlands, in the case of GBP Notes.

"**Clearing System Business Day**" means a day on which the relevant Clearing System is open for business.

"**Interest Period**" means the period from and including an Interest Payment Date (or the Interest Commencement Date) to but excluding the next (or first) Interest Payment Date which may or may not be the same number of months or other period throughout the life of the Notes.

"**Regular Record Date**" means, in respect of any Interest Payment Date, close of business of the relevant Clearing System on the Clearing System Business Day immediately preceding such Interest Payment Date.

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in Euro.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

(ii) *Rate of Interest*

The rate of interest (the "**Rate of Interest**") payable from time to time in respect of this Note if it is a Floating Rate Note will be determined in the manner specified in the applicable Drawdown Prospectus or Pricing Supplement.

*ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Drawdown Prospectus or Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Drawdown Prospectus or Pricing Supplement) the Margin, if any. For the purposes of this paragraph (iii), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Swap Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option is as specified in the applicable Drawdown Prospectus or Pricing Supplement;

(B) the Designated Maturity is a period equal to that Interest Period; and

(C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or the Euro interbank offered rate ("**EURIBOR**"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Drawdown Prospectus or Pricing Supplement.

For the purposes of this paragraph (ii), (a) "**ISDA Definitions**" means the 2006 ISDA Definitions, as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series, published by the International Swaps and Derivatives Association, Inc. and (b) "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions and "**Swap Calculation Agent**" has the meaning given to the term "**Calculation Agent**" in the ISDA Definitions.

When this paragraph (ii) applies, in respect of each relevant Interest Period:

(A) the Rate of Interest for such Interest Period will be the Floating Rate determined by the Calculation Agent in accordance with this paragraph (ii) plus or minus (as indicated in the applicable Drawdown Prospectus or Pricing Supplement) the Margin, if any; and

(B) the Calculation Agent will be deemed to have discharged its obligations under Condition 4(b)(vii) (*Determination of Rate of Interest and Calculation of Interest Amount*) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this paragraph (ii).

(iii) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Drawdown Prospectus or Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below and subject to Condition 4(d) (*Benchmark Replacement*), be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations, expressed as a percentage rate per annum, for the Reference Rate (being USD LIBOR, EURIBOR, LIBOR or as otherwise specified in the applicable Drawdown Prospectus or Pricing Supplement, the "**Reference Rate**") which appears or appear, as the case may be, on the Relevant Screen Page (or any successor or replacement page, section, caption, column or other part of a particular information service) as at 11:00 a.m. London time on the Interest Determination Date in question (as indicated in the applicable Drawdown Prospectus or Pricing Supplement) plus or minus (as indicated in the applicable Drawdown Prospectus or Pricing Supplement) the Margin, if any, all as determined by the Calculation Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if subparagraph (A) above applies and no such offered quotation appears on the Relevant Screen Page or, if subparagraph (B) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at 11:00 a.m. London time, the Issuer shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for deposits in U.S. dollars (in the case of a Reference Rate linked to U.S. dollars) or Euros (in the case of a Reference Rate linked to Euros) for the relevant Interest Period to leading banks in the London interbank market as at approximately 11.00 a.m. London time, on the Interest Determination Date and in a principal amount that is representative for a single transaction in U.S. dollars or Euros, as applicable, in that market at that time. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded as provided above) of such offered quotations plus or minus (as appropriate) the Margin, if any, all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such an offered quotation as provided above, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded as provided above) of the rates, as communicated to, and at the request of, the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11:00 a.m. London time, on the relevant Interest Determination Date, deposits in U.S. dollars or Euros, as applicable, for the relevant Interest Period by leading banks in the London interbank market, plus or minus, as appropriate, the Margin, if any, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in U.S. dollars or Euros, as applicable, for the relevant Interest Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in U.S. dollars or Euros, as applicable, for the relevant Interest Period, at which, at approximately 11:00 a.m. London time, on the relevant Interest Determination Date, any one or more banks selected by the Calculation Agent for the purpose, which bank or banks shall be so selected after consultation with the Issuer and shall not include any bank or banks which in the opinion of the Issuer is not or are not suitable for such purpose, informs the Calculation Agent it is quoting to leading banks in the London inter-bank market, plus or minus, as appropriate, the Margin, if any; *provided* that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date; though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period.

"**Reference Banks**" means the principal office in The City of New York (in the case of a Reference Rate linked to U.S. dollars) or London (in the case of a Reference Rate linked to Euros) of four major banks in the money, securities or other market most closely connected with the Reference Rate as selected by the Issuer on the advice of an investment bank of international repute.

"**Relevant Screen Page**" means, as applicable, Reuters Page LIBOR01, Reuters Capital Markets Reports Screen EURIBOR01 or such other page as may replace such pages on the relevant service or such other service or services as may be nominated for the purpose of displaying offered rates for deposits in the relevant currency.

(iv) *Linear Interpolation*

If the applicable Drawdown Prospectus or Pricing Supplement specifies a Linear Interpolation as applicable in respect of an Interest Period, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period; *provided*, *however*, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(v) *Minimum and/or Maximum Rate of Interest*

If the applicable Drawdown Prospectus or Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period determined in accordance with the above provisions shall in no event be less than such Minimum Rate of Interest. Unless otherwise stated in the applicable Drawdown Prospectus or Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

If the applicable Drawdown Prospectus or Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then the Interest Rate for such Interest Period determined in accordance with the above provisions shall in no event exceed such Maximum Rate of Interest.

(vi) *Determination of Rate of Interest and Calculation of Interest Amount*

The Calculation Agent will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of U.S. dollars or Euros, as applicable, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period in accordance with this Condition 4(b) (*Interest*),

(A) if "**Actual/360**" is specified in the applicable Drawdown Prospectus or Pricing Supplement, the actual number of days in the relevant Interest Period divided by 360; and

(B) if "**30/360**" is specified in the applicable Drawdown Prospectus or Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**$M_2$**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**$D_1$**" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case $D_1$ will be 30; and

"**$D_2$**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and $D_1$ is greater than 29, in which case $D_2$ will be 30.

(vii) *Notification of Rate of Interest and Interest Amount*

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 17 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day (where a "**London Business Day**" means a day, other than Saturday or Sunday, on which banks and foreign exchange markets are open for business in London) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended, or appropriate alternative arrangements made by way of adjustment, in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 17 (*Notices*).

(viii) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b) (*Interest on Floating Rate Notes*) by the Calculation Agent shall, in the absence of manifest error, be binding on the Issuer, the Calculation Agent, the other Paying Agents and all Noteholders and, in the absence of gross negligence or willful default, no liability to the Issuer, or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Accrual of Interest*

Each Note, or in the case of the redemption of part only of a Note, that part only of such Note, will cease to bear interest, if any, from the due date for its redemption unless, upon, where applicable, due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(1) the date on which all amounts due in respect of such Note have been paid; and

(2) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to Noteholders in accordance with Condition 17 (*Notices*) or individually.

(d) *Benchmark Replacement*

Notwithstanding the provisions above in this Condition 4, if the Issuer, in consultation, to the extent practicable, with the Calculation Agent, determines that a Benchmark Event has occurred or considers that there may be a Successor Rate, in either case, when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to the Reference Rate, then the following provisions shall apply:

(1) the Issuer shall use reasonable endeavors to appoint an Independent Adviser to determine a Successor Rate or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate, no later than three (3) Business Days prior to the Interest Determination Date, as applicable, relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods, subject to the subsequent operation of this Condition 4(d) (*Benchmark Replacement*);

(2) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date in accordance with subparagraph (1) above, then the Issuer, acting in good faith, may determine a Successor Rate

or, if the Issuer determines that there is no Successor Rate, an Alternative Reference Rate for purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(d) (*Benchmark Replacement*)); *provided*, *however*, that if this subparagraph (2) applies and the Issuer is unable or unwilling to determine a Successor Rate or an Alternative Reference Rate prior to the Interest Determination Date, as applicable, relating to the next succeeding Interest Period, as applicable, in accordance with this subparagraph (2), the Rate of Interest applicable to such Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of a preceding Interest Period as applicable, which may be the Initial Rate of Interest (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period for which the Rate of Interest was determined, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period);

(3) if a Successor Rate or an Alternative Reference Rate is determined in accordance with the preceding provisions, such Successor Rate or Alternative Reference Rate, as applicable, shall be the Reference Rate for all future Interest Periods, as applicable, (subject to the subsequent operation of this Condition 4(d) (*Benchmark Replacement*));

(4) if the Independent Adviser, in consultation with the Issuer, or, if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine whether an Adjustment Spread should be applied, the Issuer determines that an Adjustment Spread should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate, as applicable, and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Rate or Alternative Reference Rate, as applicable. If the Independent Adviser or the Issuer, as applicable, is unable to determine, prior to the Interest Determination Date, as applicable, relating to the next succeeding Interest Period, as applicable, the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate, as applicable, will apply without an Adjustment Spread;

(5) if the Independent Adviser or the Issuer, as the case may be, determines a Successor Rate or an Alternative Reference Rate or, in each case, any Adjustment Spread, in accordance with the above provisions, the Independent Adviser or the Issuer may also specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, Interest Payment Dates and/or the definition of Reference Rate or Adjustment Spread applicable to the Notes, and in each case, related provisions and definitions, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to such Successor Rate or Alternative Reference Rate, as applicable, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(d) (*Benchmark Replacement*)). Subject as provided in the Fiscal and Paying Agency Agreement, the Fiscal and Paying Agent shall, at the direction and expense of the Issuer, to effect such consequential amendments to the terms of the Notes as may be required in order to give effect to this Condition 4(d) (*Benchmark Replacement*) and the Fiscal and Paying Agent shall not be liable to any party for any consequences thereof. No Noteholder consent shall be required in connection with effecting the Successor Rate or the Alternative Reference Rate, as applicable, any Adjustment Spread or such other changes, including for the execution of any documents, amendments or other steps by the Issuer or Fiscal and Paying Agent, if required; and

(6) the Issuer shall promptly following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread give notice thereof and of any changes pursuant to subparagraph (5) above to the Fiscal and Paying Agent and the Noteholders.

For the purposes of this Condition 4(d) (*Benchmark Replacement*):

"**Adjustment Spread**" means a spread, which may be positive or negative, or formula or methodology for calculating a spread, which the Independent Adviser, in consultation with the Issuer, or the Issuer, as applicable, determines should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate, as applicable, as a result of the replacement of the relevant Reference Rate with the relevant Successor Rate or the relevant Alternative Reference Rate, as applicable, and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is recommended in relation to the replacement of the Reference Rate, with the Successor Rate by any Relevant Nominating Body;

(ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser, in consultation with the Issuer, or the Issuer, as applicable, determines is recognized or acknowledged as being in customary market usage for the purposes of determining floating rates of interest in respect of bonds denominated in U.S. dollars or Euros, as applicable, where such rate has been replaced by such Successor Rate or Alternative Reference Rate, as applicable; or

(iii) if no such customary market usage is recognized or acknowledged, the Independent Adviser in its discretion, in consultation with the Issuer, or the Issuer in its discretion, as applicable, determines (acting in good faith) to be appropriate;

"**Alternative Reference Rate**" means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer, as applicable, determines has replaced the Reference Rate in customary market usage for the purposes of determining floating rates of interest in respect of bonds denominated in U.S. dollars or Euros, as applicable, or, if the Independent Adviser or the Issuer, as applicable, determines that there is no such rate, such other rate as the Independent Adviser or the Issuer, as applicable, determines, each in its own discretion, acting in good faith, is most comparable to the Reference Rate;

"**Benchmark Event**" means:

(i) the Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(ii) the Reference Rate has changed materially; or

(iii) a public statement by the administrator of the Reference Rate that by a specified date within the following six months such Reference Rate will no longer be representative; or

(iv) a public statement by the administrator of the Reference Rate that it will cease publishing such Reference Rate permanently or indefinitely, in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate; or

(v) a public statement by the supervisor of the administrator of the Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued; or

(vi) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or

(vii) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the relevant Reference Rate, including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable;

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

"**Relevant Nominating Body**" means, in respect of a reference rate:

(i) the central bank, reserve bank, monetary authority or any similar institution for U.S. dollars or Euros, as applicable, or any other central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank, reserve bank, monetary authority or any similar institution for U.S. dollars or Euros, as applicable, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, (d) the International Swaps and Derivatives Association, Inc. or any part thereof, or (e) the Financial Stability Board or any part thereof; and

“**Successor Rate**” means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer, as applicable, determines is a successor to or replacement of the Reference Rate (for the avoidance of doubt, whether or not such Reference Rate has ceased to be available) which is recommended by any Relevant Nominating Body.

“**SOFR**” the secured overnight financing rate published by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator), on the Federal Reserve Bank of New York’s website.

“**SONIA**” the sterling overnight index average published by the Bank of England, as the administrator of the benchmark (or a successor administrator), on the Bank of England’s website.

“**€STR**” means the euro short-term rate published by the ECB, as the administrator of the benchmark (or a successor administrator), on the European Central Bank’s website.

## 5 Payments

(a) *Method of Payment for Definitive Notes*

Payments in respect of definitive Notes will be made to the registered holder of such Note in U.S. dollars (in the case of a USD Note) or in Euros (in the case of a Euro Note) and will be made at the option of such registered holder thereof, as notified to the Issuer and Paying Agent sufficiently in advance of any payment to be received, in the case of a USD Note, either by transfer to an account in U.S. dollars maintained by the payee with a bank in The City of New York, and in the case of a Euro Note, either by transfer to an account in Euros maintained by the payee with a bank in London, provided such notice has been duly given. All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws or agreements to which the Issuer or any of the Paying Agents agrees to be subject, and subject to the requirement to pay Additional Amounts pursuant to Condition 14 (*Additional Amounts*), the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements.

Payments of principal in respect of definitive Notes, if issued, will, subject as provided below, be made only against presentation and surrender of such definitive Notes at the specified office of any Paying Agent.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest, if any, accrued in respect of such Note from, and including, the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

(b) *Presentation of Principal and Interest*

Payments of principal and interest, if any, in respect of Notes represented by a Global Note will, subject as provided below, be made to the registered holders thereof at the office of the Fiscal and Paying Agent, or such other office or agency of the Issuer maintained by it for that purpose, in such coin or currency of the United States (in the case of a USD Note) or in Euros (in the case of a Euro Note) as at the time of payment is legal tender for the payment of public and private debts; *provided*, *however*, that payment of the principal of and any premium and interest on such Global Notes due at Maturity will be made to the registered holders thereof in immediately available funds at such office or such other offices or agencies if such Notes are presented to the Fiscal and Paying Agent or any other Paying Agent in time for the Fiscal and Paying Agent or such other Paying Agent to make such payments in accordance with its normal procedures; and, *provided*, *further*, that at the option of the Issuer, payment of interest, other than interest payable at Maturity, may be made by check mailed to the address of the person entitled thereto as such address shall appear in the security register unless that address is in the Issuer’s country of incorporation or, if different, country of tax residence.

The registered holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of DTC or Euroclear and/or Clearstream, Luxembourg, as applicable, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to DTC or Euroclear and/or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note. No person other than the holder of such Global Note shall have any claim against the Issuer in respect of any payments due on that Global Note.

(c) *Payment Date*

If the date for payment of any amount in respect of any Note is not a Payment Date, the holder thereof shall not be entitled to payment of the amount due until the next following Payment Date in the relevant place and shall not be entitled to any interest or other payment in respect of such delay.

For these purposes, "**Payment Date**" means

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

  (A) in the case of Notes in definitive form only, the relevant place of presentation;

  (B) each Additional Financial Centre specified in the applicable Drawdown Prospectus or Pricing Supplement; and

(ii) any day which is a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets settle payments in (1) The City of New York, United States and Amsterdam, The Netherlands, in the case of USD Notes or (2) London, England and Amsterdam, The Netherlands, in the case of Euro Notes or GBP Notes.

(d) *Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) the Final Redemption Amount of the Notes;

(ii) the Early Redemption Amount of the Notes;

(iii) the Optional Redemption Amount(s), if any, of the Notes;

(iv) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 14 (*Additional Amounts*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Fiscal and Paying Agency Agreement.

## 6 Redemption and Purchase

(a) *At Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each nominal amount of Notes equal to the Calculation Amount will be redeemed by the Issuer at the Final Redemption Amount specified in the applicable Drawdown Prospectus or Pricing Supplement on the Maturity Date specified in the applicable Drawdown Prospectus or Pricing Supplement.

(b) *Redemption for Tax Reasons*

The Notes of any Series may be redeemed at the Issuer's option in whole, but not in part, at any time, on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Drawdown Prospectus or Pricing Supplement to the Fiscal and Paying Agent, at a redemption price equal to 100% of the principal amount of the Notes then outstanding plus accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption and all Additional Amounts (as defined in Condition 14 (*Additional Amounts*)), if any, then due and which will become due on such date as a result of the redemption, if on the next date on which any amount would be payable in respect of the Notes, the Issuer (including any successor entity) is or would be required to pay Additional Amounts, which are more than *de minimis* in amount, and the Issuer cannot avoid any such payment obligation by taking reasonable measures available (including, for the avoidance of doubt, making payment through a paying agent in another jurisdiction) and the requirement arises as a result of:

(i) any change in, or amendment to, the laws, treaties, regulations or rulings of any Relevant Taxing Jurisdiction (as defined below in Condition 14 (*Additional Amounts*)), which becomes effective on or after (and which was not publicly and formally announced, prior to) the Issue Date (or, if such Relevant Taxing Jurisdiction has changed since the Issue Date, the date on which the then-current jurisdiction became the Relevant Taxing Jurisdiction), or

(ii) any change in, or amendment to, the existing official position or the introduction of an official position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction, or a change in published practice), which becomes effective on or after (and which was not publicly and formally announced prior to) the Issue Date (or, if the Relevant Taxing Jurisdiction has changed since the Issue Date, the date on which the then-current jurisdiction became the Relevant Taxing Jurisdiction) (each of the foregoing clauses (i) and (ii), a "**Change in Tax Law**").

For this Condition 6(b) (*Redemption for Tax Reasons*) and for Condition 9 (*Events of Default*), the Notes of any Series will be redeemed at the Early Redemption Amount equal to the Final Redemption Amount thereof.

Additional Amounts are payable by the Issuer under the circumstances described below in Condition 14 (*Additional Amounts*). Prior to any redemption of the Notes, the Issuer will deliver to the Fiscal and Paying Agent an opinion of independent tax counsel of recognized standing to the effect that the Issuer is entitled to redeem the Notes as a result of any such change or amendment, and an officers' certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of redemption have occurred. Absent manifest error, the Fiscal and Paying Agent will accept and shall be entitled to rely on such officers' certificate and opinion of counsel as sufficient evidence of the existence and satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the Noteholders.

No notice of redemption may be given earlier than 90 days prior to, or more than 180 days after, the earliest date on which the Issuer would be obligated to pay Additional Amounts if a payment in respect of the Notes were then due.

The foregoing provisions in this Condition 6(b) (*Redemption for Tax Reasons*) shall apply *mutatis mutandis* to any successor person, after such successor person becomes a party to the Fiscal and Paying Agency Agreement, with respect to a Change in Tax Law occurring after the time such successor person becomes a party to the Fiscal and Paying Agency Agreement.

The Issuer shall cause to be published the notice described above on Euronext Dublin website (*https://live.euronext.com/*, or such other website from time to time maintained by Euronext Dublin for the purpose of making such announcements) so long as the Notes are listed and traded on the GEM and to the extent that the rules of Euronext Dublin so require.

(c) *Redemption at the Option of the Issuer*

As so indicated in the applicable Drawdown Prospectus or Pricing Supplement, the Notes of a Series either (i) cannot be redeemed prior to maturity (other than as provided under Condition 6(b) (*Redemption for Tax Reasons*) above), or (ii) in the case of Fixed Rate Notes, may be redeemed, in whole or in part, at the option of the Issuer at the price set forth therein, including a USD Make Whole Amount (in the case of USD Notes) or an "**Early Redemption Amount**" specified in the applicable Drawdown Prospectus or Pricing Supplement (in the case of Euro Notes or GBP Notes) (the "**Optional Redemption Price**") and on the date specified therein for the redemption of Notes (such date, an "**Optional Redemption Date**"). Notice of any redemption shall be given not less than the minimum period nor more than the maximum period of notice specified in the applicable Drawdown Prospectus or Pricing Supplement to the Fiscal and Paying Agent and the Noteholders of that Series in accordance with Condition 17 (*Notices*). The Issuer shall cause to be published the notice on Euronext Dublin website (*https://live.euronext.com/*, or such other website from time to time maintained by Euronext Dublin for the purpose of making such announcements) so long as the Notes are listed and traded on the GEM and to the extent that the rules of Euronext Dublin so require.

On and after the Optional Redemption Date, interest on the Notes or any portion of the Notes called for redemption will cease to accrue (unless the Issuer defaults in the payment of the applicable Optional Redemption Price or related accrued interest). On or before the Optional Redemption Date, the Issuer will deposit with the Fiscal and Paying Agent funds sufficient to pay the Optional Redemption Price and related accrued interest, through the Optional Redemption Date, on the Notes subject to redemption. If the Optional Redemption Date falls after a Regular Record Date but on or prior to the corresponding Interest Payment Date, the Issuer will pay accrued interest to the Noteholder of record on the corresponding Regular Record Date, which may or may not be the person who will receive payment of the Optional Redemption Price (which will exclude such accrued interest).

The "**USD Make Whole Amount**" per Note shall be an amount equal to:

(1) if no "Par Call Date" is specified in the relevant Drawdown Prospectus or Pricing Supplement, as applicable, the greater of (i) 100% of the principal amount of the Notes and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the Optional Redemption Date) discounted to the Optional Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus an amount of basis points to be specified in the relevant Drawdown Prospectus or Pricing Supplement, as applicable; or

(2) if a "Par Call Date" is specified in the relevant Drawdown Prospectus or Pricing Supplement, as applicable, (x) prior to such "Par Call Date" the greater of (i) 100% of the principal amount of the Notes and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon as if the Notes to be redeemed matured on the "Par Call Date" (exclusive of interest accrued to the Optional Redemption Date) discounted to the Optional Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus an amount of basis points to be specified in the relevant Drawdown Prospectus or Pricing Supplement, as applicable, and (y) on or after such "Par Call Date", as applicable, 100% of the principal amount of the Notes, plus, in the case of each of (i) and (ii) above, accrued interest thereon to the Optional Redemption Date and any Additional Amounts payable with respect thereto.

"**Comparable Treasury Issue**" means the United States Treasury security (not inflation-indexed) selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to (1) if no "Par Call Date" is specified in the relevant Drawdown Prospectus or Pricing Supplement, as applicable, the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Notes, or (2) if a "Par Call Date" is specified in the relevant Drawdown Prospectus or Pricing Supplement, as applicable, the remaining term of the Notes to be redeemed to the "Par Call Date" that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Notes to the "Par Call Date".

"**Comparable Treasury Price**" means, with respect to any Optional Redemption Date, (A) the average of five of the Reference Treasury Dealer Quotations for such Optional Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

"**Independent Investment Banker**" means one of the Reference Treasury Dealers appointed by the Issuer.

"**Reference Treasury Dealer Quotations**" means, with respect to each Reference Treasury Dealer and any Optional Redemption Date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m., New York time on the third Business Day preceding such Optional Redemption Date.

"**Treasury Rate**" means, with respect to any Optional Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Optional Redemption Date.

"**Reference Treasury Dealer**" means (i) each of the Dealers specified in the applicable Pricing Supplement or Drawdown Prospectus or their respective affiliates or successors; *provided*, *however*, that if any of the foregoing shall cease to be a primary U.S. government securities dealers, or a primary treasury dealer, the Issuer will substitute therefore another primary treasury dealer; (ii) any three other primary treasury dealers selected by the Issuer from time to time.

In the case of a partial redemption of Notes of any Series, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot at such place and in such manner as the Issuer may approve and deem fair and reasonable, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of the DTC or Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream Luxembourg as either a pool factor or a reduction in the nominal amount, at their discretion), as the case may be, in the case of Redeemed Notes represented by a Global Note, not more than 60 days or such other period specified in the applicable Drawdown Prospectus or Pricing Supplement prior to the Optional Redemption Date (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will, unless otherwise specified in the applicable Drawdown Prospectus or Pricing Supplement, be published in accordance with Condition 17 (*Notices*) not less than the minimum period and not more than the maximum period specified in the applicable Drawdown Prospectus or Pricing Supplement prior to the Optional Redemption Date. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the Optional Redemption Date pursuant to this paragraph (c) and notice to that effect shall, unless otherwise specified in the applicable Drawdown Prospectus or Pricing Supplement, be given by the Issuer to the Noteholders of the relevant Series in accordance with Condition 17 (*Notices*) at least 10 days or such other period specified in the applicable Drawdown Prospectus or Pricing Supplement prior to the Selection Date.

(d) *Purchases*

Except as set forth in the applicable Drawdown Prospectus or Pricing Supplement, the Issuer or any of its subsidiaries or affiliates may, at any time purchase beneficially or procure others to purchase beneficially for its account Notes of any Series in the open market, by tender, by private treaty or otherwise at any price in accordance with applicable laws and regulations. Notes purchased or otherwise acquired by the Issuer or any of its subsidiaries or affiliates may be held or resold or, at the discretion of the Issuer, surrendered to the Agent for cancellation.

(e) *Cancellation*

All Notes which are redeemed or purchased or otherwise acquired by the Issuer as aforesaid and surrendered to the Registrar for cancellation will forthwith be cancelled and thereafter may not be re-issued or resold. In addition, any Notes purchased on behalf of the Issuer or any of its subsidiaries or affiliates may be surrendered to the Registrar for cancellation and, if so cancelled, may not be reissued or resold.

## 7 Option of Noteholders to Repayment upon a Change of Control

Upon the occurrence of a Change of Control, each Noteholder of any Series will have the right to require the Issuer to purchase all or a portion of such Noteholder's Notes which have not otherwise been declared due for early redemption, pursuant to the offer described below (the "**Change of Control Offer**"), at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase, subject to the rights of Noteholders on the relevant Regular Record Date to receive interest due on the relevant Interest Payment Date.

Within 30 days following the date upon which the Change of Control occurred, or at the Issuer's option, prior to any Change of Control but after the public announcement of the pending Change of Control, the Issuer will be required to send a notice to each holder of Notes, with a copy to the Fiscal and Paying Agent, which notice will govern the terms of the Change of Control Offer. Such notice will state, among other things, the purchase date, which must be no earlier than 10 days nor later than 60 days from the date such notice is mailed, other than as may be required by law (the "**Change of Control Payment Date**"). The notice, if mailed prior to the date of consummation of the Change of Control, will state that the Change of Control Offer is conditioned on the Change of Control being consummated on or prior to the Change of Control Payment Date. Noteholders electing to have Notes purchased pursuant to a Change of Control Offer will be required to surrender their Notes to the Fiscal and Paying Agent prior to the close of business on the third Business Day prior to the Change of Control Payment Date.

The definition of "Change of Control" includes the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its subsidiaries, taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition of the phrase "substantially all" under New York law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a sale, lease or transfer of "all or substantially all" of the assets of the Issuer and its subsidiaries, taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above.

The Issuer will not be required to make a Change of Control Offer if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by the Issuer and such third party purchases all Notes properly tendered and not withdrawn under its offer.

The Issuer shall cause to be published the notice described above on Euronext Dublin's website (*https://live.euronext.com/*, or such other website from time to time maintained by Euronext Dublin for the purpose of making such announcements) so long as the Notes are listed and traded on the GEM and to the extent that the rules of Euronext Dublin so require.

In these Terms and Conditions:

"**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Change of Control**" means the occurrence of any one of the following:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the voting power of the Issuer's outstanding Voting Stock; *provided* that (x) no Change of Control shall be deemed to occur by reason of the Issuer becoming a Subsidiary of a Successor Parent and (y) any Voting Stock of which any Permitted Holder is the "beneficial owner" (as so defined) shall not be included in any Voting Stock of which any such person or group is the "beneficial owner" (as so defined), unless that person or group is not an Affiliate of a Permitted Holder and has the sole voting power with respect to that Voting Stock; and

(b) for so long as the Notes cease to be rated Investment Grade by the two Rating Agencies, the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its subsidiaries, taken as a whole.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended.

"**Investment Grade**" means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating category of Moody's) or a rating of BBB− or better by S&P (or its equivalent under any successor rating category of S&P), as applicable.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Permitted Holder**" means: (1) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) that is the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of the voting power of any of (i) the Issuer's A Ordinary Shares or (ii) Naspers Limited's Class A Voting Stock, in each case, as of the Issue Date; (2) any one or more Persons whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Fiscal and Paying Agency Agreement; (3) any Person who is acting as an underwriter or in a similar capacity in connection with a public or private offering of capital stock of the Issuer; or (4) in each case, any Affiliates or successors of the foregoing.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"**S&P**" means Standard & Poor's Credit Market Services Europe Limited and its successors.

"**Successor Parent**" with respect to any Person, means any other Person with more than 50% of the total voting power of the Voting Stock which is, at the time the first Person becomes a Subsidiary of such other Person, "beneficially owned" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) by one or more Persons that "beneficially owned" (as so defined) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person.

"**Voting Stock**" of any specified Person as of any date means the capital stock of such Person that is at the time entitled to vote generally in the election of the board of directors of such Person.

## 8 Negative Pledge

The Issuer undertakes, for so long as any of the Notes are outstanding, not to create or permit to subsist, and to procure that none of its Subsidiaries will create or permit to subsist, any Lien over the whole or any part of its undertakings, assets or revenues, present or future, to secure any Capital Market Debt or to secure any guarantee or indemnity given by the Issuer or any of its Subsidiaries in respect of any Capital Market Debt of any other person, without at the same time providing that the Notes shall be secured at least equally and ratably with the obligations so secured for so long as such obligations are so secured; *provided*, *however*, that this undertaking will not apply with respect to any Lien existing on assets at the time of the acquisition thereof by the Issuer or any of its Subsidiaries if such Lien was not created in connection with or in contemplation of such acquisition and the amount secured by such Lien is not increased subsequently in connection with the acquisition of the relevant assets; and *provided*, *further*, that any Lien created in favor of the Notes pursuant to this provision will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Lien to which it relates, (ii) any sale, exchange or transfer to any Person other than the Issuer or any of its Subsidiaries of the property or assets secured by such Lien, or (iii) upon the discharge of the Notes in accordance with these Terms and Conditions.

"**Capital Market Debt**" means any debt securities issued pursuant to an indenture, fiscal and paying agency agreement or similar financial arrangement (but excluding any credit agreement) which are traded on a stock exchange or other recognized securities market.

"**Lien**" means any mortgage or deed of trust, charge, pledge, lien (statutory or otherwise), privilege, security interest, hypothecation, assignment for security, claim, or preference or priority or other encumbrance upon or with respect to any property of any kind, real or personal, movable or immovable, now owned or hereafter acquired. Without limiting the foregoing, a person will be deemed to own subject to a Lien any property which such person has acquired or holds subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement.

"**Subsidiary**" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of the Voting Stock is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

## 9 Events of Default

The occurrence and continuance of one or more of the following events will constitute an event of default ("**Event of Default**") under the Fiscal and Paying Agency Agreement and the Notes:

(a) default for 30 days in the payment when due of any interest on any Note;

(b) default in the payment of the principal of, or premium, if any, on, any Note at its maturity (upon acceleration, optional or mandatory redemption, required repurchase or otherwise);

(c) failure to comply with any covenant or agreement of the Issuer contained in these Terms and Conditions (and the relevant Drawdown Prospectus or Pricing Supplement), the Fiscal and Paying Agency Agreement or the Notes (other than specified in clause (a) or (b) above) and such failure continues for a period of 60 days or more after the written notice provided by the Noteholders specified below;

(d) default under the terms of any instrument evidencing or securing the indebtedness for borrowed money of the Issuer or any of its Significant Subsidiaries having an outstanding principal amount in excess of U.S.$100.0 million (or equivalent in another currency) individually or in the aggregate, if that default:

(x) results in the acceleration of the payment of such indebtedness; or

(y) is caused by the failure to pay such indebtedness at final maturity thereof after giving effect to the expiration of any applicable grace periods (and other than by regularly scheduled required prepayment) and such failure to make any payment has not been waived or the maturity of such indebtedness has not been extended;

(e) one or more final judgments, orders or decrees (not subject to appeal and not covered by insurance) is rendered against the Issuer or any of the Issuer's Significant Subsidiaries either individually or in an aggregate amount, in each case in excess of U.S.$100.0 million (or equivalent in another currency), and such amount remains unpaid and outstanding for a period of 60 consecutive days following such judgment, order or decree and is not discharged, waived or stayed (by reason of pending appeal or otherwise) within 30 days after the written notice specified below; and

(f) the entry by a court of competent jurisdiction or other authority of (A) a decree or order for relief in respect of the Issuer or any of the Issuer's Significant Subsidiaries in an involuntary case or proceeding under any applicable Bankruptcy Law or (B) a decree or order adjudging the Issuer or any of the Issuer's Significant Subsidiaries bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of or in respect of the Issuer or any of the Issuer's Significant Subsidiaries under any applicable Bankruptcy Law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Issuer or any of the Issuer's Significant Subsidiaries in a bankruptcy or insolvency proceeding, or ordering the winding up or liquidation of their affairs, and any such decree, order or appointment pursuant to any Bankruptcy Law for relief shall continue to be in effect, or any such other decree, appointment or order shall be unstayed and in effect, for a period of 60 consecutive days; and

(g) the Issuer or any of the Issuer's Significant Subsidiaries (A) commences a voluntary case or proceeding under any applicable Bankruptcy Law or any other case or proceeding to be adjudicated bankrupt or insolvent, (B) consents to the filing of a petition, application, answer or consent seeking reorganization or relief under any applicable Bankruptcy Law, (C) consents to the entry of a decree or order for relief in respect of the Issuer in an involuntary case or proceeding under any applicable Bankruptcy Law or to the commencement of any bankruptcy or insolvency case or proceeding against it, (D) consents to the appointment of, or taking possession by, a custodian, receiver, liquidator, administrator, supervisor, assignee, trustee, sequestrator or similar official of the Issuer or of any substantial part of its properties under any applicable Bankruptcy Law in a bankruptcy or insolvency proceeding, (E) the Issuer enters into a composition with its creditors, files a petition for a suspension of payments or (F) admits in writing its inability to pay its debts generally as they become due.

"**Bankruptcy Law**" means any law relating to bankruptcy, insolvency, receivership, winding-up, liquidation, reorganization or relief of debtors or any amendment to, succession to or change in any such law, including, without limitation, The Dutch Bankruptcy Act (*Faillissementswet*) and title 11 of the United States Bankruptcy Code of 1978, as amended.

"**Significant Subsidiary**" means any Subsidiary of the Issuer whose (i) total assets represent more than 10% of the consolidated total assets of the Issuer or (ii) total revenues represent more than 10% of the consolidated total revenues of the Issuer.

Notwithstanding the above, a default under clause (c), (d), or (e) above will not constitute an event of default unless and until the Noteholders of not less than 25% in aggregate principal amount of the Notes of a relevant Series then outstanding notify the Issuer and the Fiscal and Paying Agent in writing of the default and the Issuer has not cured such default prior to receipt of such notice and does not cure such default within the time specified after receipt of such notice, as applicable.

If an event of default (other than as specified in clause (f) or (g) above) occurs and is continuing, the holders of Notes of not less than 25% in aggregate principal amount of the Notes of a relevant Series then outstanding by written notice to the Issuer and the Fiscal and Paying Agent may declare the principal of, and premium, if any, and any additional amounts and accrued and unpaid interest on, all of the outstanding Notes of such Series immediately due and payable, and upon any such declaration all such amounts payable in respect of the Notes of such Series will become immediately due and payable.

If an event of default specified in clauses (f) or (g) above occurs and is continuing with respect to the Issuer, then the principal of, and premium, if any, and any additional amounts and accrued and unpaid interest on, all of the outstanding Notes will become and be immediately due and payable without any declaration or other act on the part of any holder of Notes.

The holders of a majority in aggregate principal amount of the Notes of a Series then outstanding may waive all past or existing defaults or events of default (except with respect to nonpayment of principal, premium or interest) with respect to the Notes of such Series and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

**10 Discharge of Fiscal and Paying Agency Agreement**

The Issuer shall be discharged from any and all obligations in respect of the Fiscal and Paying Agency Agreement (except for certain obligations to register the transfer or exchange of Notes, replace stolen, lost or mutilated Notes, make payments of principal and interest, maintain paying agencies and obligations with respect to the rights, powers, duties and immunities of the Fiscal and Paying Agent) if the Issuer has paid or caused to be paid in full the principal of and interest on all Notes of all Series outstanding thereunder and the Issuer will have delivered to the Fiscal and Paying Agent for cancellation all Notes of all Series outstanding theretofore authenticated.

**11 Substitution, Consolidation, Merger and Sale of Assets**

The Issuer, without the consent of the holders of any of the Notes, may consolidate with, or merge into, or sell, transfer, lease or convey all or substantially all of their respective assets to, any Person; *provided* that:

(a) any successor Person (i) will be organized under the laws of the same jurisdiction as the Issuer (and in the case of any Dutch successor to the Issuer, such successor will not be subject to Dutch bank licensing requirements pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*)), any country of the European Union or the European Economic Area, the United Kingdom, Switzerland, Australia, Bermuda, Canada or the United States of America, any state thereof, or the District of Columbia and (ii) will expressly assume the Issuer's respective obligations under the Notes and the Fiscal and Paying Agency Agreement;

(b) immediately after giving effect to the transaction and treating any indebtedness which becomes an obligation of the Issuer as a result of such transaction as having been incurred by the Issuer at the time of such transaction, no event of default, and no event which, after notice or lapse of time or both, would become an event of default, will have occurred and be continuing with respect to the Notes; and

(c) the Issuer, as the case may be, will have delivered to the Fiscal and Paying Agent an officers' certificate and a legal opinion of independent lawyers of recognized standing stating that such consolidation, merger, sale, transfer, lease or conveyance, or substitution, as the case may be, and, if a supplemental agreement is required in connection with such transaction, such agreement, comply with this provision and that all conditions precedent provided for in the Fiscal and Paying Agency Agreement relating to such transaction have been complied with.

Notwithstanding the foregoing, the Issuer may merge with an Affiliate organized solely for the purpose of organizing the Issuer in another jurisdiction to realize tax or other benefits.

Upon any merger, sale, transfer, lease or conveyance as provided in this Condition 11 (*Substitution, Consolidation, Merger and Sale of Assets*), the successor Person shall succeed to and be substituted for, and may exercise every right and power of and be subject to all the obligations of, the Issuer under the Notes and Fiscal and Paying Agency Agreement, with the same effect as if the successor Person had been named as the Issuer therein and herein and the Issuer shall be released from its liability as obligor under the Notes and Fiscal and Paying Agency Agreement.

The limitation and requirements in this Condition 11 (*Substitution, Consolidation, Merger and Sale of Assets*) shall not apply to any consolidation or merger in which the Issuer is the surviving Person.

For as long as any Notes are outstanding, if the Issuer becomes subject to Dutch banking license requirements available to it under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as amended, restated or re-enacted from time to time, the Issuer shall immediately be substituted in accordance with the foregoing conditions with a successor Person, which is not subject to Dutch banking regulations or which has the benefit of an appropriate exemptive relief.

**12 Modifications and Amendment**

The Issuer, the Fiscal and Paying Agent, the Paying Agent, the Transfer Agent and the Registrar may, from time to time and at any time, with the consent of the holders of not less than a majority in aggregate principal amount of the Notes of any Series then outstanding, execute agreements for the purpose of adding any provisions to, changing in any manner or eliminating any of the provisions of these Terms and Conditions, the Fiscal and Paying Agency Agreement, the Notes or of any supplemental agreement, or of modifying in any manner the rights of the holders of the Notes under these Terms and Conditions or the Notes; *provided* that no such agreement will, without the consent of the holders of at least 90% in aggregate principal amount of the Notes of the relevant Series then outstanding so affected:

(a) change the maturity of the principal of any Note, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of any installment of interest thereon;

(b) change the place or currency of payment of principal of, or interest on, any Note;

(c) change the Issuer's obligation to pay additional amounts;

(d) impair or affect the right of any noteholder to institute suit for the enforcement of any such payment on or after the due date therefore (or, in the case of redemption, on or after the redemption date);

(e) make any change to the ranking provisions set forth in these Terms and Conditions or the Fiscal and Paying Agency Agreement that materially adversely affect the rights of any of the holders of the Notes; or

(f) make any change in the amendment or waiver provisions which require the Noteholder's consent described in this sentence.

The Issuer and Fiscal and Paying Agent, the Paying Agent, the Transfer Agent and the Registrar, may agree, without the consent of the Noteholders, to:

(a) any modification (except as mentioned above) of the Fiscal and Paying Agency Agreement which is, in the sole opinion of the Issuer, not materially prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes or the Fiscal and Paying Agency Agreement which is, in the sole opinion of the Issuer, of a formal, minor or technical nature or is made to correct a manifest error, to cure any ambiguity or to correct or supplement any provisions to the Notes or the Fiscal and Paying Agency Agreement which may be defective or inconsistent with any other provision contained therein or the description thereof herein, or to comply with mandatory provisions of the law of the Netherlands.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

**13 Further Issues**

The Issuer may, from time to time, without notice to or the consent of the Noteholders of the relevant Series, create and issue, pursuant to the Fiscal and Paying Agency Agreement and in accordance with applicable laws and regulations, additional notes ranking *pari passu* with and maturing on the same maturity date and having the same terms and conditions under the Fiscal and Paying Agency Agreement as the previously outstanding Notes of any Series in all respects (or in all respects except for the Issue Date, issue price, the payment of interest accruing prior to the Issue Date of such additional notes, and the amount and the date of the first payment of interest thereon) so that such additional notes shall be consolidated and form a single series with the previously outstanding Notes of a particular Series; *provided* that if any outstanding Notes of a Series were, or additional Notes of that Series are, issued under Rule 144A under the Securities Act, by means of a Drawdown Prospectus, and the additional Notes have the same CUSIP, ISIN and/or Common Code as any outstanding Notes of that Series, such additional Notes must be fungible with the outstanding Notes of that Series for U.S. federal income tax purposes. Additional Notes, if any, will be issued under a separate offering document or a supplement to this Base Prospectus.

## 14 Additional Amounts

All payments of principal and/or interest under the Notes by or on behalf of the Issuer (which, for purposes hereof includes any successor person) shall, except as may be provided in the applicable Drawdown Prospectus or Pricing Supplement, be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, levies, imposts, assessments or other governmental charges (including, without limitation, penalties, interest and other similar liabilities related thereto) of whatever nature (collectively "**Taxes**"), unless such withholding or deduction is required by law. In the event the withholding or deduction of such Taxes is imposed or levied at the source by or on behalf of any jurisdiction in which the Issuer is incorporated, organized, engaged in business or resident for tax purposes or any jurisdiction from or through which any of the foregoing makes a payment on the Notes, or any political subdivision thereof or any authority or agency therein or thereof having power to tax (each, a "**Relevant Taxing Jurisdiction**"), except as may be provided in the applicable Drawdown Prospectus or Pricing Supplement, the Issuer will pay such additional amounts (the "**Additional Amounts**") as will be necessary in order that the net amounts received by the noteholders, after such withholding or deduction, will equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such withholding or deduction; except that no such Additional Amounts will be payable on account of any Taxes which:

(a) are payable by reason of the Noteholder having, or having had, some personal or business connection with the Relevant Taxing Jurisdiction other than a connection arising from the mere holding of the Note, receiving payments thereunder or enforcing any rights with respect thereto;

(b) are payable by reason of any estate, inheritance, gift, sale, transfer, personal property or similar tax;

(c) are payable as a result of the failure of the holder or beneficial owner of the Notes, following the Issuer's written request addressed to the Noteholder, to comply with any certification, identification, information or other reporting requirements (to the extent such holder or beneficial owner is legally eligible to do so), required by statute, regulation or administrative practice of the Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, taxes imposed by such jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not a resident in the Relevant Taxing Jurisdiction);

(d) are imposed on any Noteholder who is a fiduciary or a partnership or other than the sole beneficial owner of such payment to the extent such payments would be required (under the tax laws of the Relevant Taxing Jurisdiction) to be included in the income of a beneficial owner or partner who would not have been entitled to such Additional Amounts had such beneficial owner or partner been the holder of such Notes;

(e) are payable by reason of a Note being presented for payment (where presentation is required) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment at the expiry of such period of 30 days;

(f) are payable pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*); or

(g) any combination of any of the above.

For the avoidance of doubt, any amounts to be paid on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code (the "**Code**"), as amended, any current or future official interpretations thereof or regulations with respect to such Sections, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a "**FATCA Withholding Tax**"), and the Issuer will not be required to pay additional amounts on account of any FATCA Withholding Tax.

The "**Relevant Date**" in respect of any payment means the date on which such payment first becomes due or, if the full amount of the moneys payable has not been duly received in London by the Agent on or prior to such due date, the date on which, the full amount of such moneys having been so received, notice to that effect is given to the Noteholders in accordance with Condition 17 (*Notices*).

**15 Replacement of Notes**

Should any Note, including any Global Note, be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued. Cancellation and replacement of Notes shall be subject to compliance with such procedures as may be required under any applicable law and subject to any applicable stock exchange requirements.

**16 Agent and Paying Agents**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled at any time to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(a) so long as any Notes are listed on any stock exchange or admitted to listing by any other relevant listing authority, there will at all times be a Paying Agent with a specified office in any such place as may be required by the rules and regulations of the relevant stock exchange or relevant listing authority; and

(b) there will at all times be an Agent.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 17 (*Notices*).

If for any reason the Calculation Agent defaults in its obligations with respect to determining such Rate(s) of Interest and/or Interest Amounts, the Issuer may forthwith (without requiring the consent of the Fiscal and Paying Agent or Noteholders) terminate the appointment of, and replace, the Calculation Agent solely for the purposes of such determinations, in which event notice thereof shall be given to the Fiscal and Paying Agent and the Noteholders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

In acting under the Fiscal and Paying Agency Agreement, the Fiscal and Paying Agent and the other Paying Agents will act solely as agents of the Issuer and, in certain circumstances specified therein, of the Fiscal and Paying Agent, and do not assume any obligations or relationships of agency or trust to or with the Noteholders.

**17 Notices**

(a) Notices to the Noteholders shall be made in English and be published through the newswire service of Bloomberg or, if Bloomberg does not then operate, any similar agency, and shall be deemed to have been given on the date of such publication.

(b) Notwithstanding anything to the contrary in the Fiscal and Paying Agency Agreement, notices to be given to Noteholders of a Global Note shall be given only to the Depositary, in accordance with its applicable policies as in effect from time to time, for communication by the Depositary to the entitled accountholders.

(c) Notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the Fiscal and Paying Agent, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

(d) Notices to be given by any holder of any Notes shall be in writing (including e-mail), in English, and given by delivering the same, together with the relevant Note or Notes, to the Fiscal and Paying Agent. For so long as any Global Notes are held in their entirety on behalf of DTC and/or Euroclear and/or Clearstream, Luxembourg, such notice may be given by a holder of any of the Notes so represented to the Fiscal and Paying Agent via DTC and/or Euroclear and/or Clearstream, Luxembourg, as applicable, in such manner as the Fiscal and Paying Agent and DTC and/or Euroclear and/or Clearstream, Luxembourg may approve for this purpose or in the manner specified in the Fiscal and Paying Agency Agreement.

(e) The Issuer shall cause to be published any notices to Noteholders on the website of Euronext Dublin (*https://live.euronext.com/*, or such other website from time to time maintained by Euronext Dublin for the purpose of making such announcements) so long as the Notes of any Series are listed and traded on the GEM and to the extent that the rules of Euronext Dublin so require.

## 18 Indemnification of Judgment Currency

To the fullest extent permitted by applicable law, the Issuer shall indemnify each holder of the Notes of any Series against any loss incurred by such holder as a result of any judgment or order being given or made for any amount due under any Note of any Series and such judgment or order being expressed and paid in a currency, or the judgment currency, which is other than U.S. dollars or Euros, as the case may be, and as a result of any variation as between (i) the rate of exchange at which the U.S. dollar or Euro is converted into the judgment currency for the purposes of such judgment or order and (ii) the spot rate of exchange in the City of New York at which the holder on the date of payment of such judgment is able to purchase U.S. dollars or in London at which the holder on the date of payment of such judgement is able to purchase Euros, with the amount of the judgment currency actually received by such holder. This indemnification will constitute a separate and independent obligation of the Issuer and will continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "**spot rate of exchange**" includes any premiums and costs of exchange payable in connection with the purchase of, or conversion into, U.S. dollars or Euros, as applicable.

## 19 Calculation Agent Determination

All discretions exercised and calculations and determinations made in respect of the Notes by the Calculation Agent shall be made in good faith and shall, except in the case of gross negligence or willful default, be final, conclusive and binding on the Issuer, the Agents, any other Paying Agent, and the Noteholders.

## 20 Prescription

Under the State of New York's statute of limitations, any legal action upon the Notes in respect of principal and/or interest must be commenced within a period of six years after the payment thereof is due.

## 21 Governing Law, Service of Process and Submission to Jurisdiction

The Notes and the Fiscal and Paying Agency Agreement will be governed by and construed in accordance with the laws of the State of New York.

The Issuer has irrevocably submitted to the non-exclusive jurisdiction of the courts of any U.S. state or federal court in the Borough of Manhattan in the City of New York, New York with respect to any legal suit, action or proceeding arising out of or based upon the Fiscal and Paying Agency Agreement, the Notes.

The Issuer has designated CT Corporation System as its authorized agent to accept and acknowledge on its behalf service of any and all process which may be served in any such suit, action or proceeding in any such court and agrees that service of process upon said agent at its office at 111 Eighth Avenue, New York, New York 10011 (or at such other address in the Borough of Manhattan, the City of New York, as such agent may designate by written notice to the Issuer and the Fiscal and Paying Agent), and written notice of said service to the Issuer, mailed or delivered to it, shall be deemed in every respect effective service of process upon the Issuer, in any such suit, action or proceeding and shall be taken and held to be valid personal service upon the Issuer, whether or not the Issuer shall then be doing, or at any time shall have done, business within the State of New York, and that any such service of process shall be of the same force and validity as if service were made upon it according to the laws governing the validity and requirements of such service in such state, and waives all claim of error by reason of any such service.

## USE OF PROCEEDS

We will incur various expenses in connection with the issuance of each Tranche of the Notes, including underwriting fees, legal counsel fees, rating agency expenses and listing expenses. The net proceeds from each issue of Notes will be applied by us for our general corporate purposes, including acquisitions and investments, or any other specified purpose, as set out in the Pricing Supplement or Drawdown Prospectus, as applicable.

## FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes issued under the Program.

**Pricing Supplement dated [*date*]**

**PROSUS N.V.**

**U.S.$12,000,000,000**

**Global Medium Term Note Program**

**Issue of [*Aggregate Nominal Amount of Tranche*] [Title of Notes]**

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129, AS AMENDED, FOR THE ISSUE OF THE NOTES DESCRIBED BELOW AND EURONEXT DUBLIN HAS NEITHER APPROVED NOR REVIEWED INFORMATION CONTAINED IN THIS PRICING SUPPLEMENT.**

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS**—The Notes shall not be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation EU 2017/1129, as amended (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the U.K. has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the U.K. may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO U.K. RETAIL INVESTORS**—The Notes shall not be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[**MiFID II Product Governance / Professional investors and ECPs only target market**—Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Details of any negative target market to be included if applicable.*] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market to be included if applicable.*] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[other legends to be included if applicable in respect of an issuance of Notes]

[*Date*]

**PART A—CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purpose of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated [●], 2021, which constitutes a base prospectus (the "**Base Prospectus**"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. The Base Prospectus is available for viewing at https://live.euronext.com/.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]

| | | | |
|---|---|---|---|
| 1. | Issuer: | | Prosus N.V. |
| 2. | (i) | Series Number: | [ ] |
| | (ii) | Tranche Number: | [ ] |
| | (iii) | Date on which the Notes will be consolidated and form a single Series: | [Not Applicable]/[The Notes will be consolidated and form a single Series with [*identify earlier Tranche(s)*] on the Issue Date.] |
| 3. | (i) | Currency: | [U.S. dollars/Euro/Pounds Sterling/[ ]] |
| 4. | Aggregate Nominal Amount: | | [ ] |
| | (i) | Series: | [ ] |
| | (ii) | Tranche: | [ ] |
| 5. | Issue Price: | | [ ] per cent. of the Aggregate Nominal Amount [plus [*amount*] accrued interest from [*insert date*]] |
| 6. | (i) | Specified Denomination(s): | [U.S.$200,000/€100,000/£100,000][ ]<br>(*No Notes may be issued which have a minimum denomination of less than U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof, €100,000 and integral multiples of €1,000 in excess thereof or £100,000 and integral multiples of £1,000 in excess thereof or an equivalent or higher denomination in any currency agreed between the Issuer and the relevant Dealer as stated in the applicable Pricing Supplement or Drawdown Prospectus.*) |
| | (ii) | Calculation Amount: | [ ]<br>(*If only one Specified Denomination, insert the Specified Denomination.*<br>*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.*) |
| 7. | (i) | Issue Date: | [ ] |
| | (ii) | Interest Commencement Date: | [ ] |
| 8. | Maturity Date: | | [ ] |
| 9. | Form of Notes: | | Registered (Regulation S Global Note(s)) |
| 10. | Interest Basis: | | [[ ] per cent. Fixed Rate] |

| | | | |
|---|---|---|---|
| | | | [[ ]-month [US dollar LIBOR] [EURIBOR] [LIBOR] +/−[ ] per cent. Floating Rate] |
| 11. | Redemption/Payment Basis: | | [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their Aggregate Nominal Amount] |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | | |
|---|---|---|---|
| 12. | **Fixed Rate Note Provisions** | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | Rate[(s)] of Interest: | [ ] per cent. per annum in arrear [on each Interest Payment Date] |
| | (ii) | Interest Payment Dates(s): | [ ] [and [ ]] in each year up to and including the Maturity Date [subject to adjustment in accordance with paragraph 14(vii)] |
| | (iii) | Fixed Interest Amount(s): | [ ] per Calculation Amount |
| | (iv) | Broken Amount(s): | [Not Applicable/[ ] per Calculation Amount payable on [ ]]<br>(*Insert particulars of any initial or final broken amounts of interest that do not correspond with the fixed interest amount*) |
| | (v) | Day Count Fraction: | [ ] |
| | (vi) | Business Day Convention: | [Modified Following Business Day Convention] [[unadjusted]/[adjusted]/[Not Applicable] |
| 13. | **Floating Rate Note Provisions** | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | Interest Period(s)/Specified Interest Payment Dates: | [ ]/[Not Applicable] |
| | (ii) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] |
| | (iii) | Calculation Agent (if not Citibank, N.A., London Branch): | [ ]/[Not Applicable] |
| | (iv) | Manner in which the Rate[s] of Interest is/are to be determined: | [Screen Rate Determination/ ISDA Determination] |
| | (v) | Screen Rate Determination: | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | | —Reference Rate: | [[ ]-month [US dollar LIBOR][EURIBOR][LIBOR]] |
| | | —Interest Determination Date(s): | [ ] |
| | (vi) | ISDA Determination: | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |

| | | |
|---|---|---|
| | —Floating Rate Option: | [ ] |
| | —Designated Maturity: | [ ] |
| | —Reset Date: | [ ] |
| (vii) | Linear Interpolation: | [Applicable/Not Applicable—the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)] |
| (viii) | Margin(s): | [+/−] [ ] per cent. per annum |
| (ix) | Minimum Rate of Interest: | [Not Applicable/[ ] per cent. per annum] |
| (x) | Maximum Rate of Interest: | [Not Applicable/[ ] per cent. per annum] |
| (xi) | Day Count Fraction: | [ ] |

**PROVISIONS RELATING TO REDEMPTION**

| | | | |
|---|---|---|---|
| 14. | **Notice periods for Condition 6b** | | Minimum period: [ ] days<br>Maximum period: [ ] days |
| 15. | **Redemption at the Option of the Issuer** | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | (i) | Optional Redemption Date(s): | [ ] |
| | (ii) | Optional Redemption Price(s): | [ ] per Calculation Amount |
| | (iii) | Early Redemption Amount: | [ ] *(delete if not applicable)* |
| | (iv) | Redeemable in part: | [Applicable/Not Applicable] |
| | (v) | Redemption Margin: | [ ] |
| | (vi) | Par Call: | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |
| | | —Par Call Date: | [ ] |
| | (vii) | Notice periods: | Minimum period: [ ] days<br>Maximum period: [ ] days |
| | (viii) | Selection Date: | [60 days prior to the date fixed for redemption]/[ ] days prior to the date fixed for redemption] |
| | (ix) | Publication of list of serial numbers for Notes in definitive form: | [Minimum period: [ ] days Maximum period: [ ] days]/[Not Applicable] |
| | (x) | Notification period in relation to exchange of global Note: | [Not Applicable] / [[ ] days prior to the Selection Date / 10 days prior to the Selection Date] |
| 16. | **Final Redemption Amount** | | [ ] per Calculation Amount |
| 17. | (i) | **Early Redemption Amount** | |
| | | Early Redemption Amount payable on redemption for taxation reasons: | [As set out in the Conditions/[ ] per Calculation Amount] |
| | (ii) | **Early Termination Amount** | |
| | | Early Termination Amount payable on Event of Default: | [As set out in the Conditions/[ ] per Calculation Amount] |

[[*Relevant third-party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

| | |
|---|---|
| By: ___________________________ | By: _______________________________ |
| *Duly authorized* | *Duly authorized* |

CC: [ ] as Fiscal and Paying Agent

**PART B—OTHER INFORMATION**

**1. [Listing and Admission to Trading]**

| | | |
|---|---|---|
| (i) | Listing: | [ ]/[None] |
| (ii) | Admission to trading: | [Application [has been][will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant market*] with effect on or about [ ]]<br>*(Where documenting a fungible issue, indicate that original securities are already admitted to trading.)* |
| (iii) | Estimate of total expenses related to admission to trading: | [[ ]/[Not Applicable]] |

**2. Rating**

[Not Applicable/The Notes to be issued [[have been]/[are expected to be]] rated [ ] by [*insert the legal name of the relevant credit rating agency entity(ies)*]]: [ ]

[There is no guarantee that [any of] the above rating[s] will be maintained following the date of this Pricing Supplement. Up-to-date information should always be sought by direct reference to the relevant rating agency.]

(*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.*)

**3. Interests of Natural and Legal Persons involved in the [Issue/Offer]**

(*Include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*)

[Save as discussed in the "*Subscription and Sale*" section of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.] [ ]

**4. Estimated Net Proceeds**

[Estimated net proceeds: [ ]]

**5. Fixed Rate Notes only—Yield**

Indication of yield: [ ]

[As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

**6. Operational Information**

| | |
|---|---|
| CUSIP Code: | [ ] |
| ISIN Code: | [ ] |
| Common Code: | [ ] |
| Any clearing system(s) other than DTC, Euroclear and/or Clearstream and the relevant identification number(s): | [Not Applicable/*give name(s) and number(s)*] |

[Original issue discount:

(i) Total amount of OID: [ ]

| | |
|---|---|
| (ii) Yield to maturity: | [ ] |
| (iii) Interest accrual period: | [ ]] |
| Delivery: | Delivery [against/free of] payment |
| [Names and addresses of additional Paying Agent(s) (if any): | [ ]] |
| Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes. Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries ("**ICSDs**") as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, in respect of Global Notes that are held under the New Safekeeping Structure for registered global securities and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]<br><br>[No. While the designation is specified as "No" at the date of the Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the international central securities depositaries ("**ICSDs**") as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper). Note that this does not necessarily mean that the Notes will then be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] |

**7. Distribution**

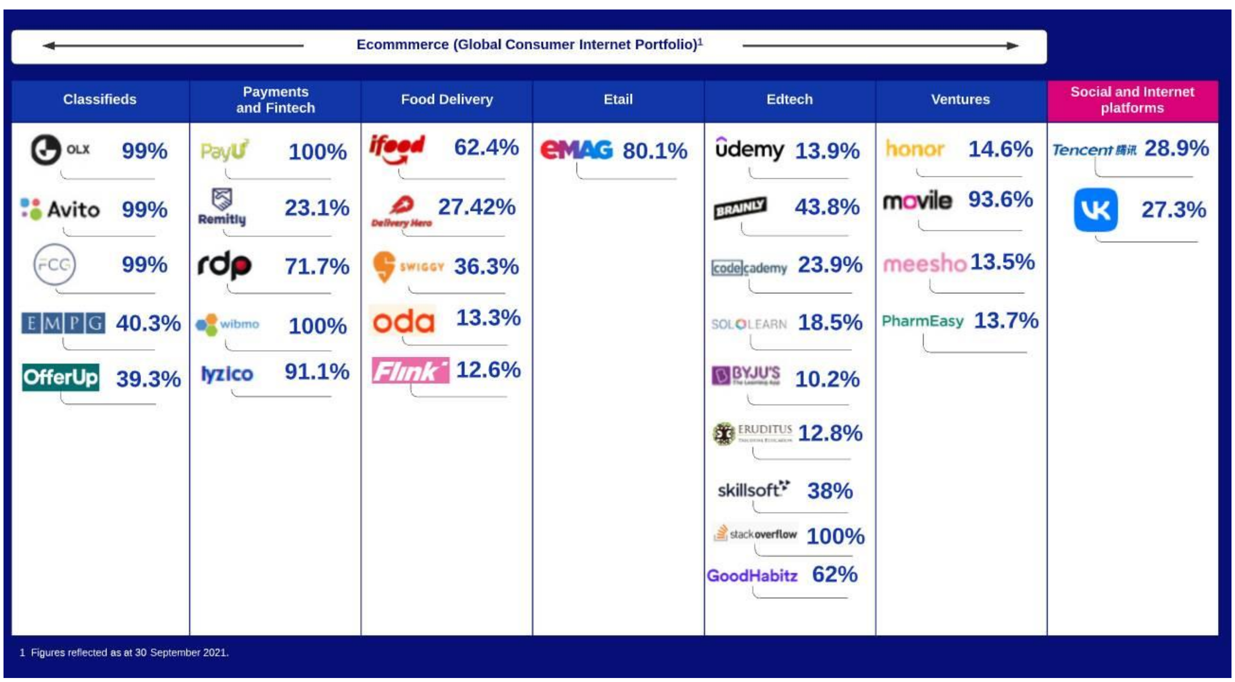
| | |
|---|---|
| Method of Distribution: | [Syndicated/Non-syndicated] |
| If syndicated, names of Dealers: | [*Name(s)*] |
| Stabilizing Manager (if any): | [Not Applicable/*give name*] |
| If non-syndicated, name of relevant Dealer: | [*Name*] |

## DESCRIPTION OF PROSUS N.V.

## BUSINESS

### Introduction

We are a global consumer internet group operating across a variety of platforms and geographies, and are also one of the largest technology investors in the world. Our businesses and investments serve more than two billion users in well over 100 countries and markets. Our consumer internet services span the core focus segments of Classifieds, Food Delivery, Payments and Fintech, Education Technology (Edtech), Etail and Other ecommerce. We aim to build leading companies that create value by empowering people and enriching communities. We have grown by investing in, acquiring and building leading companies. We typically focus on emerging large consumer trends that are linked to disruptive innovation where we try to identify changes early, invest in and adapt proven business models for the high-growth markets we focus on, and leverage our skills, local knowledge and position to build businesses that are scalable and benefit from local network effects. We believe that our platforms offer customers fast, intuitive and secure environments in which to communicate and conduct transactions. We focus on several markets that we believe present above-average growth opportunities (when compared to mature markets) due to their economic growth prospects, scalability and fast-growing, mobile internet penetration levels. Our businesses and investments primarily operate in China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, Africa and the Middle East. We have developed strong brands in these markets, and believe that those global and local brands are an important way for our businesses to differentiate themselves from their competitors, thereby driving organic growth through consumer word-of-mouth. However, we are impacted by the laws and regulations of the various jurisdictions within these markets, including competition and consumer protection laws, foreign investment restrictions and screening, labor laws, data protection and security regulations, online content and platform regulations, intellectual property laws and regulations, company and corporate laws, tax laws and regulations, financial services legislation, anti-money laundering legislation, anti-bribery and anti-corruption laws and sanctions and export controls (please see our Risk Factors on pages 4 to 37 for more information).




(i) This table shows our effective interest in key companies as at September 30, 2021.

Our businesses and investments are organized around the following segments: ecommerce (which comprises our interests in Classifieds, Food Delivery, Payments and Fintech, Edtech, Etail and Other ecommerce (which comprises mostly our Ventures portfolio), Social and Internet Platforms (which comprises our interests in Tencent and VK) and Corporate (relating to our Group-level corporate services and treasury function).

**Competitive Strengths**

***Operating and Investing in Attractive Geographies with Large Market Size, Strong Growth Potential and Portfolio of Diversified Leading Global Internet Businesses***

We are both an operator and an investor. We believe that this combination is complementary and enables enhanced value creation. As an operator, we are able to make smarter investment decisions; as an investor, we support our businesses with the right combination of capital, market knowledge and know-how to succeed. As we operate locally, we benefit from the extensive insights of our local operations and their markets. We gain early views on new emerging models and, as a result, are better positioned to drive organic and inorganic growth and support entrepreneurial and seasoned business leaders. The leaders of our businesses are compensated directly on the performance of their division, fostering a strong culture of entrepreneurship within our Group. We are not tied to a rigid investment philosophy and have the ability to take a long-term view. This means that we are able to support all our businesses at every stage of their life cycle and focus on creating value over the long term.

As an investor, we benefit from access to attractive opportunities globally. We have long-standing and successful relationships with leading internet businesses in two of our largest markets, China and Russia, through our investments in Tencent and VK. Our strategy for all our investments and operations is to continue shaping the internet in the way we have with our most successful listed investments, Tencent and VK. We have created substantial value through our investments in these businesses, which have developed into broader ecosystems in their respective markets.

Our businesses and investments primarily operate in China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, Africa and the Middle East. We believe that, currently, the adoption curve for our consumer internet businesses is generally lower in these growth markets (when compared to mature markets). Overall, we estimate that approximately one-fifth of the world's population uses products and services of businesses that we have built, acquired or invested in. Many of these users use the products and services of more than one of these businesses.

We have exposure to China, through our interest in Tencent, and to Russia, through our interest in VK and Avito. We believe both Tencent and VK are well diversified businesses covering social, communication, online gaming and various subsegments of ecommerce. We have further exposure to China through Trip.com, a leading online travel provider in China and India. We continue to strengthen our position in India, where we have a large presence across our three core business segments, Classifieds (through OLX India Used Car Group), Food Delivery (through Swiggy) and Payments and Fintech (through PayU). We have additional interests in India in travel (through Trip.com), online marketplaces (through Meesho Inc. ("**Meesho**")) and education (through BYJU'S (as defined below), which we believe to be the most popular learning app in India). Since 2005 we have invested in excess of U.S.$10 billion (including the acquisition of BillDesk, which we announced in August 2021 and which is still pending regulatory approval) in Indian technology. We have exposure to Latin America (through, among others, OLX, PayU and iFood (as defined below) and Delivery Hero); Central and Eastern Europe (through, among others, OLX, PayU, Delivery Hero and eMAG); and North America (through OfferUp, a mobile classifieds offering, and Frontier Car Group, an online car marketplace).

Our main segments have market-leading positions in many of the markets that they operate in and our position in the consumer internet market is diversified through these segments:

*Classifieds:* Through the OLX Group, we have more than 300 million monthly active users as of September 30, 2021. OLX's biggest markets include Russia (Avito), Europe, Latin America and India. In FY 2021, we estimate that our Classifieds segment's revenue growth was ahead of the industry average (based on revenue growth in local currency excluding any mergers or acquisitions).

*Food Delivery:* Our key brands are iFood, Delivery Hero and Swiggy. iFood is a leading food delivery business in Brazil, which is owned by Movile Internet Movel S.A. ("**Movile**"), with approximately 180,000 own delivery partners in Brazil and over 300,000 restaurant partners, and which had more than 550 million orders during the year ended March 31, 2021, and 360 million for the six months ended September 30, 2021. Delivery Hero is present in 51 countries and reported approximately 1.9 billion orders for the year ended December 31, 2020, and 1.4 billion for the six months ended June 30, 2021. Swiggy is active in India in approximately 500 cities and has more than 127,000 enabled restaurant partners as of September 30, 2021.

*Payments and Fintech:* PayU is our core payments platform and a leading payment gateway for merchants in high-growth markets and large international companies. PayU operates in 20 markets and offers more than 400 payment options and, during FY 2021, processed more than 1.6 billion transactions, totaling U.S.$55 billion in total payment value. For the six months ended September 30, 2021, the business processed more than 1.0 billion transactions, totaling U.S.$35.3 billion in total payment value. About 50% of transactions are consummated in India and the rest in the Global Payment Operations business is focused mainly on Latin America, Eastern Europe and Africa. From the Indian payments business, where PayU processes transactions for merchants, we believe that we are in a good position to provide credit scoring, which would allow us to expand into credit. In August 2021, we announced a U.S.$4.7 billion acquisition of BillDesk, one of the largest bill payment networks in India and a complementary business to our PayU India business. The combination will create one of the top ten online payments providers globally.

Edtech, which was previously part of our Ventures portfolio, became another of our core segments from FY 2022. Since 2016, we have invested U.S.$3.5 billion across nine high-growth companies: Brainly, Codecademy, Udemy, BYJU'S, Eruditus, SoloLearn and, most recently, Skillsoft, Stack Overflow and GoodHabitz.

In addition to our geographic and segmental diversification, our businesses continue to be further diversified. For example, Tencent and VK have expanded beyond their core business of online games and social networks into ecommerce, covering some of the core expertise that we have to offer, online-to-offline markets and other business-to-business services. Within our Classifieds segment we have expanded into transactions adjacent to some of our classifieds verticals; for example, we have invested in a few cash-my-car type businesses, which offer customers who may otherwise consider selling their car through our classifieds platform a safe and convenient alternative to bring it to an inspection center and receive an instant cash offer for their vehicle. Such cars are subsequently sold within a short timeframe through various sales channels, including car dealer networks present on our classifieds platforms. Within our Payments and Fintech segment, we have expanded into credit businesses focusing on digital point-of-sale lending to consumers through the businesses' own products and through investments in associated credit companies.

We believe that our consumer internet businesses have significant potential for future growth and offer opportunities for an enhanced range of internet transactions and services in the markets in which we operate, as well as possible expansions into new markets. We believe that the growth in demand for our products and services will be driven by a number of underlying trends, including GDP growth, population growth of attractive, younger demographics, growth in the middle class, and continued growth in mobile and high-speed internet penetration, as well as the increasing adoption of new internet-based business models that are disrupting existing traditional business models across a range of different industries. Mobile devices offer an opportunity to provide anytime, anywhere, service and access to the broadest audience in a streamlined and easy-to-use manner. We employ a "mobile-first" philosophy when developing our strategies and business plans across all businesses and we are seeing a dramatic shift from desktop to mobile internet use. Most of our global traffic, in some markets over 80%, comes from mobile devices.

***Proven Investment Track Record and Strong Cash Realization***

We have been disciplined in our approach to allocating capital. Over the past six years, we have allocated $44 billion of capital (59% in investment and operations, 28% in buybacks and dividends and 13% in pro forma cash). We have been successful in identifying attractive internet investment opportunities early in their development and helping grow them into leading platforms. In 2001, we purchased a 46.5% interest in Tencent for U.S.$34 million. Over a period of 17 years our interest diluted to approximately 33% as a result of new share issuances by Tencent. In March 2018, we disposed of approximately 6% of our interest in Tencent (2% of Tencent's share capital) by way of an accelerated offering for a net cash consideration of U.S.$9.76 billion. The disposal reduced our effective interest in Tencent from 33.37% to 31.1%. From such proceeds received, we invested capital of approximately U.S.$8.1 billion in our ecommerce assets. In April 2021, we sold a further 2% of Tencent's total share capital by way of an accelerated offering, which reduced our effective interest in Tencent from 30.9% to 28.9% and yielded proceeds of $14.6 billion. Following our sale of such portion of our interest in Tencent, we announced our commitment not to sell any further Tencent shares for the next three years. These funds reinforced our balance sheet and we intend to invest these funds over time to accelerate the growth of our businesses globally or invest in our existing portfolio through the repurchase of our own shares, as recently announced.

Our investment in Flipkart Private Limited ("**Flipkart**") is an example of our disciplined approach to capital allocation and proven ability to create value. Following our initial investment in 2012, we selectively participated in some, but not all, follow-on funding rounds of Flipkart at valuations we were comfortable could generate good returns for our shareholders. Over a period of six years we invested a total of U.S.$616 million and realized a profit of U.S.$1.6 billion upon the sale of the investment in August 2018.

In FY 2008, we advanced our internet ecommerce business by investing U.S.$1.9 billion in Tradus Plc, a company providing consumer trading platforms and related ecommerce services through its Allegro and Ricardo branded websites. In FY 2017, we disposed of Allegro (including Ceneo.pl, the most popular online comparison shopping business in Poland) for U.S.$3.2 billion. Ricardo was disposed of in FY 2016 for U.S.$248 million.

In September 2019, we exchanged our approximately 43% interest in MakeMyTrip for a 5.6% interest in Trip.com, a NASDAQ-listed leading provider of online travel services headquartered in China.

Lastly, since November 2017, we invested just over U.S.$200 million for a 23.1% effective stake in Remitly, Inc. On September 22, 2021, Remitly, Inc.'s shares listed on the Nasdaq Stock Exchange. The market value of our interest in Remitly is in excess of U.S.$900 million as of November 30, 2021.

Over the past decade our internet portfolio has delivered excellent returns and we aim to sustain this going forward. Our required returns depend on a range of factors such as scale, risk and profitability. For early-stage partnerships in new or high-growth markets, the risk profile is clearly high. In these cases, we look for venture-style internal rate of returns ("**IRR**") well over 20%, understanding that operational success will determine the outcome. As our bigger businesses mature and we make larger investments that already are proven leaders in their field, the risks are reduced. In this case we can look for a commensurately lower IRR, but one that generates more significant profit.

***Core Business Segment Profitability Improving and Cash Flows Gaining Momentum***

Most of the businesses in our three core segments require a multiple-year investment cycle before reaching sufficient scale and market maturity to reach profitability. Although the combined ecommerce segments are loss-making, the past three years have reflected an improving trend as the Classifieds segment, core Payments Service Provider ("**PSP**") businesses and Etail segment reached profitability. The Group's total trading losses from continuing operations amounted to U.S.$306 million, U.S.$421 million and U.S.$163 million in FY 2019, FY 2020 and FY 2021, respectively. Our Classifieds segment reached profitability (before interest, tax, depreciation and amortization) in the aggregate in FY 2019, after a more than five-year investment cycle, and further grew its profitability in FY 2020. The Classifieds segment experienced a strong recovery in the second half of FY 2021 with 36% revenue growth, following the impact of COVID-19 in the first half of the year. This helped the business marginally improve profitability year on year, before taking into account the expanded investment in the autos business. The profitable Classifieds operations contributed U.S.$229 million in dividend and loan repayments to our central holding company cash resources in FY 2021, compared to U.S.$305 million and U.S.$235 million in FY 2020 and FY 2019, respectively.

In FY 2021, Payments and Fintech generated U.S.$577 million in revenues and U.S.$68 million in trading loss, with revenue growth totaling 36% in local currency, excluding acquisitions and disposals. PayU's PSP core business was profitable, generating U.S.$15 million of profit in FY 2021, an increase of over 100% compared to FY 2020, with both years delivering a stable trading margin of 4% and 2%, respectively. During the six months ended September 30, 2021, Classifieds grew revenue over 100% to U.S.$1.3 billion and contributed trading profits of U.S.$108 million compared to U.S.$29 million for the six months ended September 30, 2020. Subject to regulatory approval, PayU's acquisition of BillDesk is expected to improve the segment's financial profile. BillDesk's revenue and EBITDA for the year ended March 31, 2021 translated to U.S. dollars from Indian Rupees were approximately U.S.$250 million and U.S.$42 million respectively.

The improved profitability of our ecommerce businesses combined with increased dividends from Tencent are the key drivers to the improving free cash flow position over the three year period through FY 2021. This positive cash flow trend allowed us to put investment behind our Food Delivery segment to increase the size of the market and the corresponding opportunity. Our significant investment in Food Delivery was highest in FY 2020, which had a negative impact on cash from continuing operations for that period. In FY 2021, our Food Delivery segment saw an increase in revenue, leading to improved operating margins and free cash flow position as the business benefited from scale efficiencies. Food delivery continues to benefit from these trends in FY 2022 and now represents a scaled consumer internet platform where users are coming back more frequently. Given this momentum, our businesses have begun investing in adjacencies like groceries, resulting in higher losses for the six months ended September 30, 2021 compared to the six months ended September 30, 2020.

***Global Consumer Internet Group Benefiting from Scale, Group Synergies, Brands and Local Expertise***

We have expertise in establishing, scaling and monetizing consumer internet businesses and in building leading platforms in areas where network effects matter and where our local leaders have the potential to benefit from scale. So far, our main emphasis has been on building these leadership positions through combining our global strategic expertise and capital with localized product and technology capabilities and relationships.

We believe that our success is partly due to our emphasis on a local approach, typically involving local partners and management teams, and incorporating linguistically and culturally tailored local content in our product and service offerings. We encourage local entrepreneurs to retain an interest in their businesses to ensure they are incentivized to further develop them. We believe that local partners and management teams are generally better suited to understand the media, trading and communication needs of individual users in their respective markets. We provide the operational expertise, global network, and long-term capital required to empower these entrepreneurs and founders to take a long-term perspective to reach their goals. We also have segment-level leadership teams that have relevant industry experience, which has helped our businesses maintain their local approach.

We believe that maintaining the recognition and reputation of our brands and businesses is an important aspect of our efforts to grow our user base, obtain additional business partners and maintain our competitiveness. Our strong brand positions, scale and large and active internet user base allow us to benefit from network effects, as users increasingly visit marketplaces with the deepest offering and merchants engage with marketplaces that attract the largest user base. A large and active user base provides a sizable platform for users to interact via our platforms. The data gathered in turn allow us to develop better data analytics and offer improved products and services to users, further improving the value proposition for buyers and sellers. In addition, strong brand and market positions offer a platform and opportunities to launch new services, including an enhanced range of internet transactions and services, in the markets in which our businesses operate, as well as create expansion opportunities into new markets. Our large, active and loyal user communities also allow us to market our consumer services to a significant customer base through advertising and word-of-mouth marketing.

We are diversified across products, markets and geographies, which enables our businesses to benefit from scale and synergies. Our businesses share their experiences and best practices across diverse markets and, increasingly, share infrastructure and product and technology development. In many instances, particularly in the case of Classifieds as well as Payments and Fintech, we believe the businesses can benefit from the connection of local and regional platforms to a global platform, enabling cross-market sharing of engineering talent, product innovations and best practices.

The diversity of our businesses also reduces our reliance on any single technology or business model and increases revenue diversification from various sources: online sales of goods, listing fees, payment transaction fees and commissions, mobile and other content revenue (from online mobile app-based services and content, ticketing and logistics services), food delivery charges and other sources (such as travel-package revenue and commissions thereon and advertising revenue). Our businesses are at varying stages of maturity, ranging from start-ups to mature businesses. Our businesses are also diversified geographically, reducing our exposure to any single market or currency.

***Financial Flexibility and Strong Balance Sheet***

As of September 30, 2021, we had U.S.$2.8 billion of Net Cash position and a U.S.$2.5 billion undrawn Revolving Credit Facility. In addition, we operate at a relatively low leverage compared to the fair market value of our portfolio of Group companies and investments. Our gross debt in relation to our cash on hand and fair market value of listed assets plus 50% of the market value of equity investments (controlling and non-controlling) in unlisted Group companies increased to approximately 3% during FY 2021 compared to 2% during FY 2019 and FY 2020 and increased to approximately 5% post the issuance of our most recent U.S.$ and EUR notes during the six months ended September 30, 2021.

While pursuing our strategy, we have maintained a conservative capital structure. In considering our capital structure and leverage appetite, we monitor three key credit metrics, aligned to our central funding model. While our balance sheet allows significant flexibility to absorb short term fluctuations in any of these metrics, we have sustainable targets for each of these metrics which we aim to maintain. (1) Interest coverage ratio: the ratio of the net cash generated at a holding company level, consisting of dividend extractions from our investments and interest income after covering holding company operating costs, compared to the annual interest cost incurred for our debt. The group aims to achieve a ratio of 1 or higher over a twelve month period. For the last twelve months ended September 30, 2021, our interest cover ratio was 1.8 times. (2) Loan to value: the percentage of our gross debt relative to the market value of our investments and cash on hand. The market value of our investments consists of the fair market value of our listed investments, based on publicly traded prices plus 50% of the market value of equity investments (controlling and non-controlling) in unlisted Group companies. For this ratio we aim to maintain a ratio below 10%. Our loan to value ratio at September 30, 2021 is 5% (3) Liquidity position. We aim to maintain a level of cash and undrawn committed financing facilities that covers debt servicing commitments (interest coupon and capital repayments) for the following three years, to provide the group with a healthy buffer to pay interest and debt maturities through economic cycles. Our liquidity position at September 30, 2021 covered more than seven years of debt servicing commitments. Our leverage profile and potential sources of liquidity provide us with the necessary flexibility to allow us to pursue our business strategy of organic growth and strategic acquisitions. As of September 30, 2021, we had cash and cash equivalents of U.S.$13.6 billion, which includes short-term investments of U.S.$7.5 billion.

Our interests in Tencent, VK, Delivery Hero, Trip.com, Remitly, Sinch, Similarweb, Skillsoft, Bakkt and Udemy, which are all publicly listed companies with a liquid secondary market, provide us with further financial flexibility. For example, in April 2021, we disposed of approximately 2% of Tencent's share capital by way of an accelerated offering. The disposal reduced our effective interest in Tencent from 30.9% to 28.9%. Following our sale of such portion of our interest in Tencent, we announced our commitment not to sell any further Tencent shares for the next three years.

FY 2021 was a very good period for the Group. While navigating the worldwide pandemic, our Group benefited from our global spread and diversified operations. Despite the impact of uncertainty, we witnessed acceleration in the digital transformation of each of our main sectors: online classifieds, food delivery, payments and finance technology, education technology and online retail. Our businesses grew stronger, driven by accelerating consumer internet use and by our businesses' scale. We saw continued trends in the six months ended September 30, 2021; however, businesses such as food delivery and etail, which had high revenue growth rates during the severe lockdowns in the six months ended September 30, 2020, have naturally experienced reduced growth rates in the current financial period.

COVID-19 is still causing some disruption in some of our markets, but we are navigating these factors and remain confident that our plans and firm financial position will ensure we manage potential impacts.

***Experienced Management Team with Proven Track Record of Investing in, Acquiring and Building Businesses***

By identifying, building, investing in and acquiring leading companies, we have grown into a global consumer internet group and one of the largest technology investors in the world. We have an experienced and entrepreneurial management team that has demonstrated its ability to identify and support leading businesses from launch or initial acquisition through organic growth and selected acquisitions. We seek to hire and retain, across our geographies and operating segments, key executives who are accomplished and recognized in their respective fields. We have, for example, been strengthened with leading industry experts over the past few years.

Our investment criteria focus on: commitment; competence and strength of the local partners and management teams involved; the target's capacity to become and remain a market leader; and our ability to obtain a strategic interest in the target company. We do not have a defined investment period and intend to be a long-term, supportive shareholder, which we believe distinguishes us from traditional forms of private capital. Our track record includes:

- *Investing in leading companies at an early stage:* We have established strong positions in social and internet platforms in China and Russia through our investments in our associated companies, Tencent and VK. Both Tencent and VK illustrate our ability to identify successful internet investment opportunities early in their development and help grow them into leading platforms.

- *Building leading global platforms:* We have built many of our businesses into market leaders in our industries and geographies. In 2010, we acquired a 67.8% interest in OLX Inc., a global online classifieds marketplace business with operations primarily in Brazil and India. We used the OLX Group marketplace to establish ourselves as a leading global online classifieds player, with more than 300 million monthly users on our platform globally as of September 30, 2021. PayU operates payment platforms, with over 400 payment options, in 20 markets around the world and processed over U.S.$35 billion equivalent in transactions in the six months ended September 30, 2021. Our Food Delivery segment and investments operate in 64 high-growth markets and have leading positions in most of these markets.

- *Crystallizing the value that is created:* Our management team has demonstrated its ability to create value for shareholders by selectively acquiring businesses with growth potential, disposing of developed assets or assets that were no longer core to our business and winding down unsuccessful investments. Driven by our focus on capital allocation and realizing shareholder value, we disposed of Allegro and Ceneo (price comparison) in FY 2017 and Flipkart (Etail) in FY 2019, exchanged our online travel business in India for an interest in MakeMyTrip and subsequently for a 5.6% interest in Trip.com. Furthermore, we have demonstrated value created through our early stage investments in companies that have recently gone public. We invested just over U.S.$200 million for a 23.1% effective stake in Remitly, Inc. On September 22, 2021, Remitly, Inc.'s shares listed on the Nasdaq Stock Exchange. The market value of our interest in Remitly, which went public, is in excess of U.S.$900 million as of November 30, 2021. We have invested $120 million in Udemy, which has gone public on October 29, 2021. The market value of our stake as of November 30, 2021 is worth more than $400 million.

- *Demonstrating the ability to attract and source deals and deploy capital and management expertise in line with our strategy*: As we develop expertise and conviction in a business, we leverage our competitive strengths to make investments in, and build, that business. Since our initial acquisition of OLX Inc. in 2010, we have built our Classifieds business into a leading global online classifieds player through, among other things, strategic acquisitions, including Avito and joint ventures, including with Adevinta ASA ("**Adevinta**") in respect of Silver Brazil JVCo B.V. ("**OLX Brazil**"). We have further strengthened our horizontal marketplaces through the acquisition of vertical-focused marketplaces, including Frontier Car Group. In Payments and Fintech, we consolidated a number of our payments businesses under PayU. Following the successful integration of Citrus Pay, PaySense and Wibmo, and subject to regulatory approval, the acquisition of BillDesk in India, announced in August 2021, will create a diversified business model with a full suite of offerings, and will create a platform with significant potential to pursue opportunities in credit and other fintech opportunities. Similarly, we have increased our interests in the food delivery business, from an initial investment in iFood, to acquiring a majority interest in iFood, and acquiring interests in Delivery Hero and Swiggy. We have also added a new Edtech segment from April 30, 2021, after investing over U.S.$3 billion in nine companies across the globe over the last three years.

**Strategy**

We have a strong, differentiated strategy that has proven its worth and remains well suited to the future as we see it. We partner with local entrepreneurs to build global technology leaders. We operate at the intersection of high-growth markets and technology to address major societal needs at scale. Above all, we pursue a simple goal: to build sustainable leadership positions. This is the key to reaching scale and profitability – most of our platforms are leaders in their markets. We take a distinctive approach to building global technology leaders.

- We are active participants in our investments and operations. We believe that to be successful we have to bring much more than just capital.
- We are focused. We invest where we can make a difference based on deep industry insights in areas that we know, rather than widely and wildly.
- We are long-term focused. We aim to build sustainable businesses, not driving for short-term liquidity events or paper-value increases.
- We are disciplined. We play to win, but progressively grow our capital commitments as we learn and scale.
- We are responsible. We take full responsibility – acting like owners and doing the right thing for the long term, for all stakeholders.

In addition, we combine our global presence and outlook with the dynamism and insights of local entrepreneurs. In building great companies that improve everyday life for people, we both invest and operate as we seek to create the greatest value long term.

As an investor, we take a disciplined and systematic approach to capital allocation.

- We test: First, we experiment and expand, building our understanding and presence:
  - We explore promising trends and opportunities where new technologies have the potential to transform big societal needs in high-growth markets.

- We make initial investments to learn and explore further.
    - We look for promising local players with strong founder-led teams.
    - We build our stakes in the best opportunities and businesses.
- We invest: Over time, we deploy more capital and accelerate growth:
    - We focus our investment on specific core segments.
    - We look to create global category leaders, stepping up our investment to drive growth and gain market share.
    - We extend core assets.
    - We invest for the long term.
- We scale: In our chosen focus areas, we continue organic and inorganic growth and drive profitability:
    - We scale progressively – building lasting, leading businesses.
    - At the right moment, we go all in, driving these businesses to profitability and cash generation.

As an operator, we have a responsible, long-term approach to operating. Our aim is to help, support and encourage entrepreneurs and businesses. We actively share our groupwide insights and expertise, to help businesses create more value. And with our disciplined test, invest and scale approach, we are used to having a range of ownership stakes across different segments, varying our involvement appropriately.

As a group we make a direct impact by allocating capital carefully in great companies that improve everyday life. We also support our group companies by sharing our cybersecurity, data privacy and protection, and AI and ML expertise. We have a good track record and will continue to allocate capital diligently aiming for returns well above our cost of capital.

We aim to improve the competitiveness of our segments by:

- Building integrated ecosystems to deliver superior consumer value.
- Continuing to accelerate the use of AI across our businesses.
- Adopting and driving a data-first approach in and across segments.
- Acting as a responsible corporate citizen: take responsibility versus all stakeholders and our customers in particular.
- Focusing on our users' experience and continuously improving this.

We intend to continue to dedicate engineering capacity to build products that solve users' needs and that can be distributed throughout our platforms. We believe that these differentiators reinforce our leadership positions. Our consumer internet businesses have grown increasingly important as more consumers gain access to, and become more dependent on, the internet, especially through the use of mobile devices. Our mobile service offerings have expanded, in particular in our Classifieds business. In the six months ended September 30, 2021, OLX's and Avito's average monthly mobile app users were over 120 million and 40 million, respectively.

***Continuing to Grow and Scale our Global Internet Business and Enhance Diversification***

We intend to develop and expand our range of internet services in the markets in which we operate and, possibly, into new geographies. We believe that our focus on these markets will offer significant benefits because, as the economies and mobile and high-speed internet penetration in these markets grow, the use of internet platforms should also grow; and as a leading provider of internet services in these markets, we are well positioned to take advantage of the growth in ecommerce. We believe that we have been able to grow our variety of internet businesses into market leaders mainly because of our approach of using ecommerce concepts that have been successfully implemented by major international corporates or by our home-grown start-ups and adapting for local communities all over the world.

We intend to continue to diversify the revenue sources within our existing internet businesses. We will seek to expand our existing consumer internet businesses and to achieve leadership positions through organic growth. In Classifieds, there are opportunities to expand in verticals that complement our existing businesses, such as our expansion into automotive and real estate vertical businesses, which have the potential to scale across multiple markets. For example, in FY 2017, we launched several automotive and real estate vertical marketplace businesses in more mature markets. In FY 2019, we acquired an interest in Frontier Car Group, Inc. ("**Frontier Car Group**"), which operates under various brands, including BeliMobilGue in Indonesia, CarFirst in Pakistan and VendeTuAuto in Mexico. Our OLX Auto's business is now present in 12 high-growth markets.

In addition, we continue to invest in businesses that we believe have the potential to contribute towards our next wave of growth, including investments in consumer credit technologies, education technology platforms, healthcare technology platforms and vertical classifieds (automotive, real estate and food delivery businesses). We intend to continue expanding our online user base, as we believe that the large size of our communities is a competitive advantage. We believe that users generally prefer to trade on the largest platforms to ensure selection, convenience and maximum value and efficiency, as, we believe, is shown by our classifieds platforms.

As our internet platforms become larger and achieve scale, we expect to generate increased revenue from our customers and will look to build additional revenue opportunities, such as advertising and financing options within our Etail as well as Payments and Fintech operations. In August 2021, we announced the acquisition of BillDesk in India. Subject to regulatory approval, this transaction would see BillDesk integrated into PayU India, creating an entity with significant scale and a diversified platform with multiple products.

Edtech is a high-potential sector, accounting for a large proportion of consumer spend. It is also transforming rapidly. The Group entered this market early in 2016, with investments in Brainly, Codecademy and Udemy, followed by BYJU'S in 2018. We continued to expand our reach in the sector by acquiring Stack Overflow and GoodHabitz and investing in Skillsoft, Eruditus and SoloLearn. We have invested U.S.$3.5 billion to date to become one of the leading Edtech investors globally. Within Edtech, we have built a significant presence in enterprise education, with a focus on the future of workplace learning. This segment reaches many Fortune 100 companies across our portfolio, including Stack Overflow, Skillsoft, GoodHabitz, Udemy and Codecademy. In addition, we have built a strong presence in K–12 (kindergarten to grade 12), with Brainly now reaching 350 million users a month and BYJU'S quickly expanding from India into the west.

In recognition of the importance of mobile technology, and the access that it provides our customers, particularly in growing markets, we have a mobile-first strategy under which we seek to create products that work efficiently and primarily on mobile devices. We also plan to grow our online user base by increasing the relevance and attractiveness of our platforms through more innovative product offerings, sharing best practices across our global operations and continuing technological development.

***Selectively Pursuing Investment, Acquisition and Disposal Opportunities While Maintaining a Local Approach***

We believe that our leading market positions provide us with a strong base from which to expand our businesses. Our disciplined expansion strategy is focused on developing existing businesses and sourcing potential investment and acquisition targets in growing markets where we believe we will be able to attain and sustain leading market positions. We carefully evaluate, select and pursue expansion opportunities, primarily through investments in our existing businesses, as well as bolt-on acquisitions to deepen and widen these businesses, as well as selectively through strategic acquisitions. We are active participants in the mergers and acquisitions market, and expect that mergers and acquisitions will provide an incremental return on investment by leveraging existing expertise, personnel and shared costs. We believe that this will accelerate the overall development of our businesses and allow us to focus on product improvement.

We believe that our success is partly due to our emphasis on a local approach, often involving local partners and management teams and incorporating linguistically and culturally tailored local content in its service offerings. We encourage local entrepreneurs to retain an interest in their businesses to ensure they are incentivized to further develop them. We believe that local partners and management teams are generally better suited to understand the media, trading and communication needs of individual users in their local markets. For this reason, one key criterion in our assessment of potential acquisitions is the commitment, competence and strength of the local partners and management teams involved. We intend to continue to emphasize a local approach as we expand our businesses. As part of our local approach, we engage with local regulators, as appropriate. Our other investment criteria include: the target's capacity to become and remain a market leader; the target's financial discipline; a top entrepreneurial management team; and our ability to obtain a strategic interest in the target company.

We continue to follow a very stringent assessment and selection process for all of our investments and acquisitions and closely monitor the operational and financial performance of these investments and acquisitions against targets after closing an investment or acquisition. As part of our strategy, we continue to evaluate the potential sale of select businesses and we strive to achieve value through any such disposals.

In addition, we have a successful track record of selling businesses profitably. See "—*Competitive Strengths—Proven Investment Track Record and Strong Cash Realization*".

**Our Commitment to Sustainability**

Sustainability is at the core of what we do. Our focus on digital platforms keeps the direct environmental impact of our operations relatively light. Our intent to make a positive impact starts with the choices we make about the companies in which we invest and operate. We choose to support local entrepreneurs who are using digital technology to solve for local needs by providing our financial and non-financial resources. We believe that our focus on promoting local innovations and technology entrepreneurs stimulates the economic and social development of these communities as jobs are created and businesses gain a strong partner for their journey.

We continue to work at improving our ESG scores with key rating agencies. We are pleased to share that Prosus achieved an inaugural score of 73 out of 100 on the Dutch Transparency Benchmark. This puts Prosus in the top 40 of the benchmark.

To help maximize our positive impact, we seek to apply good governance and a clear-sighted assessment of our Group. A comprehensive materiality assessment informs the priorities we set.

***Our Material Issues***

We engage with our stakeholders in various ways, depending on their needs and interests. We view stakeholder engagement as a critical part of being a successful and responsible business. Through engaging closely with our key stakeholder groups, we have identified 11 main sustainability issues for our businesses and operations which are highlighted below.

**History**

Our expansion into internet platforms began in the 1990s. Since then, we have grown into a global consumer internet group and one of the largest technology investors in the world by selectively acquiring businesses, building many of our businesses into market leaders in their industries and geographies with growth potential, and disposing of developed assets or assets that were no longer core to our business and winding down unsuccessful investments. On September 11, 2019, we started trading through a primary listing on Euronext Amsterdam and a secondary listing on the Johannesburg Stock Exchange.

***Selected Significant Corporate Events***

| Investment | Description |
|---|---|
| **ecommerce** | |
| ***Classifieds*** | |
| OLX Group | In 2010, we acquired a 67.8% interest in OLX Inc., a global online classifieds marketplace business with operations primarily in Brazil and India. We used the OLX Group marketplace to establish ourselves as a leading global online classifieds player.<br><br>As at the date of this Base Prospectus, our effective interest in the OLX Group is 99%. |
| Avito | In 2011, we acquired a 100% interest in Slando Limited, an online classifieds company in Russia and Ukraine. In March 2013, we contributed our Slando.ru and OLX.ru assets, as well as U.S.$50 million in cash, in exchange for a 22.2% effective interest in Avito. Avito.ru is the leading general classifieds platform in Russia. In December 2015, we increased our interest in Avito to 67.5% for U.S.$1.67 billion. In January 2019, we increased our interest in Avito to 100% for U.S.$1.16 billion.<br><br>As at the date of this Base Prospectus, our effective interest in Avito is 99%. |
| EMPG | In 2011, we acquired a 25% effective interest in Dubizzle Limited ("**Dubizzle**"), a leading online classifieds marketplace in the UAE, for U.S.$10 million. In 2013, we acquired an additional interest in Dubizzle, increasing our interest to 53.6%, for U.S.$59 million. In April 2018, we acquired the share capital held by non-controlling shareholders of Dubizzle for U.S.$190 million. Following the acquisition, we held a 100% effective interest in Dubizzle.<br><br>On April 26, 2020, we completed the merger of our subsidiary, Dubizzle, with Emerging Markets Property Group ("**EMPG**"). EMPG owns and operates bespoke classifieds portals in different emerging markets across the world, including Bayut in Dubai, Zameen in Pakistan and Mubawab in North Africa. We also contributed cash of approximately U.S.$75 million. Following the transaction, we hold a 39.1% effective interest in EMPG. We account for our interest in EMPG as an investment in an associate.<br><br>As at the date of this Base Prospectus, our effective interest in EMPG is 40.3%. |
| OLX Brazil—joint venture | In January 2015, we entered into agreements with Schibsted ASA ("**Schibsted**") and Telenor ASA ("**Telenor**") to establish joint classifieds business activities in, among others, Brazil, through OLX Brazil. In 2017, Schibsted acquired Telenor's interest in OLX Brazil, such that OLX Brazil was held 50:50 by us and Schibsted. Following Schibsted's demerger on April 9, 2019 of Adevinta ASA ("**Adevinta**"), holding Schibsted's marketplaces outside of the Nordics, Adevinta now holds the 50% interest in OLX Brazil not held by us.<br><br>On March 5, 2020, OLX Brazil, our joint venture, entered into an agreement to acquire 100% of the shares of Grupo ZAP, a large Brazilian real estate portal, for a total cash amount of approximately R$ 2.9 billion. The investment was financed in equal parts by Adevinta and the Company. The closing of the acquisition occurred on October 30, 2020. |
| OfferUp | In May 2015, we invested an initial U.S.$10 million in Letgo Global B.V. ("**letgo**"), an entity operating a hyperlocal classifieds marketplace app under the letgo brand.<br><br>In July 2016, we continued to invest in the letgo brand and strengthened our position in the U.S. by acquiring the U.S. operations of Wallapop S.L. ("**Wallapop**") and merging it into our letgo business. As consideration for Wallapop's contribution, they were issued a 45% interest in Letgo USA B.V. ("**letgo USA**"), with our holding the remaining 55% interest. In FY 2019, we announced that we had committed to invest an additional U.S.$500 million in letgo, of which U.S.$150 million was invested directly in letgo and U.S.$189 million was used in August 2018 to acquire Wallapop's interest in letgo USA. |

In July 2020, OfferUp Inc. ("**OfferUp**") and letgo combined their businesses in the United States. The combination created a mobile marketplace with complementary product capabilities and a national footprint across the United States. OLX Group, letgo's majority investor, invested an additional U.S.$100 million in cash into the combined entity and, after giving effect to the combination transaction and the investment, the Group owns a 38% effective interest in the combined entity. We account for our interest in OfferUp as an investment in an associate.

As at the date of this Base Prospectus, our effective interest in OfferUp is 39.3%.

AutoTrader South Africa — In November 2017, we invested U.S.$41 million to acquire a 100% effective interest in AutoTrader South Africa, an online automobile classifieds vertical in South Africa.

Frontier Car Group — In May 2018, we invested U.S.$89 million for a 35.7% effective interest in Frontier Car Group ("**FCG**"), an online car marketplace with operations in growth markets.

In December 2019, and in 2020 and 2021, we purchased shares from FCG shareholders and injected additional capital for an aggregate consideration of U.S.$436 million in cash, and in December 2019, we contributed a portion of our investment in subsidiaries India Used Car Group B.V. and Poland Used Car Group B.V. for an additional interest in FCG. As a result, our interest in FCG totaled approximately 99% of FCG's issued and outstanding shares by April 2021.

Carousell — In April 2019, we acquired a 12% effective interest in Carousell Private Limited ("**Carousell**") in a U.S.$56 million cash and equity deal. Carousell is one of Asia's largest and fastest-growing classifieds marketplaces. As part of the investment, we and Carousell merged our operations in the Philippines. The investment in Carousell was disposed of as part of the consideration for the additional interest acquired in Silver Indonesia during FY 2021.

***Food Delivery***

iFood — iFood is a leading food delivery platform in Latin America and the leading food delivery platform in Brazil. iFood also operated in Mexico until December 2020. iFood is owned by Movile, in which we first acquired an interest in June 2016, as the majority shareholder, and Just Eat plc ("**Just Eat**"), a subsidiary of Just Eat Takeaway.com (as defined below). In November 2018, we and Innova Capital announced that we have committed to invest U.S.$400 million of new capital into Movile, for further investment in iFood. In April 2019, we invested U.S.$194 million of that funding commitment. That investment was the largest technology funding in Latin America at the time. Movile and Just Eat already invested U.S.$100 million in iFood during 2018.

As at the date of this Base Prospectus, our effective interest is 62.4% in iFood.com Agência de Restaurantes Online S.A. ("**iFood**") and 30.5% in El Cocinero a Cuerda S.L. ("**SinDelantal**").

Delivery Hero — In May 2017, we acquired a 10% fully diluted interest in Delivery Hero, which operates an online food ordering and delivery marketplace business in 41 countries, for U.S.$426 million. On June 30, 2017, Delivery Hero's shares listed on the Frankfurt Stock Exchange, a regulated market operated by Deutsche Borse AG (the Frankfurt Stock Exchange), at which time we invested a further U.S.$47 million. In March 2018, we acquired an additional 13% interest in Delivery Hero for U.S.$778 million. In March 2021, we acquired approximately 20.4 million additional shares in Delivery Hero, which increased our shareholding by 8% to approximately 24.99%.

After receiving regulatory approval, in September 2021 we acquired an additional 2.5% stake in Delivery Hero and, as at the date of this Base Prospectus, our effective interest in this company is 27.42%. Based on publicly available information, we are the largest shareholder in Delivery Hero.

Swiggy

In June 2017, we acquired a 14.8% interest in Swiggy, the operator of a food delivery platform in India, for cash consideration of U.S.$61 million. In January 2018 we invested a further U.S.$61 million. In July 2018, we committed to an investment of U.S.$80 million in Swiggy. In December 2018, we announced that we led an additional U.S.$1 billion investment in Swiggy, with a U.S.$637 million investment. In February 2020, we made an additional U.S.$100 million investment in Swiggy.

In April 2021, the Group made an additional investment amounting to U.S.$274 million in Swiggy. Following this investment, the Group holds a 41% effective interest (36% fully diluted) in Swiggy. The Group continues to account for its interest in Swiggy as an investment in an associate.

As at the date of this Base Prospectus, our effective interest in Swiggy is 36% on a fully diluted basis.

ODA

In April 2021, the Group acquired a 13% effective (and fully diluted) interest for U.S.$116 million in ODA ("**Kolonial.no**"), Norway's largest online grocery business. The Group accounted for this investment as an equity accounted associate on account of its significant influence on the board of directors.

Flink

In June 2021, the Group acquired a 12% effective interest for U.S.$84 million in Flink SE ("**Flink**"). Flink is a German-based instant grocery delivery company. The Group accounts for this investment as an equity-accounted associate.

***Payments and Fintech***

PayU

PayU was founded in 2002 and provides payment technology to online merchants. As we developed expertise and conviction, we consolidated a number of our Payments businesses under PayU, as our core payments platform.

BillDesk

In August 2021, PayU announced the 100% acquisition of BillDesk, one of the largest payment networks for bill payments in India, for U.S.$4.7 billion. This acquisition is subject to regulatory approval.

Citrus Pay

In September 2016, we acquired a 100% effective interest in Citrus Payment Solutions Pte Limited ("**Citrus Pay**") for U.S.$130 million. Citrus Pay now forms part of PayU's Indian business.

PaySense

In May 2017 and July 2018, we invested U.S.$1 million and U.S.$12 million, respectively, in PaySense Services India Private Limited ("**PaySense**"), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. In July 2019, we invested an additional U.S.$5 million in PaySense. In December 2019, we invested an additional U.S.$163 million in PaySense to obtain a controlling interest.

As at the date of this Base Prospectus, our effective interest in PaySense is 81.6%.

Remitly

In November 2017, we invested U.S.$100 million in Remitly, Inc. ("**Remitly**"), a global digital money-transfer service. In January 2019, July 2019 and August 2020, we invested an additional U.S.$6.75 million, U.S.$10 million and U.S.$52.5 million, respectively, in Remitly. In October 2020, we acquired additional shares in Remitly for U.S.$14.3 million.

On September 22, 2021, Remitly Inc's shares listed on the Nasdaq Stock Exchange, at which time we invested a further U.S.$25 million.

As at the date of this Base Prospectus, our effective interest in Remitly is 23.14%.

Zooz

In August 2018, we acquired Zooz Mobile Limited ("**Zooz**"), a management and optimization payment provider based in Israel, for U.S.$60 million.

As at the date of this Base Prospectus, our effective interest in Zooz is 100%.

Wibmo

In July 2019, we acquired Wibmo Inc. ("**Wibmo**"), a digital payment security and mobile payment technology provider in India, for U.S.$66 million.

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| | As at the date of this Base Prospectus, our effective interest in Wibmo is 100%. |
| iyzico | In December 2019, we invested U.S.$134 million in cash and contributed PayU Turkey with an aggregate value of U.S.$199 million to acquire iyzi Ödeme ve Elektronik Para Hizmetleri A.Ş. ("**iyzico**"), a Turkish digital payment services company. |
| | As at the date of this Base Prospectus, our effective interest in iyzico is 91.1%. |
| Red Dot Payment | In July 2019, we acquired a 73.3% effective interest in Red Dot Payment Pte. Ltd. ("**Red Dot Payment**") for U.S.$45 million. Red Dot provides online payment solutions to merchants across Southeast Asia. |
| | As at the date of this Base Prospectus, our effective interest in Red Dot Payment is 71.7%. |

***Etail***

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| eMAG | During October 2012, we acquired a controlling interest in eMAG, a leading online retailer in Romania, with operations in Hungary and Bulgaria, for U.S.$82 million. |
| | As at the date of this Base Prospectus, our effective interest in eMAG is 80.1%. |
| Extreme Digital | In October 2019 we concluded the merger of Dante International Korlátolt Felelősségű Társaság ("**eMAG Hungary**") with the operations of Ed Group Vagyonkezelő Korlátolt Felelősségű Társaság ("**Extreme Digital**"), one of the leading marketers in Hungary. We contributed the operations of eMAG Hungary as well as U.S.$1 million cash with an aggregate value of U.S.$13 million to the merged entity. |
| | As at the date of this Base Prospectus, our effective interest in Extreme Digital is 41.6%. |

***Travel***

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| Trip.com | Trip.com (formerly Ctrip) is a leading travel service provider for accommodation reservation, transportation ticketing, packaged tours and corporate travel management. Since its founding in 1999, Trip.com has become one of the best-known travel brands in China. In August 2019, we exchanged our 42.6% interest in MakeMyTrip Limited ("**MakeMyTrip**") for a 5.6% interest in Trip.com. Prior to this exchange, the Travel segment consisted of our interest in MakeMyTrip, a leading online travel provider in India, and the Travel segment is included in our historical segmental disclosure. |
| | As at the date of this Base Prospectus, we own approximately 5.1% of Trip.com's outstanding ordinary shares. |

***Edtech***

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| Brainly | In May 2016, we led a U.S.$13 million investment in Brainly, Inc. ("**Brainly**"), a social learning network for students. In May and September 2017, we invested an additional U.S.$9.3 million in Brainly. In July 2019, we invested a further U.S.$25 million in Brainly, and in June 2021 we invested an additional U.S.$6.7 million. |
| | As at the date of this Base Prospectus, our effective interest in Brainly is 41.3%. |
| Udemy | In June and October 2016, we invested U.S.$70 million in Udemy, Inc. ("**Udemy**"), an online learning platform aimed at professional adults. In April 2019, we invested an additional U.S.$9.5 million in Udemy. In March 2020, we made an additional investment amounting to U.S.$34 million. On October 29, 2021, Udemy shares listed on the Nasdaq Stock Exchange. |
| | As at the date of this Base Prospectus, our effective interest in Udemy is 13.8%. |
| Codecademy | In July 2016, we led a U.S.$30 million investment in Ryzac, Inc. ("**Codecademy**"), a leader in digital skills education. |
| | As at the date of this Base Prospectus, our effective interest in Codecademy is 23.4%. |
| SoloLearn | In September 2018, we led a U.S.$5.6 million investment in SoloLearn, Inc. ("**SoloLearn**"), an online peer-to-peer learning platform aimed at the coding community. |

As at the date of this Base Prospectus, our effective interest in SoloLearn is 18.5%.

BYJU'S

In December 2018, we led a combination of primary and secondary U.S.$540 million investment in Think & Learn Private Limited ("**BYJU'S**"), the creator of the BYJU'S app, the most popular K-12 learning app in India.

In April 2021, the Group made an additional investment amounting to U.S.$153 million in BYJU'S. The Group continues to account for its interest in BYJU'S as an investment in an associate.

As at the date of this Base Prospectus, our effective interest in BYJU'S is 10.2%.

Churchill and Skillsoft

In October 2020, our subsidiary, MIH Edtech Investments B.V. ("**MIH Edtech Investments**"), agreed to subscribe for U.S.$100 million of newly issued common shares of Churchill Capital Corp II, a special purpose acquisition company listed on the New York Stock Exchange ("**Churchill**"). In connection with this transaction, Churchill granted MIH Edtech Investments a 30-day option (the "**MIH option**") to subscribe for up to an additional U.S.$400 million of newly issued common shares. At the same time, Churchill entered into agreements to acquire (i) Software Luxembourg S.A. in a transaction valued at approximately U.S.$1.3 billion (the "**Skillsoft Merger**") and (ii) Global Knowledge Training LLC for consideration valued at approximately U.S.$233 million (the "**Global Knowledge Merger**"). In November 2020, the Group announced that it had exercised the MIH option to invest the additional U.S.$400 million in Churchill's planned acquisition of Skillsoft.

On June 11, 2021, the Skillsoft Merger, the Global Knowledge Merger and the Prosus investments closed. As a result, the Group owns approximately 38% of the outstanding shares of the combined company, which was renamed Skillsoft Corp., and has warrants to purchase an additional 16,666,667 shares of Skillsoft Corp. for an aggregate exercise price of U.S.$192 million, which would, in combination with the shares currently owned by the Group, represent approximately 34% of the outstanding Skillsoft Corp. shares after giving effect to the Prosus warrants and all other outstanding Skillsoft Corp. warrants. MIH Learning B.V. has a right to proportional Skillsoft Corp. board representation that currently provides it with the ability to designate three board members, including the chairperson. MIH Learning B.V. also entered into a one-year strategic support agreement to provide certain business development and investor relations support services to Skillsoft Corp. Skillsoft Corp. remains listed on the New York Stock Exchange. The Group accounts for its interest in Skillsoft Corp. as an investment in an associate.

Stack Overflow

In August 2021, our subsidiary MIH Edtech US Holding, Inc. finalized its acquisition of 100% of Stack Exchange, Inc. ("**Stack Overflow**") for U.S.$1.7 billion. Stack Overflow is a leading knowledge sharing platform for the global community of developers and technologists. The Group accounted for this investment as a subsidiary.

GoodHabitz

In May 2021, we acquired a 62.3% effective interest (61.0% fully diluted) for U.S.$258 million in Good Bidco B.V. ("**GoodHabitz**"). GoodHabitz provides educational information online, offering commercial, management, and technical training services and has expanded beyond its home market of the Netherlands to 11 additional European countries, with two-thirds of new business coming from outside the Netherlands. The Group accounts for this investment as a subsidiary.

Eruditus

In August 2020, we acquired a 9.0% effective interest in Eruditus Learning Solutions Pte Limited ("**Eruditus**"), a learning platform that partners with top-tier universities across the United States, Europe, Latin America, India and China, for U.S.$59.9 million.

On June 11, 2021, we completed an additional purchase of shares in Eruditus for approximately U.S.$36.7 million, increasing our stake from 8.83% to 11.37% (or from 7.68% to 10.01% on a fully diluted basis). This purchase was made pursuant to our right to increase our ownership in Eruditus within one year of our original Series D investment in Eruditus. This purchase was conducted at a pre-investment valuation of U.S.$1.5 billion, and the terms were substantially similar to our original Series D investment. In August 2021, the Group made an additional investment in Eruditus of U.S.$90 million.

As at the date of this Base Prospectus, our effective interest in Eruditus is 12.8%.

***Other ecommerce (including Ventures)***

SimilarWeb

In February 2014, we invested U.S.$18 million in SimilarWeb Limited ("**SimilarWeb**"), a leading international online competitive intelligence provider. In October 2015, we led a U.S.$25 million investment in SimilarWeb to hold 29.76% (in total) of the company. In July 2020, we disposed of approximately 5% of SimilarWeb for U.S.$20 million. In May 2021, SimilarWeb began trading on the New York Stock Exchange under the ticker symbol "SMWB" at a valuation of U.S.$1.6 billion.

As at the date of this Base Prospectus, our effective interest in SimilarWeb is 16.7%.

Movile

In June 2016, we led a U.S.$40 million investment in Movile, a leading provider of mobile consumer services in Latin America. We have led further rounds of investment in Movile, including U.S.$53 million in June 2017, U.S.$82 million in November 2017 and U.S.$124 million in July 2018. In April 2019 and August 2020, we invested an additional U.S.$194 million and U.S.$158 million, respectively, in Movile. In November 2021, we invested an additional U.S.$188 million in Movile.

As at the date of this Base Prospectus, our effective interest in Movile is 93.8%.

Honor

In May 2018, we invested U.S.$35 million for a 16.4% effective interest in Honor Technology, Inc. ("**Honor**"), a home-care company providing in-home senior care in the United States.

As at the date of this Base Prospectus, our effective interest in Honor is 14.6%.

Meesho

In August 2019, we invested U.S.$79.7 million in Meesho, a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalog of goods and services to sell. Meesho also provides logistics and payment tools on its platform.

In April 2021 and September 2021, the Group made an additional investments amounting to U.S.$62 million and U.S.$72 million, respectively, in Meesho.

As at the date of this Base Prospectus, our effective interest in Meesho is 13.5%.

ElasticRun

In October 2019, we acquired a 20.6% effective interest (19.4% fully diluted) for U.S.$30 million in NTex Transportation Services Private Limited ("**ElasticRun**"), a software and technology platform for providing transportation and logistics services in India. In April 2021, the Group made an additional investment amounting to U.S.$30 million in ElasticRun. We account for the acquisition of our interest as an investment in an associate.

As at the date of this Base Prospectus, our effective interest in ElasticRun is 24.3%.

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| PharmEasy | In April 2021, the Group acquired a 16.0% effective interest for U.S.$191 million in API Holdings Private Limited ("**PharmEasy**"). PharmEasy owns India's largest integrated digital healthcare platforms. Subsequent to this initial investment the Group made an additional investment amounting to U.S.$29 million. As we did not participate equally in the funding round our effective interest is now 14% (12% fully diluted) in PharmEasy. The Group continues to account for its interest in Pharmeasy as an investment in an associate on account of its significant influence on the board of directors. |
| Urban Company | In May 2021, the Group acquired a 4.0% effective interest for U.S.$84 million in UrbanClap Technologies India Private Limited ("**Urban Company**"). Urban Company is one of the largest home services platforms in Asia, with representation in India, UAE, Singapore and Australia. The Group accounts for this investment at fair value through other comprehensive income. |

**Social and Internet Platforms**

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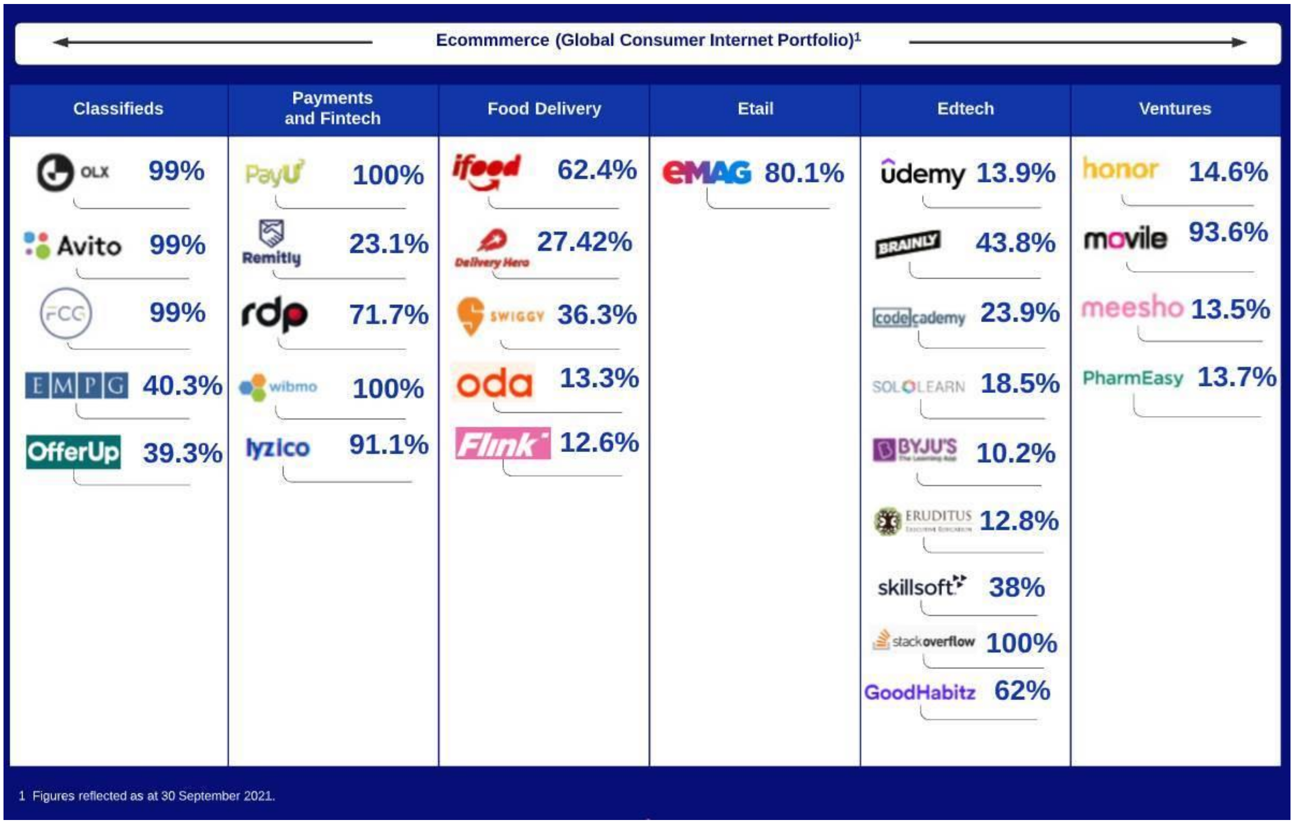
| Tencent | In 2001, we acquired a 46.5% interest in Tencent, then the operator of the QQ instant-messaging platform in China, for U.S.$34 million. Its business developed into the leading instant-messaging business in China. Tencent's shares were listed on the Hong Kong Stock Exchange in June 2004, and, following an initial public offering, in Hong Kong, and private placement, internationally, Naspers's interest was diluted. In March 2018, we disposed of approximately 6% of our interest in Tencent (2% of Tencent's share capital) by way of an accelerated offering for a cash consideration of U.S.$9.76 billion. We realized a U.S.$9.1 billion gain on such disposal. The disposal reduced our effective interest in Tencent from 33.37% to 31.1%. In April 2021, we disposed of 191,890,000 shares in Tencent (or approximately 2% of Tencent's issued share capital) by way of an accelerated offering, which reduced our effective interest in Tencent from 30.9% to 28.9%. Following our sale of such portion of our interest in Tencent, we announced our commitment not to sell any further Tencent shares for the next three years.<br><br>As at the date of this Base Prospectus, our effective interest in Tencent is 28.9%. Based on publicly available information, we are the largest shareholder in Tencent. |
| VK | In December 2006, we acquired a 30% interest in Port.ru Inc., a leading Russian internet company, which operated Mail.ru, a Russian website servicing the global Russian-speaking community, for U.S.$166 million. We subsequently acquired further interests in Port.ru Inc. of 2.6% in October 2007 and 11.9% in December 2008. In November 2009, we exchanged our 42.9% interest in Port.ru Inc., together with a cash contribution of U.S.$104 million, for a 39% interest in Mail.ru Internet NV, which, subsequent to a share swap, held the Mail.ru business and the Astrum Online Entertainment business, the leading Russian online games developers. In 2010, we exchanged our interest in Mail.ru Internet NV for a 28.7% interest in Digital Sky Technologies Limited, a prominent internet company in Russian-speaking markets. In October 2010, Digital Sky Technologies Limited was renamed Mail.ru Group Limited. In November 2010, Mail.ru Group's shares (in the form of global depository receipts) were admitted to listing on the UK Official List and to trading on the London Stock Exchange. In July 2020, Mail.ru Group's shares (in the form of global depository receipts) were also listed on the Moscow Exchange.<br><br>In October 2021, Mail.ru Group was rebranded to VK ("**VK**"). The legal entity name was changed to VK Company Limited on November 29, 2021 and the ticker symbol was amended on December 14, 2021.<br><br>As September 30, 2021, our effective interest in VK was 27.2%. Based on publicly available information, we are the largest shareholder in VK. |

**Segments**

We believe that the core of our businesses and the businesses of our investments revolves around platforms that connect people and help them improve their daily lives. We invest in and operate our businesses through a variety of platforms in numerous growth markets, which have increased our revenue diversification. Our businesses and investments are at varying stages of maturity, ranging from start-ups to mature businesses.

Our consumer internet services span the core focus segments of Classifieds, Food Delivery, Edtech and Payments and Fintech, plus other online businesses including Etail. Investing in new sectors is an inherent part of our strategy and we intend to continue investing in businesses that we believe have the potential to contribute towards our next wave of growth, including investments in consumer credit technologies, education technology platforms, healthcare technology platforms and vertical classifieds (automotive and real estate).

The following diagram provides an overview of the segments within our Ecommerce segment, and selected businesses and investments within each segment.




(i) This table shows our effective interest in key companies as at September 30, 2021.

Our businesses and investments primarily operate in China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, Africa and the Middle East. Most of our businesses and those of our investments are market leaders in their sectors. Our listed investments in social and internet platforms (Tencent and VK) cover a wide variety of internet services that are built around core communication and social networking platforms operating mainly in China and Russia.

Customers are at the core of our businesses. The large and active user base of our businesses and investments forms an important business driver, as it provides sizeable platforms for users to interact with one another via the various services that our businesses provide. This in turn enables our businesses and investments to retain existing users and attract new customers. Our businesses and investments generate revenues through: online sales of goods, listing fees, payment transaction fees and commissions, mobile and other content revenue (from online mobile app-based services and content, ticketing and logistics services), food delivery charges and other sources (such as travel-package revenue and commissions thereon and advertising revenue).

***Ecommerce***

We believe that the world is undergoing a fundamental shift whereby traditional industries, including retail and C2C transactions, payments, food, education, healthcare and various other categories, are being disrupted by the internet and the opportunities it creates. This shift is driven by fast-growing mobile and high-speed internet penetration levels, especially in emerging markets, increasing last-mile delivery capabilities and familiarity with new business models and the ability to capture and process larger quantities of data. Consequently, we have built and expanded our consumer internet businesses through a combination of organic growth and acquisitions. Overall, we estimate that approximately one-fifth of the world's population uses products and services of businesses that we have built, acquired or invested in. The operations of our consumer internet businesses and investments provide transactional functionality to consumers and merchants to trade online through Classifieds, Food Delivery, Payments and Fintech, Etail, Edtech and other platforms.

*Classifieds*

Our Classifieds segment comprises both a classifieds online business and car transaction business, called OLX Autos.

Our core classifieds business comprises leading local marketplaces that facilitate transactions between buyers and sellers by acting as a trusted and frictionless intermediary, which we believe offers value to all parties. Our largest markets are in Russia, Europe, India, South Africa and Brazil, which represented almost 50% of the revenues generated by the Classifieds segment for the six months ended September 30, 2021.

There are two primary online classified listings business models: (i) the horizontal (also called generalist) model where the marketplace includes listings across a wide range of categories of goods and services; and (ii) the vertical-focused model, which focuses on a single category, such as automotive, real estate and jobs. Vertical categories can either be an extended feature within a horizontal marketplace or a separate specialist marketplace focusing on the respective category. Online classified marketplaces have different categories of users: (i) consumers searching for products and services listed on the marketplaces; (ii) professional listers who post their inventory, such as car dealers, real estate agents and recruiters; (iii) private listers who post their inventory on the marketplaces for sale; and (iv) third parties, such as advertisers, who use the online classified marketplaces to promote their products or services or otherwise generate business from leads.

We primarily operate horizontal marketplaces under our main brand OLX as well as under the Avito brand in Russia. Our marketplaces had more than 300 million monthly active users in over 19 core operating countries as of September 30, 2021. On average, our core operating country marketplaces had 4.1 million monthly paying listers during the twelve months ended March 31, 2021, and 4.2 million in the six months ended September 30, 2021.

- Avito is the leading online marketplace in Russia. The marketplace spans five key areas: automotive, real estate, jobs, services and general goods. Avito is one of the largest classifieds marketplaces in the world behind Craigslist (United States) as measured by website visits during FY 2021, with more than 90 million monthly active users during the same period. For the six months ended September 30, 2021, monthly active users increased 13% year on year.

  Real estate, automotive and general goods are the largest categories at Avito, on a revenue basis. Avito has launched several complementary products to enable users to be more successful. Examples of this product innovation include Autoteka, Avito's used-car database outlining the history of car ownership, accidents/repairs and use; and delivery service for goods, allowing customers to trade safely over distance. Avito has invested in products and technology to improve the core user experience (e.g., quality of search, personalized feeds, user ratings and reviews, easier listing process and lifecycle management), which has led to continuous improvements in seller retention.

- OLX Europe operates a combination of both horizontal and vertical classifieds platforms in Europe, serving more than 100 million active users per month on average for the six months ended September 30, 2021. OLX Europe is organized in different verticals, focusing on automotives, real estate and general goods (which include jobs and services). With growth levels higher than external peers and profitability approximately 30% over the past few years, the business is a market leader in its key geographies: Poland, Ukraine, Romania, Portugal and Kazakhstan. OLX Europe has added transactional offerings to its portfolio of products recently, some of which were developed organically, such as Pay & Ship, and some via acquisitions, such as Kiwi Finance, a Romania-based broker for real estate new developments and Carsmile, a Poland-based used and new automotive leasing provider.

In some markets we have partnerships with other industry players. For example, we hold a 50% effective interest in OLX Brazil (a 50:50 joint venture with Adevinta). OLX Brazil operates the leading online classifieds marketplace in the country. In 2020, OLX Brazil concluded the acquisition of ZAP and Viva Real, Brazil's top two real estate vertical platforms. With the integration of these two businesses, OLX Brazil has a leading position in the real estate and automotive categories. The business is continuing to develop and scale transactional product offerings (such as Pay & Ship) and to digitize the entire car sale and purchase process.

- In April 2020, we contributed Dubizzle, the leading classifieds platform in the UAE, and our businesses in Pakistan, Egypt and Lebanon, for an interest in Emerging Markets Property Group (EMPG) which operates bespoke classifieds portals in the Middle East and Asia. After the merger we hold a 39% effective interest in the merged EMPG Group.

  In July 2020, we also merged our U.S. letgo business with OfferUp, two of America's most popular apps to buy and sell in the U.S.; following the merger, we hold a 38% effective interest in the merged entity.

Our vision is to build an ecosystem of classifieds platforms that address user needs with propositions across different categories, in particular, goods, automotive, real estate, jobs and services.

OLX Autos operates our car transactions business, with the goal of providing end-to-end solutions for used cars trading, through enhancing price transparency, providing a secure and trusted platform and achieving convenience and speed for our customers. OLX Autos' largest markets are Mexico, Argentina, Chile, Colombia, the United States, India, and Indonesia, where most of our businesses operate under the OLX brand. The business expanded as a result of the merger of Frontier Car Group (35.7% participation acquired in 2018, increased to 100% in 2021), with OLX classifieds platforms in certain markets (Latin America, India, and Indonesia). In the six months ended September 30, 2021, OLX Autos completed approximately 69,000 car transactions.

As part of building an integrated ecosystem for car transactions, OLX Autos also scaled consumer financing across Latin America in 2021 and plans to expand this offering further in other markets in 2022. Our car transaction business caters to both professional sellers and individual consumers, with increasing emphasis on the latter, where OLX Classifieds platforms operate as an established sales channel.

Key trends continue to shape the classifieds industry, such as consumers' acceptance of fully digital solutions, verticalization of horizontal platforms, facilitation of third party transactions and players fully performing first-party transactions. The OLX group continues to lead the way, experiencing a compound annual growth rate ("**CAGR**") of 30% from 2019 to 2021, which was ahead of its peers. The OLX group is adapting its business model and propositions accordingly to strengthen its market position supported by its vision of building leading marketplace ecosystems enabled by technology, powered by trust and loved by customers.

Our Classifieds segment was most negatively impacted by the global pandemic in FY 2021. Trade volumes initially declined due to sudden and strict lockdowns in many markets, which reduced demand for large purchases and impeded physical transactions. As lockdowns eased and our customers discovered ways to cope with restrictions supported by our innovations, traffic metrics recovered. While the car transactions business continued to experience some disruption during the six months ended September 30, 2021, overall the business has had a strong recovery with high revenue growth and user adoption across the portfolio. During the period we also experienced consumers' increasing acceptance and adoption of online transactional steps and believe this trend will continue to drive the Group's strategic agenda – to develop an ecosystem of products and services to support our customers throughout their transaction journey.

***Food Delivery***

Since FY 2016, we have invested approximately U.S.$7.8 billion to build a portfolio of leading food delivery businesses and investments operating in 64 high-growth markets globally, including iFood, Delivery Hero and Swiggy. We believe food delivery is a high potential sector that comprises a large area of consumer spending and that food delivery presents a still underpenetrated and growing market with strategic opportunities for us. Food delivery has its origins in an asset-light, two-sided marketplace model that has demonstrated compelling economics and growing consumer engagement, while the more logistics-based first-party delivery model, which has been critical in allowing restaurants to access the growing online demand for food delivery, has become a larger part of the industry in recent years. First-party delivery allows companies to easily move into adjacent opportunities like grocery and convenience delivery. iFood operates a third-party (“**3P**”) marketplace and first-party (“**1P**”) logistics model, with the 1P business now accounting for 36% of total orders. Swiggy is predominately a 1P business and Delivery Hero also operates both 3P and 1P models.

Consumer trends, most notably increased mobile penetration, and innovations in mapping and logistics which utilize artificial intelligence, machine learning and other technologies, have driven down the costs of food delivery, improved the consumer experience and thereby accelerated consumer adoption. The COVID-19 pandemic acted as an accelerant for the customer shift to online food delivery in many markets around the world.

These businesses aim to use innovative and scalable technology, predominantly on mobile phones, to transform food ordering and delivery capabilities by automating and personalizing the process and making it transparent and efficient for restaurants, consumers and delivery partners. Based on continuous data collection regarding ordering and logistics of the delivery, the businesses constantly improve their technology and processes in order to provide increasingly better service.

We believe that food delivery is an attractive value proposition for restaurants and consumers. For restaurants, it offers access to a larger customer base, positioning them to benefit from incremental orders. For consumers, it provides a local, larger selection of restaurants and food that is quickly and conveniently delivered. We are investing to accelerate the scale of our food delivery platforms and are seeing an evolution towards a broader on-demand delivery ecosystem. While the restaurant category is substantial in its own right and remains our focus, we have ambitions to become a last mile logistics platform. Our platforms can serve as a one-stop destination for the delivery of a variety of different products and services (groceries and convenience, ecommerce products, concierge) resulting in more frequent touch points with customers.

Our platforms will also continue to further innovate to utilize data science and machine learning to continuously improve the service they provide to customers, restaurant/grocery/ecommerce partners and delivery partners. iFood, Delivery Hero and Swiggy are using artificial intelligence to provide consumers with a personalized, local offering and building next generation artificial intelligence-driven food delivery platforms. They also provide restaurants with marketing and visibility tools, help them optimize their value chain, share data driven insights with them and provide them with order and delivery technology.

Our Food Delivery segment and investments comprise:

- *iFood:* iFood is a leading food delivery platform in Brazil and Colombia, serving over 300 000 restaurant partners. In Brazil, iFood serves approximately 183,000 active drivers in more than 1,380 cities. iFood is owned by Movile (66.67%) and Just Eat (33.33%), which is a subsidiary of Just Eat Takeaway.com that operates a leading food delivery platform globally. iFood processed 553 million orders during the year ended March 2021, of which 35% of orders were delivered through its first party delivery platform, representing growth of 100% compared to 276 million orders in the previous year (FY 2019: 141 million and FY 2018: 68 million). In the six months ended September 30, 2021, iFood grew orders by 45% year-over-year to approximately 360 millon orders.

  The acquisition of SiteMercado in late 2020 helped to further establish grocery delivery as an integral piece of the iFood ecosystem and allows the company to advance its vision to become a leading food destination platform in Latin America.

  Further, in March 2021, Delivery Hero and iFood combined their respective businesses in Colombia.

  In Brazil, iFood’s main competitors, in terms of number of orders processed, are Uber Eats and Rappi.

  In FY 2021, iFood contributed U.S.$5 billion in GMV, representing annualized GMV growth of 148% (in local currency, excluding acquisitions and disposals) and annualized order volumes increased by 100%. In the six months ended September 30, 2021, GMV growth subsided slightly given the boost it experienced during the prior period when strict lockdowns were experienced. GMV, however, maintained healthy growth of 50% year-over-year.

- *Delivery Hero:* Delivery Hero is a leading food delivery platform globally, present in 51 markets across Europe, the Middle East, North Africa, Asia and the Americas. Delivery Hero operates around 13 fully localized brands and, in some countries, Delivery Hero operates on a multi-brand strategy (or marketplace) and premium brand strategy. These brand strategies allow it to target different customers. Delivery Hero has consistently increased order frequency across its highly attractive markets. Its platforms processed approximately 1.4 billion orders, with a GMV of over €16 billion during the six months ended June 30, 2021, representing growth of 83% and 78% respectively year over year.

  Change and innovation in the food delivery industry is accelerating. What started as a marketplace connecting restaurants with customers has evolved significantly over recent years. By establishing its own delivery capabilities, Delivery Hero connects new customers with restaurants that have no own-food delivery capabilities. It improves the quality of its service by offering a wider selection of high quality restaurants to more customers and by expanding the total addressable market ("**TAM**"). In the six months ended June 30, 2021, Delivery Hero also accelerated investments in the area of quick commerce – particularly via dark stores, called Dmarts, of which a significant number were opened during 2020. The concept of quick last-mile delivery services for convenience and grocery items continues to be a key strategic initiative, capitalizing on the extensive investments Delivery Hero has made in logistics and technology for first and last-mile delivery.

  In March 2021, Delivery Hero SE concluded a transaction to acquire approximately 88% of the shares in the South Korean Woowa Brothers Corp. for a total consideration of €1.6 billion in cash and 39.6 million new shares in Delivery Hero.

  On April 1, 2019, Delivery Hero sold its German food delivery businesses Lieferheld, Pizza.de and foodora to Just Eat Takeaway.com in exchange for cash and an equity stake in Just Eat Takeaway.com. As at the date of this Base Prospectus, Delivery Hero had an 11% interest in Just Eat Takeaway.com.

- *Swiggy:* Swiggy is a leading food delivery platform in India. It uses innovative and scalable technology to operate its hyperlocal food delivery platform. Swiggy has expanded rapidly since being founded in 2014 to serving approximately 500 cities in India. Swiggy's platform is served by over 127,000 enabled restaurant partners and 252,000 active delivery partners.

  While the pandemic accelerated the shift to online across the board, government-imposed lockdowns and restrictions in India led to different dynamics, with some setbacks for the food delivery industry in India. Swiggy has seen a sharp recovery as it navigates the new operating environment. Swiggy's revenue contribution grew 62% in local currency excluding acquisitions and disposals, and due to proactive initiatives, our share of its trading losses for the period improved 42% in local currency, excluding acquisitions and disposals.

  While Swiggy's flagship food delivery business has comfortably surpassed pre-Covid levels, it has also made progress in realizing its larger vision of elevating the quality of life for Indian consumers by delivering unparalleled convenience. It is achieving this on the back of strong traction in the grocery delivery business. Swiggy's foray into grocery delivery started with the acquisition of Supr Daily in 2018. Over the last three years to September 2021, the business has grown to serve approximately 500,000 customers on a monthly basis and delivers approximately 200,000 daily orders across six cities.

  Swiggy's express grocery delivery service, Instamart, is growing rapidly to create the convenience grocery category within India's massive grocery delivery segment. Instamart promises to make grocery deliveries in 15-30 minutes and is present in 11 cities currently.

  Swiggy has also expanded its pick-up and drop service, Swiggy Genie, to 68 cities and deepened the presence of its meat delivery service in key markets.

  In India, Swiggy's main competitor is Zomato. Zomato and Swiggy operate businesses of comparable size and scope. Both food-delivery platforms serve over 500 cities across India through networks, with over 250,000 delivery partners and 127,000 restaurants.

*Grocery/Convenience*

Online grocery represents a large growth opportunity where structural category dynamics are attractive (high frequency and average order value) but online penetration is low compared to other e-commerce categories. Prosus has seen a significant inflection point over the last year with the market transitioning online, accelerated by COVID-19. According to Euromonitor, grocery is second only to housing in global spend – at U.S.$7.1 trillion annually, more than double the TAM for restaurants. Online penetration for grocery is still low, and growth is increasingly rapid. Grand View Research expects the global online grocery market size to reach U.S.$1.1 trillion by 2027, with a CAGR of 24.8% from 2020 to 2027. There are strong synergies with Prosus's existing food delivery businesses, as shown by the expansion into grocery by Delivery Hero, Swiggy and iFood. During the pandemic, all three launched grocery delivery, including quick delivery, recognizing the market opportunity for both and the natural extension to what they already are doing with restaurant delivery.

More recently, we have also expanded into several pure play platforms in Europe, such as Oda, a Norway-based e-grocery delivery player with pan-European ambitions; Flink, a Germany-based quick e-grocery delivery player with pan-European ambitions; and Wolt, a Finland-based food delivery aggregator with a presence in more than 23 markets.

Our big three assets, iFood, Swiggy and Delivery Hero, will continue to evolve from pure food delivery aggregators into broader quick-commerce platforms. We will support those expansion efforts via organic initiatives and mergers and acquisitions. At the same time, we see the emergence of strong standalone businesses in several food adjacencies. We continue monitoring adjacencies and invest selectively, as demonstrated by our investments in European e-grocery players Flink and Oda.

Food delivery businesses primarily generate revenue through per order commissions charged to every restaurant that uses these online marketplaces, for example, based on the value of an order placed through a platform. Additional revenue is generated from other income streams, such as fees for premium listings, transaction fees or delivery fees. Despite the negative impacts of lockdowns on some of our businesses, in FY 2021, our Food Delivery segment almost doubled revenues to U.S.$1.5 billion and improved trading losses by 42% (in local currency, excluding acquisitions and disposals) to U.S.$355 million compared with FY 2020. For the six months ended September 30, 2021, revenues grew 86% (in local currency, excluding acquisitions and disposals) compared with the six months ended September 30, 2020 off a high base to nearly U.S.$1.3 billion and trading losses increased 55% (in local currency, excluding acquisitions and disposals) compared with the six months ended September 30, 2020 to U.S.$312 million, driven by increased investment into new verticals and more normalized customer acquisition costs relative to the period of hard lockdowns during the height of the pandemic a year ago in April 2020.

We also have exposure to Delivery Club (through our interest in VK), Meituan (through our interest in Tencent), Wolt, a European food delivery platform and Oda and Flink, two European based e-grocery businesses.

***Payments and Fintech***

Our digital payments platform, PayU, seeks to create an efficient, fast, secure and simple payment process for merchants and buyers and facilitate frictionless transactions and trade globally. Our Payments and Fintech business comprises:

- PayU, our core payments platform, which is a leading payment gateway for merchants in high-growth markets and large cross-border players, alongside Red Dot Payment (an online payment service provider in Southeast Asia), Iyzico (a payment service provider in Turkey), Wibmo (an online authentication provider) and Zooz (a payment processing platform);

- a credit business focusing on digital point-of-sale lending to consumers through its own products (e.g., LazyPay in India) and investments in associated credit companies such as Creditas (a Brazilian digital credit platform), ZestMoney (an Indian digital credit platform), and Indiagold (an Indian gold-focused digital alternative credit platform); and

- investments in the fintech ecosystem, with positions in adjacent sectors such as remittances, with Remitly (a global digital money-transfer service); digital wealth management, with Fisdom (a consumer wealth-tech platform in India); sales enablement through digital transformation of offline businesses, with DotPe (a commerce and payments platform); and digital payments enablement and settlements, with NPCI (a special division of the Reserve Bank of India operating retail payments and settlements system in India).

PayU operates payment platforms with over 400 payment options, across 20 markets around the world, with an aggregate population of more than 2.5 billion. PayU operates in five of the top 10 fastest growing digital payments markets. PayU primarily operates in India, Latin America and Central and Eastern Europe. It also has operations in the Middle East, Africa and Southeast Asia. PayU's business is intended to enable merchants and consumers to safely transact online. PayU's products include a Payment Card Industry Data Security Standard certified payment gateway, anti-fraud systems and an online Visa/MasterCard acquirer.

PayU has built an efficient single-application programming interface that enables local, regional and global merchants to accept and process payments across all major domestic and global payment types in the markets that it operates in, including credit cards, bank transfers and payments. We believe that PayU's merchant base, transaction volume, scale and ability to process payments in, and across, its key growth markets create an attractive value proposition for merchants. PayU's single platform also enforces PayU's data capabilities, which include services that utilize sophisticated algorithms across machine learning, data mining and artificial intelligence to improve the functionality and configuration of its core services and to increase authorization rates for merchants, while reducing the risk of fraudulent transactions.

PayU offers two broad services, as a payment service provider ("**PSP**") and a technology service provider ("**TSP**").

- PSP services are merchant arrangements where PayU provides payments processing technology platforms and also facilitates reconciliation and settlements for merchant partners. PayU serves both local and international merchants in the markets in which it operates, catering to both large enterprise merchants and small- and medium-sized businesses.

- TSP services are merchant arrangements where PayU only provides the processing technology and does not carry out any settlements. For TSP services, take rates or commissions on processed volumes, given PayU's more limited role, are lower than a traditional PSP business. In FY 2018, PayU expanded into online consumer credit products in key markets including India and Poland.

PayU's PSP and TSP services are available to consumers on our platforms and on platforms operated by third parties. Payment solutions enable and encourage participation in ecommerce. PayU differentiates its payment solutions by offering a broad range of local payment options for its customers and by providing merchants with good conversion rates, converting consumers' interest in a product or service into a sale by simplifying the checkout process. PayU's revenue is primarily derived from transaction fees.

In August 2021, PayU announced the 100% acquisition of BillDesk, an important market player for bill payments in India, for U.S.$4.7 billion.

Subject to regulatory approval, this transaction creates one of the leading digital payments players in India and a top 10 online payments player globally based on total payment value ("**TPV**"). This is an important transaction for PayU as it increases its scale in India. Like PayU India, BillDesk is a successful Indian digital payments business, operating a payments network for bill payments in the country. The deal would see BillDesk integrated into PayU India, creating an entity with scale and a diversified platform with multiple products. Both franchises have complementary coverage. PayU India's deep expertise in ecommerce and SMB merchant verticals combined with BillDesk's position in bill payments, government, and financial services would see these verticals, ecommerce and bill payments come together. This deal creates a business at scale, builds a diversified business model with a full suite of offerings, and creates a platform with significant potential for new growth avenues. Furthermore, BillDesk's positive EBITDA strengthens PayU's financial profile. We believe the combination is an excellent way to serve the Indian market and gives us the most strategic, viable starting point to develop a differentiating position from our competitors, expand our offering of services and scale our business by combining our volumes, platforms, complementary strengths and assets. We believe this transaction establishes the breadth and depth within the payments ecosystem of consumers, banks and merchants, and positions the business well for the future.

PayU India and BillDesk operate highly complementary businesses with limited overlap. The transaction is consistent with the Government of India's vision of "Digital India," as we are creating a diversified platform, scaled across all payment verticals and a strong base to pursue growth opportunities in the digital banking space. The industry in India is growing and evolving at a fast pace in line with the Digital India initiative. The conditions are right to make a transformational move that will ensure we have the scale, growth opportunities and synergies to offer an unparalleled experience for merchants, SMBs and consumers.

The BillDesk transaction will follow a number of similar successful integrations by PayU in recent years, where we have strengthened our position through operational efficiencies and continued investment in platform consolidation and security globally. These include Citrus in FY 2017, Zooz in FY 2019, and Wibmo, Iyzico and RDP in FY 2020. We believe that these acquisitions strengthen PayU's position in high-growth markets and support our ability to pursue opportunities in cross-border payments.

To strengthen its core payments platform, PayU has made a number of acquisitions supporting its ability to pursue opportunities in remittance and credit businesses.

Since November 2017, PayU has invested U.S.$208 million in Remitly, a technology-driven remittance business, which focuses on the flow of remittances from developed countries to low- and middle-income countries. On September 22, 2021, Remilty listed its shares on the Nasdaq Global Select Market, trading at a valuation of almost U.S.$8 billion.

In pursuit of its strategy, in January 2020, PayU acquired a controlling stake in PaySense at a valuation of U.S.$185 million, and created the new PayU Credit unit through the merger of LazyPay with PaySense. This move demonstrates PayU's commitment towards investing into and building a broader fintech ecosystem in India around core payments and lending businesses. Our focus is on growing digital lending to consumers, leveraging the distribution network of our merchant relationships and data gathered through our payments platform to enhance credit scoring. We are providing consumer loans directly from our own balance sheet through PayU Credit and through co-lending partnerships with banks.

Due to the complexities associated with international money transfers, we predominantly face local competitors in the markets in which we operate. PayU's direct competitors are domestic PSPs that focus on providing online payments to merchants in a single country. In general, the payment markets in which we operate are fragmented. Adyen N.V. ("**Adyen**") is the most notable international competitor in the merchant business, with another notable international competitor being WorldPay, Inc. ("**WorldPay**"). In India, our merchant business mainly faces competition from Razorpay, CCAvenue and several other small PSPs. In Poland, our main competitors are Dotpay, eCard and Przelewy24 ("**P24**"). In Russia, our main competitor is Yandex Money, which is a PSP in addition to its digital wallet offering. In the Czech Republic and Hungary, our main competitors are banks. In Romania, our main competitor is Romcard. In Latin America, our main competitors are international players such as Adyen, Ingenico, PayPal Holdings, Inc. ("**PayPal**") and WorldPay, as well as regional competitors like Mercado Pago, Dlocal and PagSeguro.

During the six months ended September 30, 2021, revenues from our Payments and Fintech segment grew 44% in local currency excluding acquisitions and disposals, to U.S.$359 million. PayU has benefited across its markets from the shift in consumer behavior to transacting online, and small and medium-sized enterprises (SMEs) digitizing their business models. The business recorded TPV of U.S.$35 billion, supported by a 45% increase in number of transactions in the same period relative to the six months ended September 30, 2020.

The Global Payments Operations ("**GPO**") business, mainly in Europe and Turkey, has maintained the strong growth we saw in FY 2021 during the six months ended September 30, 2021, as consumer preferences remained online and local regulations supported digital purchases. GPO TPV grew 29% year over year for the six months ended September 30, 2021. India, our largest market, was affected negatively in the first quarter of FY 2021 as the country's lockdown restrictions halted the travel and hospitality sector and the country experienced major supply-chain disruptions. India has since made a very strong recovery as restrictions eased and digital payments adoption increased. TPV grew 70% for the six months ended September 30, 2021. This was supported by higher online transactions in ecommerce and a decline in cash-on-delivery, both positive trends for the business long term.

Our Payments and Fintech segment, including PayU and our minority investments in financial services businesses, operate in a highly regulated sector and are subject to a variety of laws, regulations and guidelines in a number of countries, including those governing "know your customer" requirements, payment services and lending, money transmission, financial transactions, foreign exchange restrictions, anti-money laundering and counter-terrorist financing, anti-bribery and anti-corruption, trade sanctions and export controls. Our Payments and Fintech segment operates in many jurisdictions that either currently, or will in the future, implement regulations for payment processing, including regulations in respect of authorization, approval, licensing or permission to carry out business.

***Edtech***

With effect from April 1, 2021, Edtech became our fourth reported Ecommerce segment. Through Prosus Ventures, we started to invest in Edtech in 2016 with investments in Brainly, Codecademy and Udemy, and have continued to expand our portfolio since then, acquiring Stack Overflow, and investing in Skillsoft, GoodHabitz, BYJU'S, Eruditus and SoloLearn. We have invested over U.S.$3 billion to date and have become one of the leading Edtech investors globally. We have already generated returns on the capital we have deployed over the past five years. The education market opportunity is estimated to be U.S.$10 trillion by 2030, per HolonIQ, and we believe this segment is ripe for further technology disruption.

The COVID-19 pandemic has provided a generational tailwind for Edtech, but more importantly, it has revealed an even greater societal need for technology innovation and a higher willingness to pay, especially among consumers, for Edtech products than previously believed. Although restrictions due to the pandemic have eased in many parts of the world, we believe the progress made in digitizing education will remain relevant with traditional education and training methods becoming outdated.

We have now built a significant portfolio with a focus on the future of workplace learning reaching many Fortune 100 companies across our portfolio including Stack Overflow, Skillsoft, GoodHabitz, Udemy and Codecademy. In addition, we have built a strong presence in K-12, with Brainly now reaching more than 350 million users per month and BYJU'S quickly expanding outside of India and into the West, with over U.S.$800 million invested in mergers and acquisitions in the U.S. market and plans to invest more to grow their business.

In the six months ended September 30, 2021, the segment continued rapid growth with revenue growing by 135% (51%) compared to the same period in the prior year. Trading losses increased to U.S.$48 million, reflecting continued investments in growth by the respective businesses.

In August 2021 we acquired Stack Overflow for U.S.$1.7 billion. Stack Overflow is one of the 50 most popular websites in the world and has built a global, highly-engaged developer and technologist community over the last 13 years, serving more than 100 million people across the world every month. Stack Overflow Teams, which is its knowledge management and collaboration solution, is the core product focus in the near term and currently generates 32% of its total revenue. Through September 2021, Stack Overflow had over 1,200 paying teams with clients in Enterprise, Mid-Market and SMB.

We acquired 38% of Skillsoft ahead of its listing on the New York Stock Exchange in June 2021. Skillsoft is the global leader in digital workplace learning, providing the most comprehensive selection of cloud-based corporate learning content on Business and Management Skills, Leadership Development, Digital Transformation, IT Skills and Certification Training, Productivity and Collaboration Tools and Compliance. The company's client base is centered around large, blue chip enterprises, including many Fortune 100 companies and its services are used by approximately 45 million learners globally across 160 countries. Due to the three-month reporting lag period, Prosus will start including Skillsoft's results in its reported numbers as of October 1, 2021.

In June 2021, we also acquired a majority stake in GoodHabitz. GoodHabitz provides enterprise clients with a broad range of cost-effective soft-skills digital learning content for their employees. As of September 2021, GoodHabitz offers more than 800 courses in ten different languages to about 1,860 customers. GoodHabitz has expanded beyond its home market of the Netherlands to 11 additional European countries, with two-thirds of new business wins coming from outside the Netherlands.

Additional notable investments in vocational, higher-ed and lifelong learning include:

- Udemy, a global education marketplace for lifelong learners, which provides over 44 million learners with access to over 183,000 courses in 75 languages and over 180 countries. Courses can be accessed through the direct-to-consumer offerings or Udemy Business, which has more than 8600 enterprise customers. In October 2021, Udemy listed on the NASDAQ.

- Eruditus Group, consisting of Eruditus Executive Education and Emeritus, which provides executive education and short, private online courses globally in partnership with some of the world's leading universities, was added to our portfolio in September 2020 and we invested further in 2021. Eruditus makes high quality education more accessible by offering programs in partnership with 50 universities to a global audience covering the U.S., Latin America, Asia, the Middle East/North Africa region and Europe. The company has also expanded its global footprint during this period, adding a substantial number of new universities from Latin America, China and India.

- Codecademy, a leading global coding education platform, provides a proprietary, interactive experience to users. Having taught over 50 million people to code, it generates sales via annual subscriptions to its "Pro" product, providing a healthy base of recurring revenue. Codecademy also launched a business-to-business offering this year.

- SoloLearn is a mobile-first knowledge sharing community where students can learn, create, and share programming content. Prosus first invested in SoloLearn in 2018.

Our investments in K-12 education include:

- Brainly, the world's largest social learning platform, serves approximately 350 million students and teachers in over 35 countries. Students use Brainly to strengthen their skills in core subjects such as math, history, science and social studies. The platform allows them to connect with their peers, subject-matter experts and professional educators to discuss challenges with their schoolwork. In addition to maintaining its search-engine optimization leadership, Brainly has sought to increase traffic and engagement by prioritizing branding and refining its mobile product. The company's app is among the most-downloaded education apps in the Google and Apple app stores.

- BYJU'S is the leader in personalized learning programs for students in India, targeting grades K-12 as well as competitive exams such as the GMAT. BYJU'S revenue grew year-over-year by almost 80% in the six months ended September 30, 2021, driven by its rapid expansion into new markets and enhanced offerings, including BYJU'S Future Learning. In the last few months, BYJU'S has made over U.S.$2 billion in acquisitions of companies in India and abroad (cash and stock deals). BYJU'S acquired Aakash, one of the largest coaching institutes for high-school students, Great Learning, Toppr, U.S.-based Epic, kids coding platform Tynker, and online test preparation platform Gradeup.

***Etail***

Our primary asset within the Etail segment is the eMAG group. eMAG operates a structured first-party/third-party B2C ecommerce platform in Romania, Hungary, and Bulgaria under the eMAG brand, as well as the leading fashion shopping marketplace in Romania under the Fashion Days brand. In addition, eMAG operates SameDay (courier delivery services), Tazz (on-demand food and multi-vertical delivery) and PC Garage (specialized online retailer focused on gamers).

We believe that eMAG's first-party/third-party combination enables us to deliver world-class service in areas that customers value: price, selection and convenience. The first-party platform helps ensure that high-demand items are always available to customers, while the third-party platform greatly expands the breadth of the assortment with long-tail items. All product listings are offered under a unified front-end catalog, which provides a seamless user experience. While eMAG started as a first-party electronics pure-play etailer (online retailer), it has diversifed its product mix to fashion, home and garden, and other categories. This diversification provides multiple strategic advantages: total addressable market expansion, improved customer engagement and economies of scale and scope.

eMAG's multi-category value proposition is complemented by strong infrastructure: firstly, two modern 125,000 square meter fulfilment centers in Romania, and secondly, a full suite of last-mile logistics solutions, including automated EasyBox lockers, in-house same day courier services, and eMAG showrooms and third-party pick-up/drop-offs. eMAG continues to add new Easybox lockers to its expansive network across Romania and Hungary to bring even greater convenience to its customers. eMAG is also extending its Sameday courier business across Central-Eastern Europe. This logistics infrastructure enables eMAG to better control the delivery quality and speed of its first-party and third-party businesses.

To enhance its value proposition to new and existing customers, in 2020 eMAG introduced its Genius subscription program. For a monthly subscription fee, Genius members gain access to faster delivery, special product offers and other benefits. The program encourages greater consumer engagement, higher purchase frequency, and trial of new categories. As of September 30, 2021 the Genius program has 166,000 active subscribers and accounts for 20% of eMAG's GMV in Romania.

Tazz by eMAG is an on-demand first party food and multi-vertical delivery service. Tazz has been on a fast trajectory, growing GMV over six times in the last 12 months and becoming a top player in a highly competitive market.

In October 2021, eMAG launched its new grocery delivery business, Freshful by eMAG. By offering consumers a unique selection of approximately 20,000 SKUs in an under-served market, Freshful aims to generate high-frequency, high-value transactions with eMAG's best customers.

In FY 2021, eMAG's GMV grew 52%, benefiting from the shift of consumer spending online during the pandemic. While we continue to benefit from the shift to online, as expected, GMV and revenue growth for the six months ended September 30, 2021 is subdued as offline stores have since reopened. Growth is off a high base given the increased demand for certain categories such as office and gym equipment during lockdowns. eMAG grew GMV and revenue by 4% for the six months ended September 30, 2021, compared to the six months ended September 30, 2020.

***Travel***

In August 2019, we exchanged our 42.6% interest in MakeMyTrip for a 5.6% interest in Trip.com. Prior to this exchange, the Travel segment consisted of our interest in MakeMyTrip, a leading online travel provider in India, and the Travel segment is included in our historical segmental disclosure.

***Other ecommerce—including Ventures***

Through our Ventures business, we seek to identify entrepreneurs in high growth markets that we believe are building leading companies that have the potential to scale globally. Ventures' goal is to identify the next phase of growth for us, identifying trends, technologies, segments and geographies to invest in that will experience significant growth in the coming decades. A number of our established platforms also fall under Ventures.

Ventures, with a dedicated team in key innovation hubs, evaluates consumer trends to understand engagement at a deep level, using this information to identify investment opportunities.

There are several notable sectors where Ventures has deployed capital, with a continued focus on India. Those sectors include:

- *Logistics and Mobility:* Ventures has been focusing on these sectors for several years including investments in country-wide logistics platforms ElasticRun in India and Shipper in Indonesia, last mile logistics platform 99minutos in Latin America, micromobility company Dott, vehicle subscription company Kovi, and motorbike taxi and on-demand delivery in Pakistan, through Bykea.

- *Ecommerce:* Ventures has been investing in several innovative next-generation ecommerce companies including social commerce company Meesho in India, pharma and medical device commerce platform PharmEasy in India, hyper-local commerce enablers Ula in Indonesia and ShopUp in Bangladesh and Merxu, a B2B ecommerce platform in Europe.

- *Fintech and Blockchain:* Ventures continues to invest in fintech and blockchain across the globe, including leading digital financial services platform Klar, wealth management platforms Bibit in Indonesia and Bux in Europe, as well as our blockchain investments in DappRadar and Republic.

- *Other:* Ventures has invested in US-based elder care company Honor, home services platform Urban Company in India, and agricultural technology businesses in the U.S., India and Indonesia.

Outside of ventures, we have invested in:

- *Movile*: Movile is a leader in mobile marketplaces headquartered in Brazil with employees located in offices in Argentina, Colombia, France, Mexico, Peru and the United States. With users in more than 100 countries, Movile's main operating segments are food (through iFood), payments (through Zoop, an open platform for payments and financial services in Brazil), tickets (through Sympla, the leading self-service ticketing platform in Brazil) and education (through PlayKids, a leading, global children's app).

- *Digital intelligence:* SimilarWeb provides global multi device market intelligence to understand, track and grow digital market share. SimilarWeb measures and analyzes more than three million apps and 100 million websites, providing mobile and desktop insight into traffic flows and consumer behavior. SimilarWeb debuted as a public company on the New York Stock Exchange on May 12, 2021.

*Social and Internet Platforms*

We have interests in two key social and internet platforms: our associated companies, Tencent and VK.

**Tencent**

Tencent is a global internet and technology company that develops innovative products and services to enrich the lives of users.

Founded in 1998 with its headquarters in Shenzhen, China, Tencent's guiding principle is to use technology for good. Its communication and social services connect more than one billion people around the world, helping them keep in touch with friends and family, access transportation, pay for daily necessities, and be entertained. Tencent publishes some of the world's most popular games and other high-quality digital content, enriching interactive entertainment experiences for people worldwide. Tencent also offers a range of services such as advertising, fintech, cloud computing and other enterprise services to support its clients' digital transformation and business growth.

Tencent has three main business segments:

- *Value-added Services*—Tencent's value-added services mainly comprise communication and social services, and games.

  – *Communication and Social* —Tencent is a leading provider of communication and social services in China, including Weixin, WeChat and QQ. As at September 30, 2021, Weixin and WeChat had more than 1.25 billion monthly active users. It also provides leading digital content services, in various forms, including games, video, music, literature, and anime.

  – *Games*—Tencent operates the largest games portfolio globally and in China, by revenue. It has strong in-house development capabilities via its overseas and domestic game studios and is also the partner of choice for game publishers due to its leading distribution and operation capabilities.

- *Online Advertising*—Tencent's online advertising services primarily comprise social and other advertising and media advertising. Social and other advertising relates to advertising on its social properties, such as Weixin and QQ, it's utility properties, such as app store and browser, as well as mobile advertising networks. Media advertising relates to advertising on its video, news, music and other online media properties. By leveraging its leading advertising technology and integrated advertising solutions, Tencent drives relevant and targeted advertising to generate higher returns for advertisers.

- *Fintech and Business Services*—Tencent provides Fintech services, cloud services and other business services. It provides infrastructure support and payment solutions to merchants, while Weixin Pay and QQ Wallet are consumer-facing mobile payment solutions with expanding online and offline use cases. Tencent Cloud provides industry leading cloud products and services to organizations and enterprises across the world. Leveraging its robust worldwide data center infrastructure, Tencent integrates cloud computing, big data analytics, AI, security, location-based services and other advanced technologies for deployments of smart industry solutions for the digital transformation of its enterprise clients.

To drive forward its mission "Tech for Good", Tencent set up a new business unit – Sustainable Social Value ("**SSV**") in April 2021, merging the existing Tencent Charity Foundation and Corporate Social Responsibilities activities.

Under SSV, Tencent has set up two funds, namely the Sustainable Innovations for Social Value Fund ("**SISVF**") and the Common Prosperity Fund ("**CPF**"), each with an initial capital of RMB50 billion to be funded by Tencent's investment gains. SISVF aims to explore longer-term issues such as basic science and carbon neutrality, while CPF addresses fundamental livelihood issues in China, including basic healthcare and education, to strive for equality and narrow the wealth gap in China.

The internet and technology industry is highly competitive, innovative and ever-changing at all times. Tencent seeks to stay on top of the trends in market and industry development and user needs, keep up with the technological development through innovation in frontier technology and explore the application of technologies in new scenarios. Internally, Tencent focuses on expectation changes in user experience and seeks to stay active in promoting the incubation of new business, explore new forms of business, recruit, optimize its organizational structure, and enhance innovation capabilities by improving talent quality and cultivating young talent. Tencent also seeks to continuously enhance its technical capabilities and innovation environment to develop products that meet market expectations. Externally, Tencent co-creates ecosystems through strategic investments and M&A, as well as collaboration with business partners. It is one of the most active investors in China and globally. Its investee portfolio covers a wide range of sectors, including games, digital content, education, retail, healthcare, enterprise services and frontier technologies. Unlike a typical financial investor, Tencent builds deep partnerships with its investees, supporting them with its advanced technologies and jointly developing digital solutions to create value for its users and partners.

| **Dividends received from Tencent by us** | **Amount (U.S.$ million)** |
|---|---|
| 1H 2022 | 571 |
| FY 2021 | 458 |
| FY 2020 | 377 |
| FY 2019 | 342 |

| **Tencent's segmental revenue for its nine months ended September 30, 2021**[(i)] | **Amount (RMB million)** | **Percentage of Total Revenue** |
|---|---|---|
| Value-added services | 219,659 | 53% |
| Fintech and business services | 124,237 | 30% |
| Online advertising | 67,148 | 16% |
| Others | 4,886 | 1% |
| **Total** | **415,930** | **100%** |

(i) Source: Tencent's interim report for the period ended June 30, 2021 and the 2021 Third Quarter Results Announcement for the nine months ended September 30, 2021.

**VK (previously Mail.ru Group)**

VK is a leading company in the Russian-speaking internet market. Following the launch of the ecosystem development strategy announced in 2020, with active rollout of various core ecosystem elements, such as VK ID, VK Combo, VK Mini Apps and VK Pay, all launched under the "VK" brand, Mail.ru Group has announced the rebranding of the group to VK in October 2021. The legal entity name and ticker are expected to be amended in due course.

VK helps millions of people with their day-to-day online needs. For example, it enables people to keep in touch (using social networks Odnoklassniki (OK) and VKontakte, messaging apps and email service), play video games (via MY.GAMES), get and offer items and services, browse jobs and hire talent (via Youla and VK Jobs), order food and grocery delivery (via Delivery Club, Samokat and Local Kitchen), get a ride (with Citymobil and Citydrive), master new skills (at GeekBrains, Skillbox and other educational services) and buy and sell (via AliExpress Russia).

The VK companies feature a number of shared elements bringing the services together. Users can sign into different services with a single VK account, pay and earn cashback with the VK Pay platform, get discounts and deals with VK Combo and access their favorite services via the VK Mini Apps platform. The Marusya voice assistant can help with any task.

VK offers a variety of online communication products, entertainment, educational and ecommerce services. The most notable include the following:

*Communications and Social Services* — VK operates the two leading Russian language social networking services and communication platforms, VKontakte and OK, and Russia's leading e-mail service (Mail.ru), as well as media projects, search and music services. VKontakte maintained its leadership among domestic social networks, with average Russian monthly active users of 72 million in the three months ended September 30, 2021. VKontakte reaches 46% of Russian internet users every day (as of August 2021). VKontakte continues to develop the VK Mini Apps platform and the Hub section. VKontakte also continues to enhance its tools for business with the launch of a unified platform for SMBs, where all the key tools, whether for launching a marketplace or advertising its products or services within VK, are available in one place. VK continues to expand into Social commerce. Multimarket, a single B2B platform for managing stores on VKontakte, OK, AliExpress and Youla, now also allows users to manage store catalogs via mobile devices.

*Games* —VK gaming business is presented by MY.GAMES, the leading European games publisher, which creates and delivers immersive gaming experiences on mobiles, PCs and consoles to millions of players worldwide. Mobile games constitute the main part of MY.GAMES revenue. MY.GAMES has over 20 games in the development pipeline as of September 30, 2021. MY.GAMES is among the top-50 leading gaming companies globally and has successfully brought many popular gaming franchises to market, including War Robots, Warface, Hustle Castle, Grand Hotel Mania and many others. Further internationalization remains in focus, with the U.S., Germany and France being the largest markets outside Russia as of September 30, 2021. MY.GAMES Venture Capital (MGVC), the investment arm of MY.GAMES, has consolidated eight studios over four years since its foundation. Its portfolio now includes more than 40 studios with options for acquisition of control in most of them, which provides room for further growth through M&A deals.

*Online Education (Edtech)* — VK operates online education platforms with educational courses and programs (for example, Skillbox Holding Limited which includes such services as GeekBrains, Skillbox and SkillFactory). As of September 30, 2021 Skillbox and GeekBrains exceeded 1.94 million in combined cumulative registered students and 273,000 cumulative paying students. VK also has minority stakes in several other educational services. VK's education assets allow users to study at every level, from pre-school to career enhancement.

*New Initiatives* — This segment includes Youla classifieds, VK Clips, recommendation platforms (such as Pulse and Relap) and business-to-business services (including Cloud) and other services.

- VK's online location-based marketplace, Youla, is a leading online classifieds marketplace in Russia with a strong focus on mobile. Youla is actively developing cross-integrations with VK's social networks. In 2020, VK launched VK Clips – an endless feed of short vertical videos, with themes ranging from entertainment to education. For its business-to-business clients, VK provides end-to-end technologies in a wide range of areas including digital advertising, marketing services, analytics, cloud platform, business process analytics, Internet of Things, big data solutions, machine learning, corporate communication, business automation tools and much more.

*Joint Ventures* —

- AliExpress Russia is an ecommerce platform with over 350,000 sellers and 176 million standard product units as of September 30, 2021. AliExpress Russia GMV reached RUB133.3 billion in the first half of its FY 2022 (April 2021 - September 2021). While the company initially focused on cross-border sales, it is now actively developing a local part of the business.

- O2O JV: In 2019, VK and Sber created O2O JV, focused on mobility and food-tech verticals. O2O JV includes Delivery Club, r_keeper (former Foodplex), Citymobil, Citydrive (former Youdrive), Local Kitchen and Samokat (the latter two businesses were consolidated in 2020). Delivery Club is a leading food-delivery platform in Russia in terms of users and downloads. Delivery Club is present in all federal districts and covers more than 50% of the Russian population, with a connected partner network exceeding 47,000 (including 6,270 retail stores) as of September 2021. Samokat is an express online retailer that delivers groceries and other goods in 15-30 minutes through dark store warehouses located in each of the districts where its services are present. Citymobil is the second leading ride-hailing player in Russia.

VK competes with companies that offer a broad range of products, including communication, games, search and social network services. VK's main competitors are internet platforms such as Google, Facebook, Skype, Telegram, Viper, Ozon, HeadHunter, Nexters, Cian and Yandex.

| **VK's Corporate Information** | |
|---|---|
| Our effective interest | 27.2%[(i)] |
| Listing (date) | London Stock Exchange (2010) and Moscow Exchange (2020)[(ii)] |
| Market capitalization | U.S.$3.98 billion[(iii)] |
| Dividends received from VK by us (FY 2021, FY 2020 and FY 2019) | None[(iv)] |

| **VK's revenue by category for its nine months ended September 30, 2021**[(v)] | **Amount** *(RUB million)* | **Percentage of Total Revenue** |
|---|---|---|
| Online advertising | 33,950 | 39 |
| MMO Games | 27,649 | 32 |
| Community IVAS | 13,316 | 15 |
| Education technology services | 5,924 | 7 |
| Other revenue | 6,625 | 7 |
| **Total** | **87,464** | **100** |

(i) As at September 30, 2021.

(ii) VK's shares (in the form of global depositary receipts) are admitted to listing on the UK Official List and to trading on the London Stock Exchange as well as the Moscow Exchange.

(iii) As at November 30, 2021.

(iv) We have not received any dividends from VK over the past three fiscal years.

(v) Source: VK, Interim Condensed Consolidated Financial Statements for the nine months ended September 30, 2021.

## INDUSTRY

### Overview

Our assets are spread across China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, Africa and the Middle East. Most of our businesses are market leaders in their sectors. Our operations are structured around online Classifieds, Food Delivery, Payments and Fintech, Edtech, Etail and Other ecommerce (including ventures). Our listed investments in social and internet platforms (Tencent and VK) cover a wide variety of internet services that are built around core communication, gaming and social networking platforms operating mainly in China and Russia. This broad geographical reach gives us exposure to some of the fastest-growing economies in the world and some of the most technologically advanced geographies. For example, according to a McKinsey China Consumer Report 2021, China accounts for 45% of global ecommerce transactions with mobile payment penetration being three times higher than that of the U.S.

Due to increased internet penetration and the growing adoption of ecommerce among internet users in the markets in which we operate, competition has intensified. We are facing an increasing number of entrants, including both local and international competitors. As a global consumer internet group and one of the largest technology investors in the world, our main competitors as technology investors are traditional providers of capital, including venture capital and private equity, as well as other consumer internet-focused investors (such as Alibaba, Facebook, Google and Tencent).

Traditional industries are increasingly being disrupted by the internet, and, in particular, through mobile devices. The rising adoption of online classifieds, payments, food delivery and edtech in our targeted markets is underpinned by two growing trends: increased internet penetration and the proliferation of mobile devices. The next wave of adoption of online classifieds, payments, food delivery and edtech is occurring in certain growth markets, particularly in the Asia-Pacific region, the Middle East/Africa and Latin America where the number of smartphone users is expected to grow at compound annual growth rates ("**CAGRs**") of 5.3%, 9.9% and 5.4%, respectively, between 2019 and 2023, according to PwC's *Global Entertainment & Media Outlook 2019-2023* ("**PwC's Global Entertainment & Media Outlook**").

Internet access in our key growth markets has grown rapidly over the past decade with internet penetration in China, Brazil, India and Russia reaching 69%, 77%, 47% and 89%, respectively, as of July 2021 according to DataReportal's *Digital July 2021 Global Statshot* report. This growth trajectory is expected to continue over the medium term as internet penetration approaches the level of Organisation for Economic Cooperation and Development (OECD) countries (average of 92% in 2020). Traffic to our internet platforms and sales in our core markets are increasingly driven by mobile devices and applications, given local constraints in fixed-line infrastructure (for example, the relatively low number of fixed internet access points), and the advent of low-cost smartphones and tablets. According to the Pew Research Center, growth markets are catching up with the United States in terms of smartphone adoption, particularly among adults in the 18 to 34 year age range. This reinforces the long-term trend towards online transaction activity.

As our target markets continue to develop, their middle classes are projected to expand as well, and we believe that the middle class will spend more time consuming various forms of media and engaging in ecommerce, particularly in rapidly growing middle-class households in China, Brazil, India and Russia. According to an estimate from the European Commission, the global middle class population is expected to grow from 3.3 billion in 2020 to 5.3 billion in 2030. China and India will together represent 66% of the global middle class population and 59% of middle-class consumption.

The outbreak of COVID-19 and the responses thereto has had a material impact on businesses, operations and communities, as well as the global economy at large. Many of the markets and countries in which Prosus operates saw the imposition of lockdown measures in response to COVID-19. In accordance with such lockdown measures, businesses responded by making modifications to business practices, including office closures, the imposition of significant limitations on employee work locations, and cancellation of physical participation in meetings, events, and conferences. This has accelerated the consumer adoption of online models. Rapid digital adoption positively impacting our businesses include: restaurants relying on online food delivery, adoption of all forms of online payments, customers switching to online purchases and pivoting from traditional to online learning. The ultimate impact of COVID-19 is difficult to predict and will vary by sector and geography. However, we have broadly seen an acceleration in the adoption of services across our consumer internet businesses. Social distancing restrictions have in particular led to higher internet penetration and a change in consumer habits globally, with consumers being more willing to transact online. As global economies continue to unlock, it will become easier to assess the extent to which COVID-19 driven shifts in consumer behavior are here to stay.

**Classifieds**

Classifieds spend has been shifting from traditional print media to online following the emergence of online classifieds marketplaces. These marketplaces are designed to help people trade on a local level similar to print media classifieds. The offline-to-online shift is driving the online migration of classified advertisements and supporting the growth of online listing volumes and online classifieds expenditure. The functionality available in online platforms is well suited to classifieds by facilitating buyers and sellers to find, connect and interact more efficiently, conveniently and expeditiously with each other. Listers previously purchased classified listings in printed publications (e.g., newspapers or magazines), to facilitate sales of their goods and services. The general decline in readership and circulation of printed publications and the concurrent increase in the audience of online and mobile destinations that are accessible free of charge to internet users have led listers to increasingly favor digital classified platforms to maximize the reach of their marketing spend while targeting the most relevant consumers. Further, online classified advertisements offer a wider range of flexibility in manner of advertisements (such as banner ads and commercial videos) and payment models (such as payment by volume, duration or performance-based payments). Despite an initial decline in listings and traffic to sites as well as the closure of certain physical inspection centers as a result of COVID-19, Classifieds businesses have seen a strong recovery, in many cases beyond pre-pandemic levels, highlighting the strong resilience of the sector.

Classifieds platforms are generally categorized between those that facilitate listings for general goods, otherwise called horizontal platforms, or those that specialize in specific product categories, or verticals, such as automotive, real estate, jobs or services. These can be offered under the same brand name and as an extension of a horizontal platform or as a specialized platform. Typically vertical platforms are used by professional listers and thus provide more monetizing potential than horizontal platforms. With our leadership positions in general goods and services, we are increasingly using our market position to penetrate vertically in the main markets in which we operate.

The expansion into new vertical categories may require C2C horizontal marketplaces to adjust their operating models and require additional investment in systems, expertise and physical infrastructure. Certain vertical marketplaces, in particular the automotive vertical, for example, have evolved into transactional marketplaces which require classifieds businesses to manage inventory, which C2C horizontal marketplaces may be unfamiliar with.

Increasingly, in the markets where we are active, there is an opportunity to increase the number of services offered to customers. These services include car inspection reports, real estate inspections, and facilitation in the delivery of goods from the seller to purchaser. These services improve the user experience and convenience for the consumer and provide additional revenue opportunities for us.

An online marketplace's ability to generate revenues depends, to a large extent, on the number of listings and traffic on its sites. Online marketplaces monetize this traffic by charging monthly subscription fees to professional dealers and agents (who constitute the majority of listers), charging for premium listings on their site and also through advertising on their digital properties. While listings and traffic on online classifieds marketplaces are primarily driven by the network effects where listing inventory and user traffic are mutually reinforcing, external factors such as internet penetration and the general market conditions of the relevant geographic markets will affect the number of listings. Early movers typically benefit from an established brand and from behavioral inertia once consumers start using the marketplace. Early movers thus have an inherent advantage over subsequent entrants. New entrants require significantly higher investments to gain the same traction with customers when compared with existing players. New entrants also have difficulty in achieving profitability before reaching sufficient scale. Marketplaces' two-sided network effects further reinforce leadership positions. A higher number and higher quality of listings draws more user traffic to the platform, leads to better choice for both sides of the market, higher satisfaction and thereby creates a virtuous flywheel resulting in yet more listings and user traffic.

According to Nielsen, the average time spent on devices (including mobile, computer and tablet) has increased by 39% from 2018 to early 2020 prior to COVID-19 amongst U.S. consumers. The pandemic has further accelerated the trend. The GlobalWebIndex *Coronavirus Multi-Market Study* demonstrated that 70% of mobile users, 47% of laptop users and 23% of tablet users spent more time with respective devices as a result of the pandemic. Increased time spent on devices generates a larger data source which enhances the platforms' data mining capabilities, enabling better matching between buyers and sellers as well as additional insights and therefore potential for new value-added revenue streams.

Our Classifieds businesses operate in 19 core classifieds markets and 12 transactional markets. We are growing revenue in local currency, excluding acquisitions and disposals, over 37% in each of FY 2019 and FY 2020 and 18% in

FY 2021, which resulted from a COVID-19-impacted decline of 3% in the first half of 2021 that improved to growth of 36% in the second half of 2021.

**Payments and Fintech**

Our online payment system operations seek to create an efficient, fast, secure and simple payment process for merchants and buyers. We operate across 20 markets in Asia, Central and Eastern Europe, Latin America, the Middle East and Africa, with an aggregate population of more than 2.5 billion people.

Growth market economies have the lowest rates of financial penetration globally, with an estimated 36% adults being unbanked in 2021 (based on top 10 countries ranked by 2020 real GDP growth for which unbanked data and GDP growth data are available from Merchant Machine and the International Monetary Fund respectively), or an even greater number if under-banked segments of the population are included, and over half of all economic transactions conducted in cash, according to the World Bank. Such demographic factors drive the demand for online payments and other innovative financial services offerings. In addition, governments hoping to enhance financial inclusion and accessibility tend to open the market to non-bank players.

Given the increasing growth of online businesses and cross-border commerce, online payments are becoming an integral part of the ecommerce ecosystem. As an online payments provider, we improve the ease of purchase for consumers and help merchants manage complexity, particularly relating to cross-border payment acceptance. Non-cash payment transactions have grown significantly in recent years, and we expect this growth to accelerate as electronic transactions increasingly displace cash and cheques. We expect the rapid expansion of ecommerce to be a major driver of continued growth in non-cash payment transactions. Furthermore, mobile phone ecommerce has the potential to increase the number of payment transactions as mobile phones are able to be used as payment devices. Efficient delivery systems and payment methods are critical to ecommerce in growth markets. Because consumers in growth markets may not have access to payment methods such as credit or debit cards, new payment systems must be developed or adapted to allow consumers to transact online.

According to McKinsey & Company's *Global Payments Report 2021,* 2020 global payments revenue was roughly U.S.$1.9 trillion, representing a 7% decrease compared to 2019 as a result of the COVID-19 pandemic. However, a sustained increase in digital penetration is likely to ensure revenue will "catch-up" with McKinsey expecting that global revenue will return to pre-COVID levels in 2021 and increase to U.S.$2.5 trillion by 2025. As overall competition in ecommerce continues to increase, providing a simple payment solution not only increases efficiencies for merchants, but also both improves the overall consumer experience and increases consumer loyalty.

As the payments industry develops, the benefits of scale and local market presence, as well as integration with merchants and financial institutions, become even more relevant. The benefits of scale manifest themselves in many ways, not only in order for operators to reach critical mass and cover fixed overheads but also with the ability to reinvest in technology to improve reliability, security and efficiency in a rapidly evolving industry. PSPs face an increasingly complex and demanding regulatory environment globally that requires providers to continue to invest in compliance and anti-money laundering functions. These functions benefit from scale of investment. Minimizing consumer fraud is a major challenge for both PSPs and merchants. PSPs are thus increasingly using machine learning, data mining and artificial intelligence, among other things, to reduce the risk of fraudulent transactions. An ongoing priority for payments businesses, especially in growth markets, is to continue to invest in integrating with merchants and financial institutions in order to entrench their currently more limited role in the financial ecosystem. Local market capabilities ensure a better understanding of local regulation and best practice, and are complementary to scale in enabling access to improved data and reconciliation.

The global payments industry is highly competitive. As online and offline commerce are increasingly converging, the pace of change, innovation and disruption is also increasing. Digital PSPs are expanding their offerings to include financial services (such as providing direct consumer loans), selling credit data to third parties and services that enable offline commerce through technology (through, for example, the use of quick response (QR) codes). Traditional financial service providers are increasingly expanding their digital payment offerings to complement their offline offerings (e.g., by offering "digital wallets" which offer consumers the ability to pay online and/or on mobile devices through a variety of payment methods).

In India, which is a key payments market for us, the shift to digital payments accelerated significantly after the Indian government announced a policy of demonetization in November 2016. As at 2017, 190 million people in India did not have a bank account and less than 10% of the Indian population used credit from the formal sector, according to the World Bank. The Indian digital payment market is expected to increase tenfold from 2017 to 2027. The Indian government's Digital India program, one of its flagship programs, aims to transform India into a digitally empowered society and knowledge economy. As part of that program, the Indian government is promoting cashless transactions and converting India into a "less-cash society" through various initiatives, including, recently, the Unified Payments Interface (UPI) and the Bharat Interface for Money (the Indian government's payments application). These initiatives, however, predominantly cater for the banked population, while, in India, a significant portion of the population remains unbanked. Digital payment transactions in India in 2020 represented 39% of all transactions and are expected to increase to 72% by 2025. According to World Economic Forum, India's number of internet users grew by 128 million (23%) between 2019 and 2020. Additionally, the data traffic in India grew by 36% year-on-year in 2020. However, access to credit in India still lags behind other developing countries, such as China. India's household debt is approximately 11% of its GDP, while China's household debt is approximately 54% of GDP, according to the International Monetary Fund. Such access to credit is expected to grow rapidly, with the digital lending market in India expected to grow from U.S.$110 billion in 2019 to over U.S.$350 billion in 2023, according to *India FinTech Sector* report and a Boston Consulting Group report, *Digital Lending: A $1 Trillion Opportunity Over the Next 5 Years*.

**Food Delivery**

Online food delivery has been growing rapidly as a proportion of the total food delivery market but also growing in terms of the overall size of the market. Operators have developed their business models to offer various combinations of own delivery services, marketplace models where food providers fulfill the delivery themselves, or even pick-up only orders managed through the operator's platform. The rapid growth has also fueled the increasing occurrence of "virtual" kitchens which exist solely to fulfill delivery-only orders. Despite lockdowns prohibiting food delivery in certain regions as a result of COVID-19, the sector has seen an acceleration of consumer adoption levels, falling customer acquisition costs and strong growth with businesses investing to support restaurants and delivery partners. In addition to accelerating consumer adoption, the impact of COVID-19 has resulted in restaurants also becoming much more forthcoming in their eagerness to partner with online food delivery platforms as an additional sales channel. However, there has been a concurrent increase in competition as growing consumer adoption has enabled the emergence of new niche food delivery platforms that, for example, only deliver a particular kind of cuisine. Within the food delivery segment, our businesses and investments operate in more than 64 markets reaching approximately 3.5 billion people, through the iFood, Delivery Hero, Swiggy, Wolt, Oda and Flink platforms.

According to Euromonitor, the online food total addressable market is expected to reach an estimated U.S.$330 billion by 2022 and increased levels of internet penetration are expected to drive the online food market and its share of the global food services market. In India, the online food delivery market was valued at U.S.$4.7 billion in 2020 and is estimated to grow to U.S.$9.5 billion by 2025, according to a Netscribes report, *Online Food Delivery Market in India 2021.* In order to address the supply gap in the Indian market and meet consumer demand, the major food delivery platforms in India, including Swiggy and Zomato, have been investing in "delivery-only kitchens". Additionally, key players have also been pivoting the business model beyond food delivery and looking for new hotspots of demand during the COVID-19 pandemic. For example, Swiggy launched Genie for local pick-up and drop-off services. The market is expected to further benefit from the COVID-19 pandemic in the long term, with restaurants demonstrating a greater propensity to be available for online delivery. Moreover, customers are placing higher-value orders, with GMV recovering to pre-COVID-19 levels faster than the number of orders.

A further long-term increase in online and mobile engagement has been a key driver in our investments in food delivery businesses' growth. Food delivery has migrated from a local telephone-based service to an ever more online and mobile offering. Increasing population migration to urban centers in many of our markets and changing overall customer lifestyles with a preference for convenience and growing disposable incomes present an additional upside to the markets in which we operate.

We believe our market exposure will help us benefit from the overall growth trends. In particular, average order-value statistics suggest that food delivery in growth markets enjoys better unit economics, as average order values are higher relative to wage costs against the United States or United Kingdom. Unit economics are additionally supported by the high population density in our markets, leading to shorter travel distances and lower delivery costs.

**Edtech**

Education is a large and growing sector that is being transformed by technology. The size and growth of the sector, combined with falling technology costs and rising education costs, provide great potential for innovation and disruption at scale. According to a report by HolonIQ, while education and training is a significant global industry, representing approximately 6% of global GDP, it is significantly under-digitized relative to other industries. Less than 4% of overall education and training expenditure is targeted towards tech and digital spending. However, given the growing digitalization of almost all global industry, and the impact of COVID-19, this proportion is expected to grow. *HolonIQ* estimates that from an estimated approximately U.S.$230 billion of spending in 2020, annual expenditure will reach more than U.S.$400 billion by 2025, growing at a CAGR of more than 12%. Despite the high levels of expected growth, this would still represent a small portion of the global spending on education leaving significant scope for further growth and expansion.

We were an early investor in the Edtech sector, with investments starting in 2016, and now have invested U.S.$3.5 billion in a portfolio of nine companies operating around the globe. Our portfolio companies are well positioned to capture the growth across a number of key verticals, K-12 education, workplace and lifelong learning. The corporate Edtech market is a specific area of focus, with enterprise education solutions becoming the future of workplace learning – enabling us to reach many Fortune 100 companies across our portfolio of investments (including Stack Overflow, Skillsoft, Udemy, Codeacademy and GoodHabitz).

Global COVID-19 response measures - requiring partially or totally virtual schooling for millions of students around the world - has also helped to drive the growth and performance of the sector. The instant shift of requiring all teaching, learning, communication and feedback to be digital provided exposure to a number of emerging technologies and their benefits even in a post-COVID-19 environment.

As education standards and approaches continue to evolve, along with societal understanding of the different challenges and needs of individuals, the level of personalization, accessibility and variation offered by Edtech will become increasingly attractive. Edtech allows providers of education to cater to individual differences while also ensuring the progress of the whole. The growing acceptance, and lowering prices of new technologies in the realm of education will provide a further driver for continued growth. As Virtual Reality / Augmented Reality (VR / AR) technology becomes an increasing part of daily life, it will also pose a great opportunity in the education sector.

**Trends in Our Key Regions**

We operate in several key growing markets including China, India, Russia, Central and Eastern Europe, Latin America, Southeast Asia, the Middle East and Africa. In each of these markets, we expect increasing internet penetration, driven by GDP growth, to drive ecommerce. According to the International Monetary Fund, China and India are expected to respectively have the world's largest and second largest economy on a purchasing power parity basis by 2030. China's and India's economies are forecast to grow to U.S.$64.2 trillion and U.S.$46.3 trillion, respectively, ahead of the United States at U.S.$31.0 trillion by 2030. Ecommerce composed 4.5% of total retail in the United States and 7.3% in the United Kingdom in 2010. In 2020, ecommerce comprised 13.6% and 27.9%, respectively, of total retail in those markets according to the U.S. Census Bureau and UK Office of National Statistics. Many of the countries in which we operate, especially in Central and Eastern Europe and India, currently exhibit low levels of ecommerce penetration, similar to those of the United States and United Kingdom in 2010, and could experience significant growth in the next decade. India, a key market for us, currently has an online advertising spend of U.S.$1 per capita, which is below developed market spend of U.S.$138 per capita. In India, we believe that the underlying market drivers represent significant growth potential. We believe that the differential between India and developed markets illustrates the ecommerce growth opportunity.

## ADDITIONAL INFORMATION

### Intellectual Property

We regard our proprietary products, brands, domain names, trade names, copyrights, trademarks, trade secrets, patents, confidential information, business data and similar intellectual property as important components of our businesses. We believe that we have taken appropriate available legal steps to protect our intellectual property. We have trademarks (registered and pending) in jurisdictions where we conduct, or may in the future conduct, business. Some of our major trademarks include Prosus, OLX, PayU and Stack Overflow. Many top-level and country specific internet domain name registrations have also been secured, both for protection of current business operations and for strategic or defensive purposes. We own, or have been assigned or licensed, the rights to several patents and patent applications in various jurisdictions relating to our proprietary technology. There are no patents or licenses; industrial, commercial or financial contracts; or new manufacturing processes that are material to the business or our profitability, taken as a whole. We do not undertake any research and development projects that are material to our business taken as a whole.

### Property, Plant and Equipment

*Real Property*

In the ordinary course of its business, we lease various office properties for business purposes.

There is a first ranking mortgage over the Warehouse for eMAG's Etail business's land and land lease rights in favor of certain lenders.

### Material Agreements

Other than the agreements referred to below and the share placing agreement discussed below, there are no agreements (other than agreements entered into in the ordinary course of business) that have been entered into by our company or any of its subsidiaries within the two years immediately preceding the date of this Base Prospectus which are material or which have been entered into by our company or any of our subsidiaries at any other time and which contain provisions under which we or any of our subsidiaries have an obligation or entitlement that is material to us as at the date of this Base Prospectus.

Other than in relation to our share-based incentives and Directors' interests in Shares, the Directors have no material beneficial interests, direct or indirect, in any transactions effected by our company: (i) during the current or immediately preceding fiscal year; or (ii) during an earlier fiscal year which remain, in any respect, outstanding or underperformed.

***eMAG Warehouse Contract***

On August 7, 2020, Dante International S.A., the owner of eMAG and in which we have a controlling interest, entered into an agreement for the construction of a new warehouse facility for eMAG in Bucharest, alongside an existing facility. Total expenditure under the contract is approximately U.S.$45 million. Construction of the warehouse facility was completed in September 2021.

***Share Placing Agreements***

On March 23, 2018, MIH TC Holdings Limited ("**MIH TC Holdings**"), a subsidiary of our company, entered into a share placing agreement with Citigroup Global Markets Limited, Merrill Lynch International and Morgan Stanley & Co. International plc (the "**2018 Placing Agents**") in relation to the sale of a number of shares in Tencent to purchasers procured by the 2018 Placing Agents (using their best efforts), as agent for MIH TC Holdings. In the share placing agreement, MIH TC Holdings and the 2018 Placing Agents made certain representations and warranties and gave certain undertakings that are customary for a transaction of that nature.

On April 8, 2021, MIH TC Holdings entered into a share placing agreement with Citigroup Global Markets Limited, Goldman Sachs International and Morgan Stanley & Co. International plc (the "**2021 Placing Agents**") in relation to the sale of a number of shares in Tencent to purchasers procured by the 2021 Placing Agents (using their best efforts), as agent for MIH TC Holdings. In the share placing agreement, MIH TC Holdings and the 2021 Placing Agents made certain representations and warranties and gave certain undertakings that are customary for a transaction of that nature.

### ***Cross-holding Arrangement***

A distribution agreement (the "**Cross-holding Agreement**") was entered into between Naspers and Prosus, and became effective following the closing of the Exchange Offer. The Cross-holding Agreement takes into account Prosus's indirect interest in itself from holding Naspers shares and deals with how distributions between the two groups will be managed. It eliminates the need for flows back and forth between the two groups as a result of the cross-shareholding, through a waiver by Prosus of its entitlement to distributions on the Naspers shares that it holds, and provides clarity to both Prosus and Naspers free float shareholders of their economic interest in distributions made by Prosus.

The Cross-holding Agreement relates to Prosus's 49.5% effective interest in Naspers and Naspers's 56.9% legal ownership of Prosus Ordinary Shares N. The principles of the Cross-holding Agreement are also incorporated in the Prosus articles of association, and the Cross-holding Agreement together with the Prosus articles of association form the cross-holding arrangements (the "**Cross-holding Arrangements**"). It does not govern and has no bearing on the voting rights attaching to the shares held by Naspers or Prosus shareholders.

The conclusion of the Exchange Offer and the Cross-holding Arrangements increases Prosus free float's economic interest in the Group to 58.9%.

### ***The Revolving Credit Facility***

#### *General*

On April 10, 2018, we entered into a five-year revolving credit facility with a group of lenders which provides, among other things, for up to U.S.$2.5 billion of borrowing availability in U.S. dollars, or the U.S. dollar equivalent of any other currency which is readily available and freely convertible into U.S. dollars and has been approved by the lenders. The Revolving Credit Facility is governed by English law. The Revolving Credit Facility had an initial maturity date of April 13, 2023; however, in March 2020, we exercised the second of two available extension options under the Revolving Credit Facility, pursuant to which all of the lenders under the facility agreed to extend the maturity date of their portion of the Revolving Credit Facility to April 14, 2025.

#### *Borrower and Guarantors*

The obligations of the Company, as Borrower under the Revolving Credit Facility, were previously guaranteed by Naspers. Effective April 2, 2020, the Company and the lenders under the Revolving Credit Facility agreed to amend the Revolving Credit Facility to remove Naspers as guarantor.

#### *Interest Rates and Fees*

The annual interest rate on borrowings under the Revolving Credit Facility is calculated based on EURIBOR for borrowings in Euro, or, in every other case, LIBOR, plus a margin of 1.25% per annum, plus certain mandatory costs. Interest on borrowings is payable on the last day of the borrowings' respective interest periods, or every six months for borrowings with an interest period exceeding six months. The borrower is also obligated to pay a commitment fee equal to 35% of the applicable margin per annum on the Lenders' undrawn commitments and a utilization fee ranging between 0.125% and 0.5% depending on the balance drawn under the Revolving Credit Facility. As part of a recent amendment to the Revolving Credit Facility, the Company agreed with Lenders to enter into negotiations in good faith with a view to agreeing the use of a replacement benchmark interest rate where applicable for LIBOR for borrowings in USD, no later than March 31, 2023.

#### *Financial Covenants*

Availability of amounts under the Revolving Credit Facility is subject to compliance with financial covenants. The covenants require that (the calculation of such metrics is as defined in the Revolving Credit Facility): at all times the ratio of Covenants Net Debt (as defined below) to Value (as defined below) may not exceed 20%. The definition of "Group" for purposes of financial covenant measurements under the Revolving Credit Facility refers to the Company and the holding companies of its listed investments.

**Value** is the sum of the market value of listed investments and the net asset value (i.e. consolidated book value) of unlisted investments. The value of unlisted investments counted towards the Value calculation will be capped at 20% of the combined value of listed and unlisted investments.

**Covenants Net Debt** is the debt less cash and cash equivalents of Prosus and holding companies that hold listed investments; excluding any debt related to non-recourse equity linked financing arrangements, i.e. debt which is ring-fenced in a separate legal entity which does not have any recourse beyond the listed equity instruments pledged in relation to the financing arrangement, or to the Company or any of the holding companies of its listed investments.

As of September 30, 2021, we were in compliance with the financial covenants under the Revolving Credit Facility. The Net Debt to Value ratio was not applicable at the latest measurement period ended September 30, 2021, as the Company was in a net cash position.

*Change of Control*

The commitments of the lenders under the Revolving Credit Facility may be cancelled and all outstanding loans, together with accrued interest and all other amounts accrued, may be declared immediately due and payable in case any person or group of persons acting in concert (other than Naspers Beleggings (RF) Limited and Keeromstraat 30 Beleggings (RF) Limited) gains control of the Company.

*Undertakings*

The Revolving Credit Facility contains, among others, customary affirmative and negative covenants. Subject in each case to certain customary exceptions and materiality thresholds, these negative covenants and restrictions include, among others, restrictions on: the granting of security, a substantial change of the general nature of the business of the Group taken as a whole, merger or demerger of us and certain acquisitions of business which are not complementary with or related to any of our businesses. The Revolving Credit Facility also contains, among others, the following affirmative covenants: mandatory periodic reporting of financial information, notice upon the occurrence of events of default and certain other events, compliance with laws and the maintenance of certain insurance coverage. The borrower and guarantors must also ensure that their payment obligations under the facilities at all times rank at least *pari passu* with all their other present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

*Events of Default*

The Revolving Credit Facility contains customary events of default, such as failure to make payment of amounts due, defaults under other agreements evidencing indebtedness, failure to meet the financial covenants, certain events having a material adverse effect on the ability of the obligors to perform their payment obligations, any material misrepresentation in the financial statements of the Borrower and the occurrence of certain bankruptcy events. The occurrence of an event of default could result in the acceleration of payment obligations under the facilities.

***The 2025 Notes***

Prosus issued the 5.500% senior notes due 2025 (the "**2025 Notes**") in an aggregate principal amount of U.S.$1.2 billion for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated July 21, 2015 (the "**2015 Fiscal and Paying Agency Agreement**"), among Prosus, as issuer; Naspers, as the parent guarantor; and Citibank, N.A., London Branch as Fiscal and Paying Agent and transfer agent. The 2025 Notes were issued at a price of 99.962%. Interest on the 2025 Notes is payable semi-annually on January 21 and July 21 of each year. The 2025 Notes will mature on July 21, 2025.

The 2015 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit our ability to incur liens and consolidate, merge or sell all or substantially all of our assets. These covenants are subject to certain exceptions and qualifications. The 2015 Fiscal and Paying Agency Agreement contains customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, occurrence of certain bankruptcy and insolvency events and failure to pay certain judgments. Generally, an event of default under the 2015 Fiscal and Paying Agency Agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2025 Notes to accelerate the amounts due under the 2025 Notes.

***The 2027 Notes***

Prosus issued the 4.850% senior notes due 2027 (the "**2027 Notes**") in an aggregate principal amount of U.S.$1.0 billion for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated July 6, 2017 (the "**2017 Fiscal and Paying Agency Agreement**"), among Prosus, as issuer; Naspers, as the parent guarantor; and Citibank, N.A., London Branch as Fiscal and Paying Agent and transfer agent. The 2027 Notes were issued at a price of 100%. Interest on the 2027 Notes is payable semi-annually on January 6 and July 6 of each year. The 2027 Notes will mature on July 6, 2027.

The 2017 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit our ability to incur liens and consolidate, merge or sell all or substantially all of our assets. These covenants are subject to certain exceptions and qualifications. The 2017 Fiscal and Paying Agency Agreement contains customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, occurrence of certain bankruptcy and insolvency events and failure to pay certain judgments. Generally, an event of default under the fiscal and paying agency agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2027 Notes to accelerate the amounts due under the 2027 Notes.

***The 2030 Notes***

Prosus issued the 3.680% senior notes due 2030 (the "**2030 Notes**") in an aggregate principal amount of U.S.$1.25 billion for the redemption of the U.S.$1.0 billion 6.000% Notes due 2020 and otherwise for general corporate purposes pursuant to the terms of the fiscal and paying agency agreement dated December 2, 2019 (the "**2019 Fiscal and Paying Agency Agreement**"), among Prosus, as issuer and Citibank, N.A., London Branch as Fiscal and Paying Agent, transfer agent and registrar. The 2030 Notes were issued at a price of 100%. Interest on the 2030 Notes is payable semi-annually on January 21 and July 21 of each year. The 2030 Notes will mature on January 21, 2030.

The 2019 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit our ability to incur liens and consolidate, merge or sell all or substantially all of our assets. These covenants are subject to certain exceptions and qualifications. The 2019 Fiscal and Paying Agency Agreement contains customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, occurrence of certain bankruptcy and insolvency events and failure to pay certain judgments. Generally, an event of default under the fiscal and paying agency agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2030 Notes (or notes of any other relevant series) to accelerate the amounts due under the 2030 Notes (or notes of such other relevant series).

***The 2051 Notes, 2050 Notes, 2033 Notes, 2032 Notes, 2031 Notes, 2029 Notes, and 2028 Notes***

On August 3, 2020, Prosus issued (i) the 4.027% senior notes due 2050 in an aggregate principal amount of U.S.$1.0 billion (the "**2050 Notes**"), (ii) the 1.539% senior notes due 2028 in an aggregate principal amount of €500 million (the "**2028 Notes**") and (iii) the 2.031% senior notes due 2032 in an aggregate principal amount of €500 million (the "**2032 Notes**"), in each case pursuant to the terms of a fiscal and paying agency agreement dated July 13, 2020 (the "**2020 Fiscal and Paying Agency Agreement**"), among Prosus, as issuer and Citibank, N.A., London Branch as Fiscal and Paying Agent and transfer agent.

On December 8, 2020, Prosus issued (i) the 3.832% senior notes due 2051 in an aggregate principal amount of U.S.$1.5 billion (the "**2051 Notes**"), (ii) additional 2028 Notes in an aggregate principal amount of €350 million (the "**Additional 2028 Notes**") and (iii) additional 2032 Notes in an aggregate principal amount of €250 million (the "**Additional 2032 Notes**"), in each case pursuant to the 2020 Fiscal and Paying Agency Agreement. The net proceeds from the offerings of the 2051 Notes, Additional 2028 Notes and Additional 2032 Notes are being used for general corporate purposes.

On July 13, 2021, Prosus issued (i) the 1.985% senior notes due 2033 in an aggregate principal amount of €850 million (the "**2033 Notes**"), (ii) the 3.061% senior notes due 2031 in an aggregate principal amount of U.S.$1.85 billion (the "**2031 Notes**") and (iii) the 1.288% senior notes due 2029 in an aggregate principal amount of €1 billion (the "**2029**

**Notes**"), in each case pursuant to the terms of a fiscal and paying agency agreement dated July 5, 2021 (the "**2021 Fiscal and Paying Agency Agreement**"), among Prosus, as issuer, and Citibank, N.A., London Branch as Fiscal and Paying Agent and transfer agent. The net proceeds from the offerings of the 2033 Notes, 2031 Notes and 2029 Notes are being used for general corporate purposes, including debt refinancing.

The 2051 Notes, 2050 Notes, 2033 Notes, 2032 Notes, 2031 Notes, 2029 Notes and 2028 Notes were each issued at a price of 100%. The Additional 2028 Notes were issued at a price of 102.381%. The Additional 2032 Notes were issued at a price of 103.020%. Interest on the 2051 Notes is payable semi-annually on February 8 and August 8 of each year. Interest on the 2050 Notes is payable semi-annually on February 3 and August 3 of each year. Interest on the 2028 Notes, 2032 Notes, Additional 2028 Notes and Additional 2032 Notes is payable annually on August 3 of each year. Interest on the 2033 Notes and 2029 Notes is payable annually on July 13 of each year. Interest on the 2031 Notes is payable semi-annually on January 13 and July 13 of each year. The 2051 Notes will mature on December 8, 2051, the 2050 Notes will mature on August 3, 2050, the 2033 Notes will mature on July 13, 2033, the 2031 Notes will mature on July 13, 2031, the 2029 Notes will mature on July 13, 2029, the 2028 Notes and Additional 2028 Notes will mature on August 3, 2028, and the 2032 Notes and Additional 2032 Notes will mature on August 3, 2032.

The 2021 Fiscal and Paying Agency Agreement and the 2020 Fiscal and Paying Agency Agreement include customary covenants that, among other things, limit our ability to incur liens and consolidate, merge or sell all or substantially all of our assets. These covenants are subject to certain exceptions and qualifications. The 2021 Fiscal and Paying Agency Agreement and the 2020 Fiscal and Paying Agency Agreement contain customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, occurrence of certain bankruptcy and insolvency events and failure to pay certain judgments. Generally, an event of default under the fiscal and paying agency agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding notes of any relevant series to accelerate the amounts due under the notes of such relevant series.

**Legal and Arbitration Proceedings**

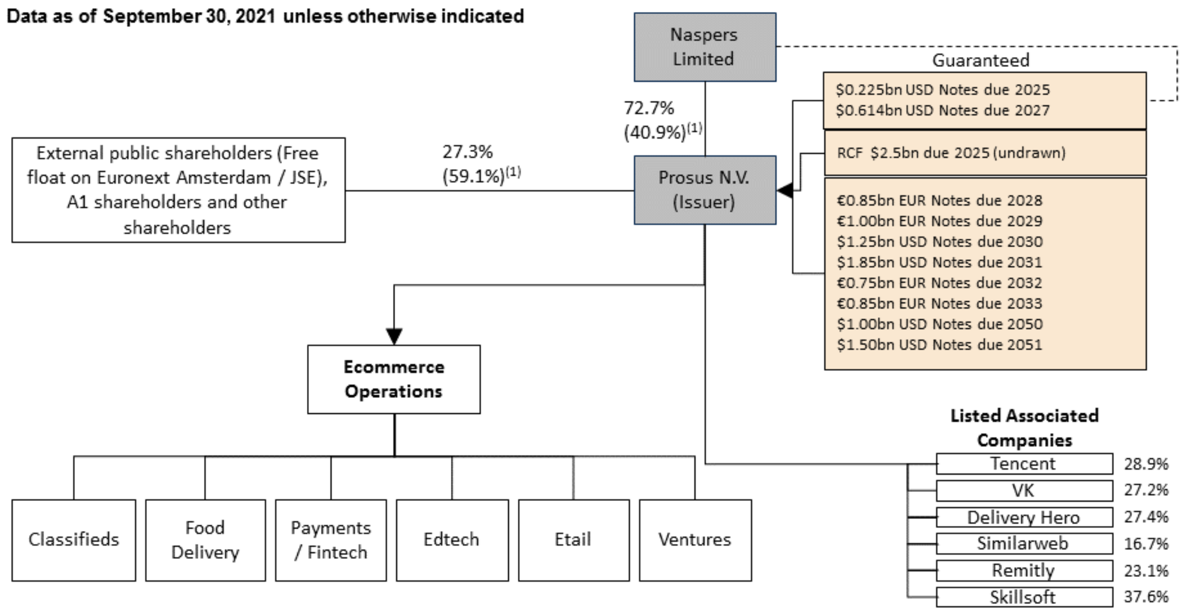
At any given time, we may be a party to litigation or be subject to non-litigated claims arising out of the normal operations of its business. As at the date of this Base Prospectus, we are involved in a number of proceedings and settlement negotiations, all of which are in the ordinary course of business and none of which are considered material in the context of our business, financial condition or results of operations.

Neither we nor any of our group companies are, or during the 12 months preceding the date of this Base Prospectus have been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) that may have, or have had in the recent past, significant effects on our and/or our group's financial position or profitability.

**Group Structure**

We are a holding company with no material, direct business operations. The principal assets of our company are the equity interests we directly hold in our subsidiaries, associated companies and joint ventures. As a result, we are dependent on dividends and other payments from our subsidiaries, associated companies and joint ventures to generate the funds necessary to meet our financial obligations, including the future payment of dividends, if any.

The diagram below depicts, in simplified form, the legal structure of our company and certain of our significant subsidiaries, associated companies and joint ventures as at the date of this Base Prospectus. Various intermediate holding companies have been omitted for presentation purposes.




(1) The percentages above take account of shares repurchased by Prosus under its current share buyback program. See "*Risk Factors—Our ability to invest in our businesses and execute our strategy could be adversely affected by a combination of currency, liquidity, interest rate and credit risks as well as the availability of and restrictions on the use of capital*" for more information. As of September 30, 2021, Naspers holds 56.9% of the Prosus Ordinary Shares N and 100% of the Prosus Ordinary Shares B, which on a combined basis represents 72.7% of the voting rights of Prosus. A Prosus Ordinary Share B has very limited economic rights (1/1,000,000th of a Prosus Ordinary Share N). As a result of the cross holding between Prosus and Naspers, which is governed by a Cross-holding Agreement, the economic interest attributable to Naspers and Prosus free float shareholders is as reflected in brackets in the diagram above.

***Principal Investments***

Our principal investments in the HY 2022, FY 2021, FY 2020 and FY 2019 are set out in "*Description of Prosus N.V.—Business—History—Selected Significant Corporate Events*". On August 31, 2021, the Group announced the acquisition of Billdesk by PayU. This transaction is subject to approval from Competition Commission of India. As at the date of this Base Prospectus, our Board has not made firm commitments for any other principal future investments.

***Tencent Structure Contracts***

Our investment in Tencent is subject to regulations enacted by the PRC which currently restrict foreign ownership of companies that provide value-added telecommunications services and other related services in China. See "*Risk Factors—Risks Relating to Our Businesses—Tencent's performance will have a material impact on our results of operations on an economic interest basis and our financial condition*".

As foreign-invested enterprises, Tencent's wholly foreign-owned enterprises (the "**WFOEs**") do not have licenses to provide internet content or information services and other value-added telecommunications services. Accordingly, Tencent conducts its value-added telecommunications businesses mainly through the Structure Contracts entered into with certain OpCos, which are licensed to provide internet information services and other value-added telecommunications services and operate those services. As a result of the Structure Contracts, Tencent is able to effectively control, and recognize and receive, substantially all the economic benefit of the business and operations of the OpCos. In summary, the Structure Contracts provide Tencent through the WFOEs with, among other things:

- the right to receive the cash received by the OpCos from their operations which is surplus to their requirements, having regard to their forecast working capital needs, capital expenditure and other short-term anticipated expenditure through various commercial arrangements;
- the right to ensure that the WFOEs own the valuable assets of the business through the assignment to the WFOEs of the principal present and future intellectual property rights of the OpCos without making any payment; and
- the right to control the management and financial and operating policies of the OpCos.

The Structure Contracts establish a cooperation committee (the "**Cooperation Committee**") for each of the OpCos to oversee its business and operations. The Cooperation Committees advise, supervise and effectively control the businesses of the OpCos. Through the Cooperation Committees, the WFOEs advise, supervise and effectively control the business of the OpCos. Under the Structure Contracts, the Cooperation Committees adopt internal governance mechanisms for payments, expenditure and expenditure-related contracts, which are required to be consistent throughout the Tencent group and can be amended only by the board of directors of Tencent, and any such amendment applies to all members of the Tencent group.

The Structure Contracts also effectively transfer from the OpCos to the WFOEs all of the cash that is surplus to the requirements of the OpCos, primarily in the form of fees paid for the WFOEs' provision of certain technology and information services to the OpCos under the Structure Contracts. The Cooperation Committee determines and adjusts periodically the fees to be paid by the OpCos to the WFOEs to ensure that all such surplus cash of the OpCos is transferred to the WFOEs.

These arrangements, taken as a whole, permit the results and financial condition of the OpCos to be consolidated with Tencent as if they were subsidiaries of Tencent and that the economic benefit of their businesses flow to Tencent and the WFOEs.

**Major Shareholders**

Following the implementation on August 16, 2021 of an exchange offer in which holders of Naspers N ordinary shares could exchange these shares for N Ordinary Shares, our share capital comprises A Ordinary Shares, B Ordinary Shares and N Ordinary Shares. The A Ordinary Shares comprise A1 Ordinary Shares and A2 Ordinary Shares. As of the date of this Base Prospectus, 49 shareholders (including Nasbel and Keerom) hold 4,456,650 A1 Ordinary Shares, Naspers holds all 1,128,507,756 issued B Ordinary Shares and there are 2,073,643,605 N Ordinary Shares in issue of which Naspers holds 1,180,250,012 N Ordinary Shares. Nasbel holds 49.15% of the A1 Ordinary Shares and Keerom holds 30.80% of the A1 Ordinary Shares. In addition to the above, Prosus and Naspers entered into the Cross-holding Agreement in terms of which Naspers limits its economic interest in Prosus and Prosus waives its rights to dividends declared by Naspers which were received as a result of the distribution by Prosus.

The A Ordinary Shares and B Ordinary Shares are not admitted to listing and trading on any stock exchange and carry one vote per share. However, if Naspers makes, or is obliged to make, a filing with the AFM that it ceases to be entitled to exercise at least 50% plus one vote of the total number of voting rights that may be exercised at a General Meeting, the A1 Ordinary Shares, carrying one vote per share, would automatically convert to A2 Ordinary Shares, carrying 1,000 votes per share (the "**Protection Structure**").Even if the Protection Structure became effective, we remain subject to corporate governance rules in the Netherlands and South Africa, including Book 2 of the Dutch Civil Code (the "**Dutch Corporate Governance Code**") and the King Report on Corporate Governance of South Africa (the "**South African King Code**").

**Related Party Transactions**

In the course of its ordinary business activities, our members regularly enter into agreements with other companies within the Naspers Group. These agreements mainly relate to the rendering of intra-group services, such as the provision of support services, in among others, the areas of artificial intelligence and machine learning, mobile, accounting, internal audit and risk, legal, mergers and acquisitions, company secretarial, data privacy, share scheme administration, human resources, tax, information technology, communications, software and treasury. We believe that all transactions with subsidiaries, associated companies and joint ventures are negotiated and executed on an arm's length basis and that the terms of these transactions are comparable to those contracted with unrelated third-party suppliers and service providers.

We participate in a number of transactions with other related parties, associated companies, joint ventures, Directors, members of Senior Management and shareholders. See note 17 of the 2021 Annual Consolidated Financial Statements (*Related Party Transactions and Balances*) and note 18 of the Interim Condensed Consolidated Financial Statements (*Related Party Transactions and Balances*). Certain of these transactions are described below and do not include those that are eliminated on consolidation or profits and losses eliminated through the application of the equity method.

***Senior Management Remuneration***

Management compensation must be disclosed as a related party transaction under IFRS-EU. Accordingly, this has been disclosed as a related party transaction in note 17 of the 2021 Annual Consolidated Financial Statements (*Related Party Transactions and Balances*).

***Share Schemes***

All executive Directors and other members of Senior Management participate in the Naspers Group's share incentive schemes and also receive other annual remuneration for their services. Other than as set out above and as discussed in the notes to our Interim Condensed Consolidated Financial Statements and Annual Consolidated Financial Statements, we have not entered into related party transactions during HY 2022, FY 2021, FY 2020 and FY 2019 and up to the date of this Base Prospectus.

**Directors and Senior Management**

***Director***s

The following table sets forth certain information concerning the Directors of the Issuer:

| Name | Committee(s) | Age | Term ends / expires | Position |
|---|---|---|---|---|
| Bekker, Jacobus Petrus (Koos) ......................... | (b), (c), (d*) | 68 | 2022 | Non-independent non-executive Chair |
| Van Dijk, Bob ................. | (d), (e), (f) | 49 | — | Chief Executive Officer and Executive Director |
| Sgourdos, Vasileios (Basil).......................... | (d), (e), (f) | 51 | — | Financial Director and Executive Director |
| Du Toit, Hendrik Jacobus. | (c) | 60 | 2024 | Independent non-executive Director and Lead Independent Director[g] |
| Enenstein, Craig Lawrence..................... | (b*), (c) | 53 | 2024 | Independent non-executive Director[g] |
| Girotra, Manisha.............. | (a) | 52 | 2023 | Independent non-executive Director[g] |
| Jafta, Rachel Catharina Cornelia....................... | (a), (c*), (d), (e), (f) | 61 | 2023 | Independent non-executive Director[g] |
| Kemna, Angelien Gertruda Zinnia............ | (a), (e) | 64 | 2024 | Independent non-executive Director[g] |
| Letele, Francis Lehlohonolo Napo (Nolo).......................... | (f) | 72 | 2024 | Independent non-executive Director[g] |
| Meyer, Debra................... | (f) | 54 | 2022 | Independent non-executive Director[g] |
| Oliveira de Lima, Roberto | (b), (c) | 70 | 2024 | Independent non-executive Director[g] |
| Pacak, Stephan Joseph Zbigniew (Steve) ......... | (a), (d), (e) | 66 | 2022 | Independent non-executive Director[g] |
| Sorour, Mark Remon ....... | (d) | 59 | 2023 | Non-independent non-executive Director |
| Stofberg, Jacobus Du Toit (Cobus)........................ | (f) | 71 | 2022 | Independent non-executive Director[g] |
| Van der Ross, Benedict James (Ben)................. | (f) | 74 | 2022 | Independent non-executive Director[g] |
| Xu, Ying.......................... | | 57 | 2023 | Independent non-executive Director[g] |

(a) Audit Committee (* indicates the chair of the committee)

(b) Human Resources and Remuneration Committee (* indicates the chair of the committee)

(c) Nomination Committee (* indicates the chair of the committee)

(d) Project Committee (* indicates the chair of the committee)

(e) Risk Committee (* indicates the chair of the committee)

(f) Naspers Social and Ethics Committee (* indicates the chair of the committee)

(g) The Director is an independent non-executive Director for the purposes of the Dutch Corporate Governance Code, as amended. As required, the Company assesses the independence of the non-executive Directors on an ongoing basis considering all the relevant facts (including whether or not the Protection Structure has been activated). Based on its assessment, the Company considers this non-executive Director to be independent for purposes of the Dutch Corporate Governance Code. A Director's independence for purposes of the Dutch Corporate Governance Code may not necessarily correspond with their independence for purposes of the South African King Code, which provides different criteria for determining independence.

**Biographies**

*Koos Bekker* is the non-executive Chair of the Board. He led the founding team of the M-Net/MultiChoice pay-television business in 1985. He was also a founder of MTN Group Limited, a South Africa-based multinational mobile telecommunications company. He headed the Group in its international and internet expansion until 1997, when he became Chief Executive Officer of Naspers. He retired as the Chief Executive Officer of Naspers on March 31, 2014. On April 17, 2015, he succeeded Ton Vosloo as Chair of the Naspers Board. He holds a BA (Hons) and honorary doctorate in commerce from Stellenbosch University, an LLB from the University of the Witwatersrand and an MBA from Columbia University, New York.

*Bob van Dijk* is our Chief Executive Officer and an executive Director. He was appointed as Chief Executive Officer of Naspers in April 2014. He joined the Group as Allegro Group Chief Executive Officer in August 2013 and was promoted to Chief Executive Officer Global Transactions Ecommerce in October 2013. He has over 15 years of general management experience in online growth businesses globally, spanning the online marketplaces, online classifieds and fashion segments. Prior to his general management career, he was a founder of an online financial derivatives marketplace. Bob was appointed to the board of Booking Holdings Inc. at the company's annual general meeting in June 2020. He started his career at McKinsey & Company, focusing on mergers and acquisitions, and media. He holds an MBA (Hons) from INSEAD and an MSc (cum laude) in econometrics from Erasmus University Rotterdam.

*Basil Sgourdos* is our Financial Director and an executive Director. He was appointed as the Financial Director of Naspers in July 2014. He worked for PricewaterhouseCoopers Inc. from 1989 to 1994. Thereafter he joined Naspers, initially as the finance manager of the South African operations division in MultiChoice and then as Chief Financial Officer of Naspers's investment in United Broadcasting Corporation plc, listed on the Stock Exchange of Thailand, where he remained for 10 years. He then spent two years in Amsterdam as the general manager of Video-Entertainment business development globally before being appointed as Financial Director of MIH Holdings Proprietary Limited ("**MIH Holdings**") in January 2009. He held this position until he became the Financial Director of Naspers. He is a qualified South African chartered accountant and holds a BCom from the University of the Witwatersrand and BAcc (Hons) from the University of South Africa.

*Hendrik du Toit* is a non-executive Director and our lead independent Director. He is Founder and Chief Executive Officer of Ninety One. He entered the asset management industry in 1988 and joined Investec in 1991, founding Investec Asset Management which rebranded to Ninety One in 2020. He assumed the role of joint chief executive officer of the Investec Group on October 1, 2018 until the demerger from Investec and listing of Ninety One on March 16, 2020. Hendrik is a World Benchmarking Alliance Ambassador and on the advisory board of the Impact Investing Institute. Previously, Hendrik served as a Non-Executive Director of the Industrial Development Corporation of South Africa. He has also served on the advisory boards of the Sustainable Development Solutions Network, the Expert Board of HM Treasury's Belt and Road Initiative, the UN Business and Human Security Initiative, and as Commissioner of the Business and Sustainable Development Commission, which authored the report "Better Business Better World" in 2017. Hendrik holds an MPhil in Economics and Politics of Development from Cambridge University, as well as an MCom in Economics from Stellenbosch University.

*Craig Enenstein* is a non-executive Director. He is also the Chief Executive Officer of Corridor Capital, LLC, an operationally intensive private equity firm focused on the lower middle market. Corridor Capital, LLC is based in Los Angeles and was founded by him in 2005. He holds directorate positions on the boards of the Wharton School of Business, Sure, an insurance technology company, and the Political Economy department of the University of California, Berkeley. He holds an MBA in Finance from the Wharton School of Business of the University of Pennsylvania, an MA in International Studies from the Lauder Institute: University of Pennsylvania and a BA from the University of California, Berkeley.

*Manisha Girotra* is a non-executive Director. She is the Chief Executive Officer of Moelis India. She has more than 25 years of investment banking experience, with cross-border mergers and acquisitions expertise across a broad range of industries. Prior to joining Moelis & Company, she was the Chief Executive Officer and Country Head of UBS AG in India managing its investment bank, commercial bank, markets, equity research and wealth management divisions. Previously, she was Head: North India of Barclays Bank PLC. She began her investment banking career at ANZ Grindlays in London. She serves on the boards of directors of Ashok Leyland Limited and Jio Payments Bank Limited. She holds a BA (Hons) in Economics from St. Stephen's College, India and a Masters in Economics from the Delhi School of Economics, India.

*Rachel Jafta* is a non-executive Director. She is a professor in economics at Stellenbosch University. She joined Naspers as a Director in 2003 and was appointed a director of Media24 in 2007. She is a member of the South African Economic Society, Chair of the Cape Town Carnival Trust and a member of the Management Committee of the Bureau for Economic Research at Stellenbosch University and a member of the International Advisory Board of Fondação Dom Cabral Business School, Brazil. She was appointed as the Chair of the Media24 board of directors in April 2013. She is the Chair of the Media24 nomination committee. She is also a director of Nasbel. She holds a MEcon and a PhD from the University of Stellenbosch.

*Angelien Kemna* was appointed as an independent non-executive Director of the Company on August 24, 2021. Angelien Kemna is an independent board member and chair of the audit committee of Friesland Campina; senior independent board member of AXA Investment Managers S.A. and independent director and member of the audit committee of AXA Group; and independent board member and chair of the risk committee of NIBC Holding. She was previously a member of the executive board of APG Group N.V. in the Netherlands, first as chief investment officer and then chief finance and risk officer. In addition, she was part-time professor in corporate governance at Erasmus University, Rotterdam. She holds an MSc in operations research and PhD in finance from Erasmus University. She was a visiting scholar at Sloan School MIT (Boston, USA).

*Nolo Letele* is a non-executive Director. He joined MNet in 1990 and pioneered MultiChoice's expansion outside South Africa. In 1995, he moved to the Republic of Ghana, where he served as West African regional general manager. In 1999, he was appointed Chief Executive Officer of MultiChoice South Africa Holdings Proprietary Limited ("**MultiChoice SA**"), and later served as the MultiChoice Group Chief Executive Officer until 2010, following which he served as executive and non-executive Chair of MultiChoice SA. He announced his resignation from the MultiChoice Group in November 2021. He has won several awards including Media Man of the Year in 2001 (Saturday Star—Business Report); Media Owner of the Year in 2003 (Financial Mail Adfocus); and the Lifetime Africa Achievement Prize for media development in Africa (Millennium Excellence Foundation). He holds a BSc (Hons) in electronic engineering from the University of Southampton.

*Debra Meyer* is a non-executive Director. She is a professor of biochemistry and Executive Dean of the Faculty of Science at the University of Johannesburg. She has completed modules in media strategy and academic leadership at Harvard University and the Gordon Institute of Business Science, University of Pretoria and makes regular contributions to several newspapers and magazines. She serves as a trustee or board member for several organizations. She is also a director of Nasbel. She holds a BSc in Biological Sciences, a BSc (Hons) and a MSc in biochemistry from the University of Johannesburg (then, the Rand Afrikaans University) and a PhD in biochemistry and molecular biology from the University of California, Davis (which she attended as a Fulbright Scholar).

*Roberto Oliveira de Lima* is a non-executive Director. He developed his career at companies like Accor S.A., Rhone Poulenc S.A. (now part of Sanofi S.A.) and Compagnie de Saint-Gobain S.A. in the information technology and finance areas. He was Chair and Chief Executive Officer of Credicard Group, Chief Executive Officer of Vivo S.A., the largest mobile telecommunications company in Brazil, Chair of Publicis Brazil and President of Natura S.A. ("**Natura**"). He was previously a board member of Edenred S.A. in France, Pão de Açúcar S.A. (Casino) and Natura in Brazil. He is a member of the board of directors of RNI Negócios Imobiliários S.A. and AES Tietê SA. In April 2019, he left the board of directors of Telefônica Brasil S.A. after 14 years with that company, having served six of those years as President and Chief Executive Officer and eight years as a board member as well as quality and services committee member. He holds a BA and MA in Business Management from Fundação Getúlio Vargas in Brazil and an MA from Institut Superieur des Affaires at Jouy en Josas—France.

*Steve Pacak* is a non-executive Director. He began his career with Naspers at M-Net in 1988 and has held various executive positions in the Naspers Group. He was appointed as an executive Director of Naspers in 1998 and a non-executive Director on the Naspers Board on January 15, 2015. He retired as Naspers's Financial Director on June 30, 2014, and remained on the Naspers Board as a non-executive Director. He is a qualified South African chartered accountant and holds a BAcc from the University of the Witwatersrand.

*Mark Sorour* is a non-executive Director. He joined the Naspers Group in 1994, leading business development and corporate finance, globally. Following assignments in Hong Kong and Amsterdam, he returned to Cape Town in 2002 as the Naspers Group's Chief Investment Officer, being responsible for all global investment activities. On March 31, 2018, he retired after more than 20 years with the Naspers Group. He remained on the Naspers Board as a non-executive Director. He is a qualified South African chartered accountant and holds a BCom and Dip Acc from the University of KwaZulu-Natal.

*Cobus Stofberg* is a non-executive Director. He was a member of the founding team of the M-Net/MultiChoice pay-television business in 1985. He served as Chief Executive Officer of the Group from 1997 to 2011, and has been instrumental in the expansion of the Naspers Group. Prior to joining M-Net, he was a partner of Coopers & Lybrand (now PricewaterhouseCoopers Inc.). He is a qualified South African chartered accountant and holds a BCom (Law) and LLB from Stellenbosch University and a BCompt (Hons) from the University of South Africa.

*Ben van der Ross* is a non-executive Director. He was Chair of Strategic Real Estate Management Proprietary Limited, the managers of the Emira Property Fund. He served on the boards of directors of, among others, Distell Limited, FirstRand Limited, Lewis Group Limited, Pick n Pay Holdings Limited and MMI Holdings Limited. He is also a director of Nasbel. He is an attorney of the High Court of South Africa and holds a Diploma in Law from the University of Cape Town.

*Ying Xu* was appointed as a non-executive Director of Prosus on August 18, 2020. With effect from June 26, 2020, she was also appointed as a non-executive Director of Naspers. She is currently the president of Wumei Technology Group ("**Wumei**", or "**Wumart**"), a technology-driven retailer in China. Engaged in the retail business since 2004, she has been leading Wumei's major acquisitions including that of Metro China and B&Q China, and the digital transformation of the traditional retail stores into online and offline omni-channels. Prior to joining Wumei Technology Group, she was vice president of LG (a joint venture) at Tianjin International Trust & Investment. She holds a BA degree in English from Tianjin University, China, and an M.B.A. from Meinders School of Business, Oklahoma City University, United States.

***Senior Management***

The executive Directors of the Board comprise our Senior Management together with the following non-statutory members:

| Name | Age | Position |
|---|---|---|
| Illg, Larry | 50 | Chief Executive Officer Online Food Delivery and Edtech |
| Kolek, Patrick (Pat) | 50 | Chief Operating Officer |
| Le Moal, Laurent | 50 | Chief Executive Officer Payments & Fintech |
| O'Toole, Aileen | 48 | Chief People Officer |
| Searle, Charles St Leger (Charles) | 57 | Chief Executive Officer Internet Listed Assets |
| Tschopp, Martin | 49 | Chief Executive Officer Ventures |
| Tu, Ervin | 45 | Group Chief of Investments, Strategy, and M&A |
| Tudor, David Glyndwr (David) | 56 | Group General Counsel |
| Voog, Romain | 50 | Chief Executive Officer Classifieds |

*Larry Illg* is the Chief Executive Officer of online Food Delivery and Edtech . Previously, he served as the CEO of Prosus Ventures, where he led investments in food delivery, education, healthcare and more, as well as the CEO of PayU, the payments and fintech division of Prosus. He joined Naspers in 2013 as the COO of eCommerce. Before Naspers, Larry served as Vice President and General Manager of New Ventures at Trulia, Inc. Prior to Trulia, Larry worked at eBay for eight years in varied roles within the classifieds organization including GM, North America and Emerging Markets, GM of Scandinavia, COO of Classifieds, and Sr. Director, Strategy and New Ventures for eBay, where he was an advisor to the President of eBay and senior executives managing eBay's e-commerce properties around the world. Prior to his work at eBay, Larry spent five years as a strategy consultant, working primarily with some of the largest CPG companies in the world: Nestle, Pepsi, Mattel, and Levi's. He started his professional career as an analyst at the Federal Reserve Board. He holds a Bachelor's degree in Economics and an MBA from the University of California, Berkeley.

*Pat Kolek* is the Chief Operating Officer of us and Naspers. He joined Naspers in 2014 as CFO Ecommerce and was appointed Chief Operating Officer of Naspers in July 2016. As Group COO, he is focused on aligning group strategy with company objectives, leading core business activities and strategic initiatives such as large acquisitions and divestitures. He has more than 20 years' experience in executing business growth and development strategies for hyper-growth organizations. Prior to Naspers, he spent 10 years at eBay, most recently as Vice President and Chief Financial Officer of eBay International and previously as the Chief Operating Officer of eBay Classifieds. He is a certified public accountant and holds a bachelor's degree in commerce from Santa Clara University.

*Laurent Le Moal* is the Chief Executive Officer of Payments & Fintech. He was appointed Chief Executive Officer of PayU in January 2016. He is responsible for global operations and brings extensive knowledge of digital payments and high-growth markets to PayU. He concluded an eleven-year career at PayPal as Vice President and General Manager for Continental Europe, where he successfully led the launch of PayPal in Africa, Israel, the Middle East and Russia. He started his career as a business analyst at McKinsey & Company, before founding TalentManager in 1999, a leading recruitment software provider and he spent three years growing the business, successfully selling the Italian operation. He holds an MBA from the London Business School and is a graduate of Bocconi University in Italy (CEMS Master, International management).

*Aileen O'Toole* is our Chief People Officer. She joined Naspers in May 2014. She has two decades of HR leadership experience in fast-growing consumer internet and hi-tech companies. Before joining Naspers, Aileen spent 10 years with eBay where she led HR for eBay Europe and Global Classifieds and also helped to grow and scale businesses in the fintech, eTail and online comparison-shopping sectors. Prior to eBay Aileen led HR for Europe at Jabil Global Services and also worked at the Telenor group. She holds a BA (Hons) in History and Politics, and an MBS in Strategic Management & Planning, both from the University College Dublin.

*Charles Searle* is the Chief Executive Officer Internet Listed Assets of us and Naspers. He joined the Naspers Group in 1998. He is responsible for the Group's listed internet assets, including Tencent Holdings Limited; a leading Chinese Internet company listed on the Hong Kong Stock Exchange, and VK; a leading Russian Internet company listed on the London Stock Exchange. He joined the Naspers group in 1998 in Hong Kong where he held the position of chief investment officer for the group's internet division. Prior to joining Naspers, Charles held senior corporate finance and M&A positions at Cable & Wireless, Hong Kong Telecom and Deloitte. Charles is a member of the Institute of Chartered Accountants in Australia and holds a BCom in accounting from the University of Cape Town.

*Martin Tschopp* is Chief Executive Officer Ventures. Prior to this role, as COO of Prosus Ventures/Naspers Ventures, Martin's primary areas of focus were ventures strategy, assessing investment targets, and supporting our portfolio companies with operating expertise. Prior to Naspers, Martin was CEO of Kiva.org, where he was responsible for bringing the organization to solid operational and financial footing in the years after start-up. Prior to Kiva, he spent many years leading ecommerce businesses in retail marketplaces, and horizontal & vertical classifieds space. Martin started his working life as a strategy consultant and founded his own private equity business early in his career. Martin holds an MSc. in Mechanical Engineering from the Swiss Federal Institute of Technology (ETH) and an MBA from INSEAD.

*Ervin Tu* joined the Senior Management team in the new role of Group Chief of Investments, Strategy, and M&A in August 2021. Prior to this role, Ervin was most recently a Managing Partner for the SoftBank Vision Fund. At the Vision Fund, he helped lead investments in Uber and Bytedance, among others, across technology sectors including transportation, logistics, delivery, next-gen media, and sustainability. Prior to that, Ervin co-led M&A and corporate finance for SoftBank Group International, and he was also a Managing Director in the technology banking group at

Goldman Sachs, where he focused on M&A. Ervin holds an AB in Economics from Dartmouth College and an MBA from the MIT Sloan School of Management.

*David Tudor* is the Group General Counsel of us and Naspers. David has advised the Naspers group of companies since 1996. Before joining the group full time, he was a partner in Mallinicks Attorneys (now Webber Wentzel) and worked in London at two leading international law firms. In 2008, David was appointed Naspers and MIH Group Senior Counsel. In this role, he led the legal teams for the group's M&A activities in Latin America, Central and Eastern Europe and Russia. David then became General Counsel of the Allegro Group and was subsequently promoted to the position of General Counsel: Global Transaction eCommerce at Naspers. In June 2015 he was appointed General Counsel, Naspers Group. He holds an LLM (with distinction) from the University of Edinburgh and an LLB and a BBusSc (Hons) from the University of Cape Town.

*Romain Voog* is the Chief Executive Officer Classifieds. Prior to joining OLX Group in 2021, Romain was Vice President for Worldwide Sales Operation and Geographies at Airbnb. His deep global consumer internet experience is bolstered by previous leadership roles including CEO for Global Fashion Group, and President of Amazon France. Voog started his career in consulting at Bain and then BCG, and holds an MSc from Ecole Centrale Paris.

The business address of the Directors and members of Senior Management is c/o Prosus N.V., Symphony Offices, Gustav Mahlerplein 5, 1082 MS Amsterdam, the Netherlands.

As of the date of this Base Prospectus, each Director is a member of the Naspers Board. Some of the Directors are also members of the boards of directors of Nasbel and Keerom, but do not represent the majority of members of those boards of directors. The Board does not expect that those circumstances, and that each Director is also a member of the Naspers Board, will cause any of the Directors to have a conflict with the duties they have towards us. However, the Board Charter includes arrangements to ensure that the Board will in each relevant situation handle and decide on any (potential) conflict of interest, also in this respect. A Director shall not participate in the deliberation and decision-making process if he or she has a conflict of interest. Other than these circumstances, we are not aware of any other circumstance that may lead to a (potential) conflict of interest between the private interests or other duties of Directors and private interests or other duties of Directors towards us.

*Conflicts of Interest*

As of the date of this Base Prospectus, other than the circumstances described above, we are not aware of any circumstance that may lead to a (potential) conflict of interest between the private interests or other duties of each of the Directors or members of the Senior Management on the one hand and the duties to us on the other hand.

**Powers of, and Action by, the Board**

The Board is our executive and supervisory body. It is entrusted with our management, supervises our general course of affairs and the business affiliated with us and is responsible for our continuity. The Board is accountable for these matters to the General Meeting.

The Board's responsibilities include, among other things, setting our management agenda, developing a view on long-term value creation by us, enhancing our performance, developing a strategy, identifying, analyzing and managing the risks associated with our strategy and activities and establishing and implementing internal procedures, which safeguard that all relevant information is known to the Board in a timely manner. The Board may perform all acts necessary or useful for achieving our corporate purposes, except for those expressly attributed to the General Meeting as a matter of Dutch law or pursuant to the Articles of Association. Pursuant to the Articles of Association, the Board may delegate duties and powers to individual Directors, the joint executive Directors and/or committees consisting of two or more Directors, whether or not assisted by staff officers. In fulfilling their responsibilities, the Directors must act in our interest and give specific attention to the relevant interests of our clients, employees, lenders, suppliers, shareholders and other stakeholders. The Board Charter furthermore provides that the Board focuses on long-term value creation for us.

Subject to certain statutory exceptions, the Board as a whole is authorized to represent us. Additionally, any executive Director, individually, is authorized to represent us. See "—*Conflicts of Interest*". Pursuant to the Articles of Association, the Board may grant one or more persons, whether or not employed by us, a power of attorney or other form of continuing authority to represent us or to grant one or more persons such titles as it sees fit.

Pursuant to the Articles of Association, Board resolutions are adopted by absolute majority of the votes cast. If there is a tie in voting, the proposal is rejected. Resolutions taken at a meeting of the Board shall only be valid if at least a majority of the Directors are present or represented at the meeting. However, the Board may designate types of resolutions which are subject to different requirements. These types of resolutions and the nature of the difference must be clearly specified and laid down in writing. A Director may only be represented by another Director, and only for a specific meeting.

For adoption of a resolution other than at a meeting, it is required that the proposal is submitted to all Directors, none of them have objected to the relevant manner of adopting resolutions, and a simple majority of the Directors, or a qualified majority of the Directors, have signed or otherwise approved the resolution.

Dutch law provides that resolutions of the Board involving major changes in our identity or character are subject to the approval of the General Meeting.

**Corporate Governance**

The Dutch Corporate Governance Code applies to us as we have our registered office in the Netherlands and our N Ordinary Shares are listed on Euronext Amsterdam. The Dutch Corporate Governance Code is based on a "comply or explain" principle. Accordingly, companies are required to disclose in their management report whether or not they are complying with the various best practice principles of the Dutch Corporate Governance Code that are addressed to the management board (*bestuur*) or, if applicable, the supervisory board (*raad van commissarissen*) of the company. If a company deviates from a best practice principle in the Dutch Corporate Governance Code, the reason for such deviation must be properly explained in its management report. As of the date of this Base Prospectus, we do not comply with best practice provisions 1.3.1, 1.3.2, 2.1.9, 5.1.3, 2.2.1, 2.2.2 and 4.1.3. Details of the Dutch Corporate Governance Code can be found at https://www.mccg.nl/dutch-corporate-governance-code (such website is not, and should not be deemed to, constitute a part of, or be incorporated into, this Base Prospectus).

**Board Charter**

Pursuant to the Articles of Association, the Board may adopt rules and regulations that allocate duties to one or more Directors and regulate any such subjects as the Board deems necessary or appropriate (the "**Board Charter**"). The Board Charter may describe the duties, tasks, composition, procedures and decision-making of the Board. As at the date of this Base Prospectus, the Board has adopted a Board Charter.

**Composition, Appointment, Dismissal and Suspension**

The Articles of Association provide that the Board comprises of at least two or more executive Directors and at least two non-executive Directors and not more than 20 Directors. The Board may, in its sole discretion, impose that in order to become or remain a Director or a prescribed officer, a person must be, and remain, independent from any competitor of ours and, in particular, other internet and technology companies as determined by the Board from time to time. This right of the Board does not create a quality requirement for the Directors as meant in Section 2:132, subsection 2 of the Dutch Civil Code (*Burgerlijk Wetboek*) (the "**Dutch Civil Code**").

The General Meeting appoints the Directors. A resolution of the General Meeting to appoint a Director, other than in accordance with a nomination by the Board, may only be adopted by an absolute majority of the votes cast by shareholders representing more than one-third of our issued capital.

The General Meeting may only vote on a resolution to appoint a Director that is listed as a candidate on the agenda of the meeting. If a candidate nominated by the Board is not appointed, the Board has the right to nominate a new candidate for appointment at the next General Meeting.

The Articles of Association provide that a Director may be suspended or, subject to the applicable laws and regulations, removed as a Director by the General Meeting at any time. In addition, a Director may be suspended by the Board at any time. A suspension may be extended one or more times, but may not last longer than three months in aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension shall end. A suspension can be ended by the General Meeting at any time.

A resolution of the General Meeting to suspend or dismiss a Director, other than on the proposal of the Board, may only be adopted by the General Meeting with an absolute majority of the votes cast, representing more than one-third of our issued capital.

**Term of Appointment**

The Articles of Association provide that each non-executive Director shall be appointed for a period of not more than three years. A Director's term of office shall lapse in accordance with the rotation schedule drawn up by the Board. A non-executive Director may be reappointed for additional periods of not more than three years. Our diversity policy, drawn up in accordance with the Board Charter, will be considered in the preparation of the nomination for appointment or reappointment.

The independence of non-executive Directors is assessed prior to their appointment to the Board and, thereafter, annually. We will align the rotation periods of our non-executive Directors with the rotation periods of the non-executive directors of Naspers.

**Board Committees**

While the whole Board remains accountable for our performance and affairs, it delegates to Board subcommittees and management certain functions to assist it to properly discharge its duties. Appropriate structures for those delegations are in place, accompanied by monitoring and reporting systems.

As at the date of the this Base Prospectus, the Board has constituted six committees from among the Directors to assist it to discharge its duties: an audit committee (the "**Audit Committee**"), a human resources and remuneration committee (the "**Human Resources and Remuneration Committee**"), a nomination committee (the "**Nomination Committee**"), a project committee (the "**Project Committee**"), a risk committee (the "**Risk Committee**") and a sustainability committee (the "**Sustainability Committee**").

*Audit Committee*

The members of this committee, chaired by  Steve Pacak, are all independent, non-executive Directors. Both the internal and external auditors have access to the Audit Committee, through its chair. The internal and external auditors may also report their findings to the committee with members of executive management not in attendance. Among others, the main responsibilities of the audit committee are to address all matters required to be dealt with by an audit committee in terms of the Dutch Corporate Governance Code, including reviewing the annual financial statements, integrated annual report, internal controls, risk management and legal issues.

*Human Resources and Remuneration Committee*

The committee, chaired by Craig Enenstein, comprises only non-executive directors, the majority of whom are independent. Executive directors and certain members of management attend meetings by invitation as appropriate. Among others, the main responsibilities of the committee are to determine our remuneration philosophy and to review and approve remuneration packages of executive directors, including incentive schemes and compensation increases.

*Nomination Committee*

The committee, chaired by Rachel Jafta, comprises only non-executive directors, the majority of whom are independent. Executive directors and certain members of management attend meetings by invitation. The main responsibilities of the nomination committee are to make recommendations to the Board on the appointment of new directors and review the effectiveness of corporate governance guidelines and the charter of the Board.

*Project Committee*

This committee, chaired by Koos Bekker, comprises one independent non-executive director, two non-executive directors, one being the chair of the Board, who also serves as the chair of this committee, and two of the executive directors. This committee acts on behalf of the Board in respect of the management of urgent matters when the Board is not in session, subject to statutory limits and the Board's limitations on delegation.

*Risk Committee*

The committee, chaired by Steve Pacak, comprises at least three independent non-executive directors, and our Chief Executive Officer and the Financial Director. Among others, the main responsibility of the risk committee is to assist the Board in its responsibilities regarding the governance of risk and opportunities through formal processes.

*Sustainability Committee*

This newly formed committee, chaired by Debra Meyer, comprises a majority of non-executive directors of Prosus, the majority of whom are independent. The main functions of this committee are: i) overseeing and reporting on business ethics and sustainability, taking into account best practice, specific requirements of regulators and environmental, social and governance reporting standards and frameworks; and ii) assisting the board to develop and supervise the implementation of a long-term value creation strategy, by bringing to the board's attention relevant sustainability matters, matters relating to business ethics and culture and whistle-blowing (including in both instances those matters recommended by the Dutch Corporate Governance Code) and other relevant stakeholder interests.

# TAXATION

## Tax Warning

Potential investors and sellers of Notes should be aware that they may be required to pay stamp taxes or other documentary taxes or fiscal duties or charges in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In addition, payments of interest on the Notes, or income derived from the Notes, may be subject to taxation, including withholding taxes, in the jurisdiction of the Issuer, in the jurisdiction of the holder of Notes, or in other jurisdictions in which the holder of Notes is required to pay taxes. Any such tax consequences may have an impact on the net income received from the Notes.

The discussion below is for general information purposes only and is not tax advice or a complete description of all tax consequences relating to the acquisition, holding and disposal of the Notes.

Prospective investors should carefully consider the tax consequences of investing in the Notes and consult their own tax adviser about their own tax situation. Finally, potential investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time, with or without retroactive effect. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

## Material Dutch Tax Consequences

The following is a general summary of certain material Dutch tax consequences of the acquisition, holding and disposal of the Notes. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, this general summary should be treated with corresponding caution.

This summary is based on the tax laws of the Netherlands, published regulations thereunder and published authoritative case law, all as in effect on the date of this Base Prospectus, and all of which are subject to change, possibly with retroactive effect. Where the summary refers to "*the Netherlands*" or "*Dutch*", it refers only to the part of the Kingdom of the Netherlands located in Europe. In addition, the summary is based on the assumption that the Notes issued by the Issuer do not qualify as equity of the Issuer for Dutch tax purposes.

Holders or prospective holders of Notes should consult their own tax advisors regarding the Dutch tax consequences relating to the acquisition, holding and disposal of the Notes in light of their particular circumstances.

### *Withholding tax*

*Holders of Notes (other than entities related to the Issuer)*

All payments of principal or interest made by the Issuer under the Notes to holders of Notes other than holders that are entities *related* to the Issuer (within the meaning of the Dutch Withholding Tax Act 2021; *Wet bronbelasting 2021*) (see below) may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

*Holder of Notes (entities related to the Issuer)*

Payments of principal or interest made by the Issuer under the Notes to holders of Notes that are entities *related* (*gelieerd*) to the Issuer (within the meaning of the Dutch Withholding Tax Act 2021) (see below) may become subject to Dutch withholding tax at a rate of 25% (rate for 2021), if such related entity:

(i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*) (a "Listed Jurisdiction");

(ii) has a permanent establishment located in a Listed Jurisdiction to which the interest payment is attributable;

(iii) is entitled to the interest payment for the main purpose or one of the main purposes of avoiding taxation for another person or entity and there is an artificial arrangement or transaction or a series of artificial arrangements or transactions;

(iv) is a hybrid entity (a hybrid mismatch); or

(v) is not resident in any jurisdiction,

all within the meaning of the Dutch Withholding Tax Act 2021.

*Listed Jurisdiction*

For the fiscal year 2021, the following 23 jurisdictions are Listed Jurisdictions: American Samoa, Anguilla, Bahamas, Bahrain, Barbados, Bermuda, the British Virgin Islands, the Cayman Islands, Fiji, Guam, Guernsey, Isle of Man, Jersey, Palau, Panama, Samoa, Seychelles, Trinidad and Tobago, Turkmenistan, Turks and Caicos Islands, Vanuatu, the United Arab Emirates and the U.S. Virgin Islands.

*Related entity*

For purposes of the Dutch Withholding Tax Act 2021, an entity is considered an entity related to the Issuer if:

(i) such entity has a Qualifying Interest (as defined below) in the Issuer;

(ii) the Issuer has a Qualifying Interest in such entity; or

(iii) a third party has a Qualifying Interest in both the Issuer and such entity.

The term "Qualifying Interest" means a directly or indirectly held interest – either individually or jointly as part of a collaborating group (*samenwerkende groep*) – that confers a definite influence over the entity's decisions and allows the holder of such interest to determine its activities (within the meaning of case law of the European Court of Justice on the right of freedom of establishment (*vrijheid van vestiging*)).

***Taxes on income and capital gains***

Please note that the summary in this section does not describe the Dutch tax consequences for:

(i) holders of Notes if such holders, and in the case of individuals, such holder's partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer under the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with such holder's partner (as defined in the Dutch Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5% or more of the company's annual profits or to 5% or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

(ii) pension funds, investment institutions (*fiscale beleggingsinstellingen*), exempt investment institutions (*vrijgestelde beleggingsinstellingen*) (as defined in the Dutch Corporate Income Tax Act 1969; *Wet op de vennootschapsbelasting 1969*) and other entities that are, in whole or in part, not subject to or exempt from Dutch corporate income tax; and

(iii) holders of Notes who are individuals for whom the Notes or any benefit derived from the Notes are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holders (as defined in the Dutch Income Tax Act 2001).

*Dutch Resident Entities*

Generally speaking, if the holder of Notes is an entity that is a resident or deemed to be resident in the Netherlands for Dutch corporate income tax purposes (a "**Dutch Resident Entity**"), any payment under the Notes or any gain or loss realized on the disposal or deemed disposal of the Notes is subject to Dutch corporate income tax at a rate of 15% with respect to taxable profits up to €245,000 and 25% with respect to taxable profits in excess of that amount (rates and brackets for 2021).

*Dutch Resident Individuals*

If the holder of Notes is an individual resident or deemed to be resident in the Netherlands for Dutch income tax purposes (a "**Dutch Resident Individual**"), any payment under the Notes or any gain or loss realized on the disposal or deemed disposal of the Notes is taxable at the progressive Dutch income tax rates (with a maximum of 49.5% in 2021), if:

(i) the Notes are attributable to an enterprise from which the holder of Notes derives a share of the profit, whether as an entrepreneur (*ondernemer*) or as a person who has a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise without being a shareholder (as defined in the Dutch Income Tax Act 2001); or

(ii) the holder of Notes is considered to perform activities with respect to the Notes that go beyond ordinary asset management (*normaal, actief vermogensbeheer*) or derives benefits from the Notes that are taxable as benefits from other activities (*resultaat uit overige werkzaamheden*).

If the above-mentioned conditions (i) and (ii) do not apply to the individual holder of Notes, such holder will be taxed annually on a deemed return (with a maximum of 5.69% in 2021) on the individual's net investment assets (*rendementsgrondslag*) for the year, insofar the individual's net investment assets for the year exceed a statutory threshold (*heffingvrij vermogen*). The deemed return on the individual's net investment assets for the year is taxed at a rate of 31%. Actual income, gains or losses in respect of the Notes are as such not subject to Dutch income tax.

The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on January 1 of the relevant calendar year. The Notes are included as investment assets. For the net investment assets on January 1, 2021, the deemed return ranges from 1.90% up to 5.69% (depending on the aggregate amount of the net investment assets of the holder of Notes on January 1, 2021). The deemed return will be adjusted annually on the basis of historic market yields.

*Non-residents of the Netherlands*

A holder of Notes that is neither a Dutch Resident Entity nor a Dutch Resident Individual will not be subject to Dutch taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain or loss realized on the disposal or deemed disposal of the Notes, provided that:

(i) such holder does not have an interest in an enterprise or deemed enterprise (as defined in the Dutch Income Tax Act 2001 and the Dutch Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are attributable; and

(ii) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Notes that go beyond ordinary asset management and does not derive benefits from the Notes that are taxable as benefits from other activities in the Netherlands.

***Gift and inheritance taxes***

*Residents of the Netherlands*

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of Notes by way of a gift by, or on the death of, a holder of such Notes who is resident or deemed resident in the Netherlands at the time of the gift or the holder's death.

*Non-residents of the Netherlands*

No gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Notes by way of gift by, or on the death of, a holder of Notes who is neither resident nor deemed to be resident in the Netherlands, unless:

(i) in the case of a gift of a Note by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands;

(ii) in the case of a gift of a Note made under a condition precedent, the holder of the Notes is resident or is deemed to be resident of the Netherlands at the time the condition is fulfilled; or

(ii) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

For purposes of Dutch gift and inheritance taxes, among others, a person that holds the Dutch nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten years preceding the date of the gift or such person's death. Additionally, for purposes of Dutch gift tax, amongst others, a person not holding the Dutch nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

***Value added tax (VAT)***

No Dutch VAT will be payable by a holder of Notes on (i) any payment in consideration for the issue of the Notes, or (ii) the payment of interest or principal by the Issuer under the Notes.

***Other taxes and duties***

No Dutch registration tax, stamp duty or any other similar documentary tax or duty will be payable by a holder of Notes in respect of (i) the issue of the Notes, or (ii) the payment of interest or principal by the Issuer under the Notes.

## SUBSCRIPTION AND SALE

The Notes will be offered for sale by the Issuer to or through Citigroup Global Markets Europe AG pursuant to a distribution agreement entered into on July 5, 2021 (as supplemented, amended and/or restated from time to time, including by means of purchase agreement(s) relating to the relevant series of Notes offered, the "**Distribution Agreement**"). One or more Dealers may purchase Notes, as principal or agent, from the Issuer from time to time for resale to investors and other purchasers at varying prices relating to prevailing market prices at the time of resale as determined by any Dealer, or, if so specified in the relevant Pricing Supplement or Drawdown Prospectus, for resale at a fixed offering price. If the Issuer and a Dealer agree, a Dealer may also utilize its reasonable efforts on an agency basis to solicit offers to purchase the Notes.

Unless otherwise specified in the relevant Pricing Supplement or Drawdown Prospectus, any Notes sold to one or more Dealers as principal will be purchased by such Dealers at a price equal to 100.00% of the principal amount thereof less a percentage of the principal amount equal to a commission as agreed upon by the Issuer and the relevant Dealers. Notwithstanding this, a Dealer may sell Notes it has purchased from the Issuer as principal to certain dealers less a concession equal to all or any portion of the discount received in connection with such purchase. Such Dealer may allow, and such dealers may re-allow, a discount to certain other dealers. After the initial offering of Notes, the offering price (in the case of Notes to be resold at a fixed offering price), the concession and the reallowance may be changed.

The Issuer may withdraw, cancel or modify the offering contemplated hereby without notice and may reject offers to purchase Notes in whole or in part. Each Dealer shall have the right, in its discretion reasonably exercised, without notice to the Issuer, to reject in whole or in part any offer to purchase Notes received by it on an agency basis.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or any person acting on behalf of any Stabilizing Manager(s)) in the relevant Pricing Supplement or Drawdown Prospectus may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or any person acting on behalf of any Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or any person acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws, regulations and rules.

The Stabilizing Manager(s) may purchase and sell Notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Stabilizing Manager(s) of a greater number of Notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Notes while the offering is in progress.

The Stabilizing Manager(s) may also impose a penalty bid. This occurs when a particular Stabilizing Manager repays to the Dealers a portion of the underwriting discount received by it because the Stabilizing Manager or its affiliates have repurchased Notes sold by or for the account of such Stabilizing Manager in stabilizing or short-covering transactions.

Neither the Issuer nor any of the Dealers makes any representation or prediction as to the direction or magnitude of any effect that the transactions described in the immediately preceding paragraph may have on the price of Notes. In addition, neither the Issuer nor the Dealers makes any representation that the Dealers will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

The Issuer has agreed to indemnify the Dealers against certain liabilities (including liabilities under the Securities Act) or to contribute to payments the Dealers may be required to make in respect thereof. The Issuer has also agreed to reimburse the Dealers for certain other expenses.

The Dealers and their affiliates have performed certain investment and commercial banking or financial advisory services for us and our affiliates from time to time for which they have received customary fees and commissions, and they expect to provide these services to us and our affiliates in the future, for which they expect to receive customary fees and commissions. In addition, affiliates of certain of the Dealers are lenders under certain of our credit facilities, including the Revolving Credit Facility.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes issued under the Program. Any such short positions could adversely affect future trading prices of the Notes issued under the Program. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

No action has been or will be taken in any jurisdiction by the Issuer or any Dealers that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Base Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Base Prospectus comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Base Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

The Notes have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of, the Securities Act.

Each Dealer has agreed that, except as permitted by the Distribution Agreement, it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date (the "**distribution compliance period**") within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells Notes (other than a sale pursuant to Rule 144A) during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons substantially to the following effect:

"The Notes covered hereby have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S or Rule 144A under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

**Selling Restrictions**

***Prohibition of Sales to EEA Retail Investors***

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes that are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Pricing Supplement or Drawdown Prospectus in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investors as defined in the Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes

***United Kingdom***

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Drawdown Prospectus or Pricing Supplement, as the case may be, in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression retail investor means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

In addition, each Dealer has further represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

- *Financial promotion:* it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorized person, apply to the Issuer; and
- *General compliance:* it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

***Australia***

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Australian Corporations Act**")) in relation to the Program or any Notes has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission ("**ASIC**") or any other regulatory authority in Australia. Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that, unless the applicable Pricing Supplement or Drawdown Prospectus (or any other supplement to this Base Prospectus) otherwise provides, it:

a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

b) has not distributed or published, and will not distribute or publish, any information memorandum, prospectus or any other offering material or advertisement relating to the Program or any Notes in Australia,

unless:

(i) the aggregate consideration payable by each offeree or invitee is at least A$500,000 (or its equivalent in an alternative currency, and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act and, in all cases, complies with the terms of any authority granted under the Banking Act 1959 of the Commonwealth of Australia;

(ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Australian Corporations Act;

(iii) such action complies with all applicable laws, regulations and directives in Australia (including, without limitation, the financial services licensing requirements of Chapter 7 of the Australian Corporations Act); and

(iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

***The People's Republic of China***

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that the Notes may not be offered or sold directly or indirectly within the People's Republic of China (the "**PRC**"). This Base Prospectus, the offering material or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This Base Prospectus, the offering material, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC.

The Notes may only be invested in by PRC investors that are authorized to engage in the investment in the Notes of the type being offered or sold. PRC investors themselves are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant governmental approvals, verifications, licenses or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the People's Bank of China, the China Securities Regulatory Commission, the China Banking and Insurance Regulatory Commission, the State Administration of Foreign Exchange and/or other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant PRC foreign exchange regulations and/or overseas investment regulations.

***France***

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the applicable Pricing Supplement or Drawdown Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) or qualified investors (*investisseurs qualifiés*) other than individuals acting for their own account, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

***Hong Kong***

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, The Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding

Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), that is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance and any rules made thereunder.

***Malaysia***

Each Dealer has acknowledged that no lodgment of the relevant documents with the Securities Commission Malaysia ("**SC**") has been or will be made and no approval from the SC under the Capital Markets and Services Act 2007 of Malaysia ("**CMSA**") has been or will be obtained and this Base Prospectus has not been nor will it be registered with the SC as a prospectus under the CMSA for the offering or issuance of the Notes on the basis that the Notes will be offered or sold exclusively to persons outside Malaysia. Accordingly, each Dealer has represented and warranted and agrees that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase nor will it offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed, nor will it circulate or distribute, either this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Malaysia.

***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

***Singapore***

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A, Chapter 289 of the Securities and Futures Act (the "**SFA**")), (ii) to a relevant person (as defined under Section 275(2) of the SFA), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, then

"securities" (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferrable for six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor under Section 274 of the SFA or to a relevant person, or (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law.

*Singapore Securities and Futures Act Product Classification*—Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

***South Korea***

Each Dealer has, severally, but not jointly, represented, warranted and agreed that it has not and will not, directly or indirectly, offer, sell or deliver any Notes in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined in the FETL), or to others for reoffering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined in the FETL), except as otherwise permitted by applicable Korean laws and regulations, including the Financial Investment Services and Capital Markets Act and the FETL and the decrees and regulations thereunder. The Notes have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the Notes may not be re-sold to Korean residents unless the purchaser of the Notes complies with all applicable regulatory requirements (including but not limited to government approval requirements under the FETL and its subordinate decrees and regulations) in connection with their purchase. The aggregate number of Notes offered in Korea or to a resident in Korea, shall in each case be less than 50. By purchasing the Notes, each noteholder will be deemed to represent, warrant and agree that for a period of one year from the Issue Date thereof, the Notes, may not be sub-divided or re-denominated so as to result in increasing the aggregate number of Notes to 50 or more.

***Switzerland***

This Base Prospectus, as well as any other material relating to the Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Pricing Supplement or Drawdown Prospectus, do not constitute an issue prospectus pursuant to Articles 652a and/or 1156 of the Swiss Code of Obligations. The Notes will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the Notes, including, but not limited to, this Base Prospectus, do not claim to comply with the disclosure standards of the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The Notes are being offered in Switzerland by way of a private placement, *i.e.*, to a small number of selected investors only, without any public offer and only to investors who do not purchase the Notes with the intention to distribute them to the public. The investors will be individually approached by us from time to time. This Base Prospectus as well as any other material relating to the Notes does not constitute an offer to any other person. This Base Prospectus may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (the "**FinSA**") and no application has been or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus, nor any other material relating to the Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Pricing Supplement or Drawdown Prospectus, constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

***Taiwan***

The Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of the ROC and/or other regulatory authority of the ROC pursuant to relevant securities laws and regulations and may not be sold, issued or offered within the ROC through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of the ROC or relevant laws and regulations that requires a registration, filing or approval of the Financial Supervisory Commission of the ROC and/or other regulatory authority of the ROC. No person or entity in the ROC has been authorized to offer or sell the Notes in the ROC.

***United Arab Emirates (including the Dubai International Financial Centre)***

The Notes have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this Base Prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This Base Prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

This Base Prospectus relates to an "Exempt Offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "**DFSA**"). This Base Prospectus is intended for distribution only to persons of a type specified in those Rules. It must not be delivered to, or relied on, by any other person. The DFSA has no responsibility for reviewing prospectus nor taken steps to verify the information set out in it, and has no responsibility for it. The Notes to which this Base Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Notes offered should conduct their own due diligence on the Notes. If you do not understand the contents of this Base Prospectus you should consult an authorized financial adviser.

***General***

None of the Issuer, the Fiscal and Paying Agent and the Dealers represent that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche of Notes, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree.

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

No action has been or will be taken in any jurisdiction that would, or is intended to, permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any set of Pricing Supplement or Drawdown Prospectus, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any set of Pricing Supplement or Drawdown Prospectus, and neither the Issuer nor any other Dealer shall have responsibility therefor.

## GLOSSARY

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of certain of the defined terms used in this Base Prospectus.

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| **HY 2021**.................................... | the six-month period commencing on April 1, 2020, and ending on September 30, 2020 |
| **HY 2022**.................................... | the six-month period commencing on April 1, 2021, and ending on September 30, 2021 |
| **2015 Fiscal and Paying Agency Agreement**............................ | the fiscal and paying agency agreement dated July 21, 2015, among Prosus, as issuer, Naspers as the parent guarantor and Citibank, N.A., London Branch as Fiscal and Paying Agent and transfer agent |
| **2017 Fiscal and Paying Agency Agreement**............................ | the fiscal and paying agency agreement dated July 6, 2017, among Prosus, as issuer, Naspers as the parent guarantor and Citibank, N.A., London Branch as Fiscal and Paying Agent and transfer agent |
| **2018 Foreign Investment Negative List** ....................................... | the Special Management Measures (Negative List) for the Access of Foreign Investment (2018) of the People's Republic of China |
| **2020 Fiscal and Paying Agency Agreement**............................. | the fiscal and paying agency agreement dated July 13, 2020, among Prosus, as issuer and Citibank, N.A., London Branch as Fiscal and Paying Agent and transfer agent |
| **2019 Fiscal and Paying Agency Agreement**............................ | the fiscal and paying agency agreement dated December 2, 2019, among Prosus, as issuer, and Citibank, N.A., London Branch as Fiscal and Paying Agent, transfer agent and registrar |
| **2021 Fiscal and Paying Agency Agreement**............................. | the fiscal and paying agency agreement dated July 5, 2021, among Prosus, as issuer, and Citibank, N.A., London Branch as Fiscal and Paying Agent and transfer agent |
| **2020 Annual Consolidated Financial Statements**............................ | the Company's audited annual consolidated financial statements as of, and for the year ended, March 31, 2020 and the related notes thereto |
| **2021 Annual Consolidated Financial Statements**............................ | the Company's audited annual consolidated financial statements as of, and for the year ended, March 31, 2021 and the related notes thereto |
| **2025 Notes** ................................ | the 5.500% fully and unconditionally guaranteed notes issued by the Company in an aggregate principal amount of U.S.$1.2 billion, due July 21, 2025 |
| **2027 Notes** ................................ | the 4.850% fully and unconditionally guaranteed notes issued by the Company in an aggregate principal amount of U.S.$1.0 billion, due July 6, 2027 |

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| **2028 Notes** ................................. | the 1.539% notes issued by the Company in an aggregate principal amount of €850 million, due August 3, 2028, €500 million of which were issued on August 3, 2020, and €350 of which were issued on December 8, 2020 |
| **2029 Notes**.................................... | the 1.288% senior notes issued by the Company in an aggregate principal amount of €1 billion, due July 13, 2029 |
| **2030 Notes** ................................. | the 3.680% notes issued by the Company in an aggregate principal amount of U.S.$1.25 billion, due January 21, 2030 |
| **2031 Notes**.................................... | the 3.061% senior notes issued by the Company in an aggregate principal amount of U.S.$1.85 billion, due July 13, 2031 |
| **2032 Notes** ................................. | the 2.031% notes issued by the Company in an aggregate principal amount of €750 million, due August 3, 2032, €500 million of which were issued on August 3, 2020, and €250 of which were issued on December 8, 2020 |
| **2033 Notes** | the 1.985% senior notes issued by the Company in an aggregate principal amount of €850 million, due July 13, 2033 |
| **2050 Notes** ................................. | the 4.027% notes issued by the Company in an aggregate principal amount of U.S.$1.0 billion, due August 3, 2050 |
| **2051 Notes** ................................. | the 3.832% notes issued by the Company in an aggregate principal amount of U.S.$1.5 billion, due December 8, 2051 |
| **A Ordinary Shares**..................... | A1 Ordinary Shares and A2 Ordinary Shares |
| **A Share Distribution** .................. | the distribution by Naspers of A Ordinary Shares to Naspers A Shareholders through a *pro rata* distribution in kind for no consideration, in terms of Section 46 of the South African Companies Act |
| **A1 Ordinary Shares**.................. | A1 ordinary shares in the authorized share capital of the Company with a nominal value of €0.05 each, carrying one vote per share, convertible to A2 Ordinary Shares upon Naspers making, or being obliged to make, a filing with the AFM that it ceases to be entitled to exercise at least 50% plus one vote out of the total number of voting rights that may be exercised at a General Meeting |
| **A2 Ordinary Shares**.................. | A2 ordinary shares in the authorized share capital of the Company with a nominal value of €50 each, carrying 1,000 votes per share, convertible to A1 Ordinary Shares upon Naspers making, or being obliged to make, a filing with the AFM that it holds at least 50% plus one vote of the total number of voting rights that may be exercised at a General Meeting |
| **A2X**............................................ | A2X Markets, a South African stock exchange |
| **Additional 2028 Notes** ................ | the additional 2028 Notes in aggregate principal amount of €350 million issued by the Company on December 8, 2020 |
| **Additional 2032 Notes** ................ | the additional 2032 Notes in aggregate principal amount of €250 million issued by the Company on December 8, 2020 |
| **Adevinta** .................................... | Adevinta ASA, a company incorporated under the laws of Norway with registration number: 921 796226 |
| **Adyen** ........................................ | Adyen N.V. |

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| **AFM** | the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) |
| **AI** | Artificial intelligence |
| **AIA** | AI Act |
| **Alibaba** | Alibaba Group Holding Limited, a company incorporated under the laws of the Cayman Islands with registration number: 90722 |
| **Annual Consolidated Financial Statements** | the consolidated financial statements of the Group as of, and for the years ended March 31, 2021 and March 31, 2020 and the related notes thereto |
| **APMs** | alternative performance measures |
| **Articles of Association** | the articles of association of the Company, as amended from time to time |
| **AutoTrader South Africa** | The Car Trader Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 2013/115404/07 |
| **Avito** | Avito AB, a company incorporated under the laws of the Kingdom of Sweden with registration number: 556930-0485 |
| **B Ordinary Shares** | B ordinary shares in the authorized share capital of the Company with a nominal value of €0.05 each, carrying one vote per share and having economic rights equal to $1/1,000,000^{th}$ of a N Ordinary Share of the Company. The B Ordinary Shares can only be held by Naspers Limited and will automatically convert to N Ordinary Shares of the Company in the ratio of one N Ordinary Shares for every 1,000,000 B Ordinary Shares upon transfer to another party. |
| **Baidu** | Baidu, Inc. |
| **Benchmark Regulation** | Benchmarks for the purposes of Regulation (EU) 2016/1011 |
| **BillDesk** | Indiaideas.com Limited a company incorporated under the laws of India with company registration number U72300MH2000PLC125441 |
| **Board** | the management board (*bestuur*) of the Company |
| **Board Charter** | the rules and regulations, allocating duties to one or more Directors and regulating any such subjects as the Board deems necessary and appropriate, as adopted by the Board |
| **Brainly** | Brainly, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5611196 |
| **BYJU'S** | Think & Learn Private Limited, a company incorporated under the laws of India with registration number: U80903KA2011PTC061427 |
| **CAGR** | compound annual growth rate |
| **Calculation Amount** | If the Notes are issued with only one Specified Denomination, the Calculation Amount shall be the Specified Denomination. If the Notes are issued with more than one Specified Denomination, the highest common factor of such Specified Denominations shall be the Calculation Amount. The Calculation Amount shall be specified in the applicable Drawdown Prospectus or Pricing Supplement. |

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| **Carousell** .................................... | Carousell Pte. Ltd., a company incorporated under the laws of Singapore with registration number: 201300296D |
| **CCMCs**....................................... | Communist Chinese Military Companies |
| **CFIUS**......................................... | the Committee on Foreign Investment in the United States |
| **Churchill** .................................... | Churchill Capital Corp II |
| **Citrus Pay**................................... | Citrus Payment Solutions Private Limited, a company incorporated under the laws of India with registration number: U74900MH2011PTC216800, which was merged with PayU Payments Private Limited, a company incorporated under the laws of India with registration number: U72400MH2006PTC293037 |
| **Clearing Systems**........................ | Euroclear, DTC and Clearstream, Luxembourg |
| **Clearstream, Luxembourg**......... | Clearstream Banking, S.A. |
| **CMICs**........................................ | Non-SDN Chinese Military-Industrial Complex Companies |
| **COBs** .......................................... | Conduct of Business Sourcebook |
| **Codecademy** ............................... | Ryzac, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 4989457 |
| **CODM**........................................ | Chief operating decision maker |
| **Company** .................................... | Prosus N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands with trade register number: 34099856 |
| **Conditions** ................................. | Terms and conditions of the Notes |
| **CRA Regulation** ......................... | Regulation (EU) No 1060/2009, as amended |
| **Cross-holding Agreement** .......... | A distribution agreement between Naspers and Prosus |
| **Delivery Hero** ............................. | Delivery Hero SE, a company incorporated with the laws of the European Union and registered with commercial register (*Handelsregister*) of the local court (*Amstgericht*) of Berlin (Charlottenburg), Germany under registration number: HRB 198015 |
| **Digital Services Taxes**.................. | the taxes on certain revenue streams of digital companies, such as search engine, social media and online marketplace companies, which derive value from users in a relevant taxation jurisdiction |
| **Director** ..................................... | a member of the Board |
| **DSA** ........................................... | Digital Services Act |
| **DMA**........................................... | Digital Markets Act |
| **DTC**............................................ | The Depository Trust Company |
| **Dubizzle**..................................... | Dubizzle Limited |
| **Dutch Civil Code**........................ | the Dutch Civil Code (*Burgerlijk Wetboek*) |

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| **Dutch Corporate Governance Code** ...................................... | the Dutch corporate governance code dated December 8, 2016 as established under Section 2:391, subsection 5 of the Dutch Civil Code |
| **Dutch Withholding Tax Act 2021** | the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*) as published in the Official Gazette (*Staatsblad*) Stb. 2019, 513 of December 27, 2019, as amended from time to time, introducing a conditional withholding tax on interest payments as of January 1, 2021 |
| **eBay** ........................................... | eBay Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 2871352 |
| **ECB** ........................................... | European Central Bank |
| **ElasticRun** ................................. | NTex Transportation Services Private Limited |
| **eMAG** ........................................ | Dante International S.A., a company incorporated under the laws of Romania with registration number: J40/372/2002 |
| **eMAG Hungary**.......................... | Dante International Korlátolt Felelősségű Társaság |
| **EMMI**........................................ | European Money Markets Institute |
| **EMPG**........................................ | EMPG Holdings Limited, a company limited by shares registered and incorporated in the Dubai International Financial Centre under license number CL2690, and into which our former subsidiary, Dubizzle Limited (BVI), was merged on April 26, 2020 |
| **Eruditus**..................................... | Eruditus Learning Solutions Pte Limited |
| **ESG** ........................................... | Environmental, Social and Governance |
| **ESMA**........................................ | European Securities and Markets Authority |
| **EU Platform-to-Business Relationships Regulation** ...... | Regulation (EU) 2019/1150 of the European Parliament and of the Council of June 20, 2019 on promoting fairness and transparency for business users of online intermediation services |
| **EURIBOR** ................................. | Euro Interbank Offer Rate |
| **Euroclear**................................... | Euroclear Bank SA/NV |
| **Euronext Dublin**......................... | The Irish Stock Exchange plc trading as Euronext Dublin |
| **Euronext Dublin Official List** .... | the official list of Euronext Dublin |
| **EUWA** ....................................... | European Uniion (Withdrawal) Act |
| **Exchange Offer** .......................... | the voluntary exchange offer to holders of Naspers N Ordinary Shares pursuant to which, among other things, the existing Naspers N Shareholders will be entitled to exchange their Naspers N Ordinary Shares for newly issued Prosus Ordinary Shares N in accordance with the exchange ratio |
| **Executive Order 13873**............... | The Executive Order, entitled "Securing the Information and Communications Technology and Services Supply Chain" |

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| **Executive Order 13959**............... | The Executive Order which prohibits persons from transacting in publicly traded securities of designated “Communist Chinese Military Companies” |
| **Executive Order 13984**............... | The Executive Order issued on January 19, 2021 entitled “Taking Additional Steps To Address the National Emergency With Respect to Significant Malicious Cyber-Enabled Activities” |
| **Executive Order 14032**............... | The Executive Order revising and superceding Executive Order 13959 |
| **Extreme Digital** .......................... | Ed Group Vagyonkezelő Korlátolt Felelősségű Társaság |
| **FCG**........................................... | Frontier Car Group |
| **Fiscal and Paying Agency Agreement**............................. | the amended and restated fiscal and paying agency agreement dated December 16, 2021, among Prosus, as issuer, and Citibank, N.A., London Branch as Fiscal and Paying Agent |
| **Fiscal and Paying Agent**............. | Citibank, N.A., London Branch, as fiscal and paying agent |
| **Fiscal Year or FY** ....................... | a fiscal year of the Company ended March 31 |
| **Flink** .......................................... | Flink SE |
| **Flipkart** ...................................... | Flipkart Private Limited (formerly, Flipkart Limited), a company incorporated under the laws of Singapore with registration number: 201129903N |
| **Frontier Car Group** ................... | Frontier Car Group, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 6017417 |
| **FCA** ............................................ | the UK Financial Conduct Authority |
| **FDI** ............................................ | Foreign direct investment |
| **Financial Promotion Order**........ | Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended |
| **FSMA** ......................................... | the UK Financial Services and Markets Act 2000, as amended |
| **G20/OECD Inclusive Framework**.................................. | the program to implement 15 measures to tackle tax avoidance, improve the coherence of international tax rules and ensure a more transparent international tax environment, organized by the G20 and the Organisation for Economic Co-operation and Development (OECD) |
| **GDP**............................................ | gross domestic product |
| **GDPR** ......................................... | Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data |
| **GEM**........................................... | the Global Exchange Market of Euronext Dublin |
| **General Meeting**......................... | the general meeting (*algemene vergadering*) of the Company, being the corporate body, or where the context so requires, the physical meeting of shareholders of the Company |
| **GMV**........................................... | Gross merchandise value |
| **GoodHabitz** ................................ | Good Bidco B.V., a company incorporated under the laws of the Netherlands with registration number: 67397247 |

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| **GPO**........................................... | The Global Payments Operations |
| **Group** ........................................ | the Company and its consolidated subsidiaries |
| **Guidelines**.................................. | Anti-Monopoly Guidelines for Internet Platforms |
| **Hong Kong Stock Exchange**....... | the Hong Kong Stock Exchange, a market operated by the Stock Exchange of Hong Kong Limited, a company incorporated under the laws of Hong Kong with registration number: 0083874 |
| **Honor** ........................................ | Honor Technology, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5606290 |
| **ICSDs** ........................................ | International central securities depositories |
| **iFood**.......................................... | iFood.com Agência de Restaurantes Online S.A., a company incorporated under the laws of Brazil with registration number: 33.479.023/0001-80 |
| **IFRS** .......................................... | International Financial Reporting Standards |
| **IFRS-EU**.................................... | International Financial Reporting Standards as adopted by the European Union |
| **Insurance Distribution Directive** | Directive (EU) 2016/97, as amended |
| **Interim Condensed Consolidated Financial Statements**.............. | the unaudited condensed consolidated interim financial statements of the Group as of, and for, the six months ended September 30, 2020 and September 30, 2021 |
| **Investment Company Act** .......... | the Investment Company Act of 1940, as amended |
| **Irish Listing Agent** ..................... | The Bank of New York Mellon SA/NV, a company incorporated under the laws of Belgium and registered in the RPM Brussels with Company n° 0806.743.159. |
| **IRR**............................................ | Internal rate of return |
| **iyzico**.......................................... | iyzi Ödeme ve Elektronik Para Hizmetleri A.Ş., a company incorporated under the laws of Turkey with registration number: 867612 |
| **iyzico Transaction** ...................... | subject to customary closing conditions, including obtaining the requisite regulatory approvals, the Group's acquisition of iyzico |
| **JSE** ............................................ | the Johannesburg Stock Exchange, a licensed exchange operated by JSE Limited |
| **Just Eat**...................................... | Just Eat plc, a company incorporated under the laws of England and Wales, with registration number: 06947854 |
| **Keerom**...................................... | Keeromstraat 30 Beleggings (RF) Limited, a company incorporated under the laws of South Africa with registration number: 1995/013914/06 |
| **Lead Independent Director**........ | the lead independent director of the Board, as described under *"Additional Information—Directors and Senior Management—Directors"* |
| **letgo** ........................................... | Letgo Global B.V. (previously Ambatana Holdings B.V.), a company incorporated under the laws of the Netherlands with trade register number: 63292319 |
| **letgo USA**................................... | Letgo USA B.V., a company incorporated under the laws of the Netherlands with trade register number: 66256437 |
| **LIBOR**....................................... | London Inter-bank Offered Rate |

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| **MakeMyTrip**............................ | MakeMyTrip Limited, a company incorporated under the laws of Mauritius with registration number: 24478/5832 |
| **Meesho** ...................................... | Meesho Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 6038527 |
| **MiFID II**.................................... | Article 4(1) of Directive 2014/65/ EU, as amended |
| **MiFID Product Governance Rules** | the MiFID Product Governance rules under EU Delegated Directive 2017/593 |
| **MIH Edtech Investments**........... | MIH Edtech Investments B.V. |
| **MIH Holdings** ............................ | MIH Holdings Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 1993/005613/07 |
| **MIH TC Holdings** ...................... | MIH TC Holdings Limited, a company incorporated under the laws of the British Virgin Islands with registration number: 1686618 |
| **MLD4** ........................................ | the Fourth Anti-Money Laundering Directive in the EU |
| **MLD5** ........................................ | the Fifth Anti-Money Laundering Directive in the EU |
| **MNEs**......................................... | Multinational enterprises |
| **Moody's**..................................... | Moody's Investors Service Limited |
| **Movile**........................................ | Movile Internet Movel S.A., a company incorporated under the laws of Brazil with registration number: 35.300.379.128 |
| **MultiChoice**............................... | MultiChoice Group Limited, a company incorporated under the laws of South Africa with registration number: 2018/473845/06 |
| **Nasbel**........................................ | Naspers Beleggings (RF) Limited, a company incorporated under the laws of South Africa with registration number: 1994/005106/06 |
| **Naspers**...................................... | Naspers Limited, a company incorporated under the laws of South Africa with registration number: 1925/001431/06 |
| **Naspers Board**............................ | the board of directors of Naspers |
| **Naspers Group** .......................... | Naspers and its consolidated subsidiaries |
| **Naspers N Ordinary Shares**....... | the ordinary shares N in the capital of Naspers with a nominal value of ZAR0.02 each |
| **Naspers N Shareholders**............. | holders of Naspers N Ordinary Shares |
| **Non-IFRS Measures**.................. | non-IFRS financial measures |
| **Notes**.......................................... | notes issued from time to time by Prosus N.V. under its U.S.$12,000,000,000 Global Medium Term Note Program |
| **NSS**............................................ | New Safekeeping Structure |
| **OfferUp** ..................................... | OfferUp Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5362968 |
| **OLX Brazil**................................ | SilverBrazil JVCo B.V. |

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| **OLX Group** ................................ | OLX Global B.V., a company incorporated under the laws of the Netherlands with trade register number: 34301226 |
| **P24**.............................................. | Przelewy24 |
| **PayPal**......................................... | PayPal Holdings, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5684361 |
| **PaySense**..................................... | PaySense Services India Private Limited, a company incorporated under the laws of India with registration number: U74999MH2015PTC266824 |
| **PayU** ........................................... | PayU Global B.V., a company incorporated under the laws of the Netherlands with trade register number: 60355883 |
| **PharmEasy** ................................. | API Holdings Private Limited |
| **PRIIPs** ........................................ | Regulation (EU) No 1286/2014 |
| **Prospectus Regulation**................ | Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union of June 14, 2017 |
| **Prosus Ordinary Shares N** ......... | the ordinary shares N in the capital of the Company with a nominal value of €0.05 each |
| **Protection Structure**................... | the protection structure of the Company under the Company's articles of association |
| **PSD2** ........................................... | Directive (EU) 2015/2366 of the European Parliament and of the Council of November 25, 2015 on payment services in the internal market |
| **PwC Netherlands** ....................... | PricewaterhouseCoopers Accountants N.V. |
| **QIBs** ........................................... | Qualified insitituional buyers |
| **Rating Agencies**.......................... | Moody's and S&P |
| **Red Dot Payment** ....................... | Red Dot Payment Pte. Ltd., a company incorporated under the laws of Singapore with registration number: 201120797R |
| **Redemption Margin**................... | The redemption margin shall be a margin expressed as a number of basis points over an applicable rate of interest used to discount any applicable "make-whole" payment as specified in the applicable Pricing Supplement or Drawdown Prospectus |
| **Regulation S** ............................... | Regulation S under the Securities Act |
| **Remitly** ....................................... | Remitly, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5051455 |
| **Revolving Credit Facility** ........... | the Group's U.S.$2.5 billion multi-currency revolving credit facility |
| **Rule 144A**.................................. | Rule 144A under the Securities Act |
| **S&P** ............................................ | S&P Global Ratings Europe Limited |
| **Schibsted** .................................... | Schibsted ASA., a company incorporated under the laws of Norway with registration number: 933739384 |
| **SEC**............................................ | U.S. Securities and Exchange Commission |

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| **Securities Act** | the U.S. Securities Act of 1933, as amended |
| **Senior Management** | the executive Directors together with the non-statutory members of the Company's senior management |
| **SimilarWeb** | SimilarWeb Limited, a company incorporated under the laws of Israel with registration number: 514244714 |
| **SinDelantal** | El Cocinero a Cuerda S.L., a company incorporated under the laws of Spain with registration number: B86509452 |
| **SIR Bill** | the draft Russian law on amendments to the Information Law and the Personal Data Law |
| **SIRs** | "*significant informational resources*" as contemplated in the SIR Bill |
| **Skillsoft** | Skillsoft Corp. a company incorporated in Delaware, with company file registration number: 7369876 |
| **SoloLearn** | SoloLearn Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5356040 |
| **SOs** | share options |
| **Souq** | Souq Group Limited, a company incorporated under the laws of the British Virgin Islands with registration number: 1732266 |
| **South African Companies Act** | the South African Companies Act, 71 of 2008, as amended, together with the regulations promulgated under it |
| **South African King Code** | the King Report on Corporate Governance for South Africa, 2016 |
| **Stack Overflow** | Stack Exchange Inc., a company incorporated in Delaware, with company file registration number: 4806993 |
| **Structure Contracts** | the contractual arrangements through which Tencent exercises effective control over certain domestic Chinese companies that are licensed to operate value-added services to users in China |
| **Swiggy** | Bundl Technologies Private Limited, a company incorporated under the laws of India with registration number: U72200KA2013PTC096530 |
| **Telenor** | Telenor ASA, a company incorporated under the laws of the Kingdom of Norway with registration number: 982463718 |
| **Tencent** | Tencent Holdings Limited, a company incorporated in the British Virgin Islands and subsequently redomiciled to the Cayman Islands as an exempted company under the laws of the Cayman Islands with registration number: 131312 |
| **Trip.com** | Trip.com.com International, Limited, an exempted company incorporated under the laws of the Cayman Islands with registration number: 976668 |
| **Udemy** | Udemy, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 4779344 |
| **UN SDGs** | the United Nations Sustainable Development Goals adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity |

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| **UK MiFIR Product Governance Rules** | the FCA Handbook Product Intervention and Product Governance Sourcebook |
| **UK PRIIPs Regulation** | PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA |
| **UK Prospectus Regulation** | the Prospectus Regulation as it forms part of the United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 |
| **Urban Company** | UrbanClap Technologies India Private Limited |
| **VK** | VK Company Limited, a company incorporated under the laws of the British Virgin Islands with registration number: 655058 |
| **Wallapop** | Wallapop S.L., a company incorporated under the laws of Spain with registration number: B66049057 |
| **Walmart** | Walmart, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 732109 |
| **WeBuyCars** | We Buy Cars Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 2015/130772/07 |
| **WFOEs** | Wholly-owned foreign enterprises |
| **Wibmo** | Wibmo Inc., a company incorporated under the laws of the State of California, United States with registration number: C2077047 |
| **WorldPay** | WorldPay, Inc. |
| **Youku** | Youku Tudou Inc. |
| **Zooz** | Zooz Mobile Limited, a company incorporated under the laws of Israel with registration number: 514473248 |

***Technical Terms***

| | |
|---|---|
| **B2C** | business-to-consumer. B2C refers to business or transactions conducted directly between a company and consumers who are the end users of its products or services |
| **C2C** | consumer-to-consumer. C2C refers to business or transactions conducted directly between consumers of certain products or services |
| **etail** | electronic retail |
| **fintech** | financial technology |
| **horizontals** | marketplaces that cover all categories (also called generalists) |
| **hyperlocal** | relating to, or focusing on, matters concerning a small community or geographical area |
| **MMO** | massively multiplayer online |
| **monetization** | driving revenue growth by capturing value from services offered to customers and transactions by customers in the Group’s marketplaces |
| **PC** | a personal computer and generally refers to a computer designed for use by one person at a time |

| | |
|---|---|
| **PSP** ............................................ | a payment service provider |
| **TAM** .......................................... | Total addressable market |
| **TPV** ........................................... | Total payment value |
| **TSP** ............................................ | a technology system provider |
| **verticals** ..................................... | marketplaces that cater to a specific category, automotive, real estate, jobs and services |
| **VIE structure** ............................. | Variable Interest Entity structure |
| ***Countries and Jurisdictions*** | |
| **Argentina** .................................. | the Argentine Republic |
| **Australia** .................................... | the Commonwealth of Australia |
| **Bangladesh** ................................ | the People's Republic of Bangladesh |
| **Brazil** ......................................... | the Federative Republic of Brazil |
| **British Virgin Islands** ................. | the British Virgin Islands, a British Overseas Territory |
| **Bulgaria** ..................................... | the Republic of Bulgaria |
| **Cayman Islands** .......................... | the Cayman Islands, a British Overseas Territory |
| **China or the PRC** ....................... | the People's Republic of China |
| **Colombia** ................................... | the Republic of Colombia |
| **EEA** ........................................... | the European Economic Area |
| **European Union or the EU** ........ | the European Union, being the union of countries established by the Treaty on the Functioning of the European Union, originally named the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by: the Treaty on the European Union (signed in Maastricht on February 7, 1992), the Treaty of Amsterdam (signed in Amsterdam on November 2, 1997), the Treaty of Nice (signed in Nice on February 26, 2001) and the Treaty of Lisbon (signed in Lisbon on December 13, 2007) |
| **France** ........................................ | the French Republic |
| **Hong Kong** ................................ | the Hong Kong Special Administrative Region of China |
| **India** .......................................... | the Republic of India |
| **Israel** .......................................... | the State of Israel |
| **Japan** ......................................... | the State of Japan |
| **Mauritius** ................................... | the Republic of Mauritius |
| **Mexico** ....................................... | the United Mexican States |
| **Netherlands** ............................... | the Netherlands |

| | |
|---|---|
| **Peru** ........................................... | the Republic of Peru |
| **Philippines**................................. | the Republic of the Philippines |
| **Poland**........................................ | the Republic of Poland |
| **Portugal**..................................... | the Portuguese Republic |
| **Russia** ........................................ | the Russian Federation |
| **South Africa** .............................. | the Republic of South Africa |
| **Spain**.......................................... | the Kingdom of Spain |
| **Thailand** .................................... | the Kingdom of Thailand |
| **Turkey**....................................... | the Republic of Turkey |
| **UAE**........................................... | the United Arab Emirates |
| **United Kingdom, U.K. or UK** .... | the United Kingdom of Great Britain and Northern Ireland |
| **United States or U.S.** .................. | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia |

## GENERAL INFORMATION

### Authorization

1. The establishment of the Program was authorized by a resolution of the Board of the Issuer passed or given on July 2, 2021. The issue of this Base Prospectus was authorized by a resolution of the Board of the Issuer passed or given on December 13, 2021. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the offer, issue and performance of the Notes.

### Significant/Material Change

2. There has been no material adverse change in the prospects of the Issuer or the Group since March 31, 2021, the date of our latest audited financial information and no significant change in the financial or trading position of the Issuer or the Group since September 30, 2021, the date of our latest interim financial information.

### Auditors

3. The Annual Consolidated Financial Statements have been audited by PwC, an independent registered public audit firm located at Thomas R. Malthusstraat 5, 1066 JR Amsterdam, The Netherlands. PwC has not resigned, been removed or not been reappointed as our auditors during the year ended March 31, 2021. The auditor signing the auditor's reports on behalf of PwC is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

### Documents on Display

4. Copies of the following documents will be available on our website at https://www.prosus.com/investors and, in addition, may be inspected in physical format or received in electronic format, during normal business hours, at the Specified Office of the Fiscal and Paying Agent for 12 months from the date of this Base Prospectus:

   (a) the constitutive documents of the Issuer;

   (b) our annual consolidated financial statements as of, and for the year ended, March 31, 2021 (which are a part of this Base Prospectus) and as of, and for the year ended, March 31, 2020 (which are incorporated by reference herein) (see "*Information Incorporated by Reference*"); and

   (c) the Fiscal and Paying Agency Agreement (which contains the forms of the Notes in global and definitive form).

   In addition, the foregoing documents may also be obtained in electronic format by contacting the Fiscal and Paying Agent. If the Fiscal and Paying Agent is not able to make available for inspection at its specified office such documents by any event beyond its reasonable control, such Agent may provide such documents for inspection to any holder of a Note electronically upon request by any such Noteholder and upon the provision of evidence satisfactory to such Agent of such Noteholder's holding in such Note with the relevant clearing system.

### Clearing of the Notes

5. The Notes are expected to be accepted for clearance through DTC, Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number (ISIN), Financial Instruments Short Name (FISN) and/or Classification of Financial Instruments (CFI) code (as applicable) in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement or Drawdown Prospectus, as applicable. The relevant Pricing Supplement or Drawdown Prospectus, as applicable, shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

### Denomination

6. No Notes may be issued under the Program which (a) have a minimum denomination of less than U.S.$200,000 or €100,000 (or equivalent or higher in another currency), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs. Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement or

Drawdown Prospectus, as applicable, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Issue Price and Yield**

7. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Program will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Pricing Supplement or Drawdown Prospectus, as applicable. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

   The yield of each Tranche of Notes set out in the applicable Pricing Supplement or Drawdown Prospectus, as applicable, will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

**Availability of Prospectus**

8. This Base Prospectus is available on the website of Euronext Dublin (https://live.euronext.com/).

**Listing Agent**

9. The Bank of New York Mellon SA/NV, Dublin Branch is acting solely in its capacity as the listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the GEM.

**Conflicts**

10. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and/or its respective affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own accounts and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and/or those of its respective affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer, consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Program. Any such short positions could adversely affect future trading prices of Notes issued under the Program. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Legal Entity Identifier**

11. The Legal Entity Identifier (LEI) code of the Issuer is 635400Z5LQ5F9OLVT688.

**Issuer Information**

12. The Issuer's website is https://www.prosus.com. Unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus. The Issuer was incorporated as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands named Myriad International Holdings B.V. on April 3, 1997. Myriad International Holdings B.V. was converted to a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands named Myriad International Holdings N.V. on May 16, 2019. The Issuer changed its name and is registered as Prosus N.V. as of September 16, 2019 with the Netherlands Chamber of Commerce (*Kamer van Koophandel*) under registration number 34099856 and its telephone number is +31 20 299 9777.

**Validity of prospectus and prospectus supplements**

13. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

**Foreign Language**

14. The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

**PROSUS N.V.**
**INDEX TO 2021 ANNUAL CONSOLIDATED FINANCIAL STATEMENTS**
**AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**



* The information provided in this Prospectus has been extracted from the 2021 Annual Report of Prosus N.V. (the "**2021 Annual Report**"). As the information only represents extracts of the 2021 Annual Report, there are certain references made to pages of the 2021 Annual Report which have different pagination in this Prospectus, or to other pages of the 2021 Annual Report that have not been included in this Prospectus. Copies of the 2021 Annual Report can be obtained through the website maintained by the Issuer at https://www.prosus.com/news/investors-annual-reports/. Information on the Issuer's website does not form part of this Prospectus.

# Consolidated statement of financial position

as at 31 March 2021

| | Notes | 31 March 2021 US$'m | Restated* 2020 US$'m |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | **48 583** | 26 655 |
| Property, plant and equipment | 5 | **443** | 377 |
| Goodwill | 6 | **2 102** | 2 169 |
| Other intangible assets | 7 | **782** | 844 |
| Investments in associates | 9 | **40 556** | 22 233 |
| Investments in joint ventures | 10 | **158** | 72 |
| Other investments | 11 | **4 138** | 805 |
| Related party loans and receivables | 17 | **356** | 81 |
| Other receivables | 15 | **16** | 4 |
| Derivative financial instruments | 40 | **9** | 55 |
| Deferred taxation | 12 | **23** | 15 |
| **Current assets** | | **7 145** | 9 109 |
| Inventory | 13 | **321** | 213 |
| Trade receivables | 14 | **150** | 111 |
| Other receivables | 15 | **577** | 420 |
| Related party loans and receivables | 17 | **44** | 109 |
| Derivative financial instruments | 40 | **18** | – |
| Other investments | 11 | **1 253** | – |
| Short-term investments | 37 | **1 211** | 3 873 |
| Cash and cash equivalents | 38 | **3 571** | 4 181 |
| | | **7 145** | 8 907 |
| Assets classified as held for sale | 16 | **–** | 202 |
| **TOTAL ASSETS** | | **55 728** | 35 764 |

| | Notes | 31 March 2021 US$'m | Restated* 2020 US$'m |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Capital and reserves attributable to the group's equity holders** | | **43 069** | 29 100 |
| Share capital and premium | 18 | **612** | 606 |
| Other reserves | 19 | **5 818** | (2 260) |
| Retained earnings | 20 | **36 639** | 30 754 |
| **Non-controlling interests** | | **117** | 214 |
| **TOTAL EQUITY** | | **43 186** | 29 314 |
| **Non-current liabilities** | | **8 535** | 4 303 |
| Long-term liabilities | 21 | **8 081** | 3 712 |
| Other non-current liabilities | 22 | **62** | 163 |
| Related party loans and payables | 17 | **2** | 3 |
| Cash-settled share-based payment liabilities | 42 | **159** | 233 |
| Provisions | 23 | **4** | 3 |
| Derivative financial instruments | 40 | **32** | 2 |
| Deferred taxation | 12 | **195** | 187 |
| **Current liabilities** | | **4 007** | 2 147 |
| Current portion of long-term liabilities | 21 | **102** | 63 |
| Provisions | 23 | **16** | 9 |
| Trade payables | | **344** | 291 |
| Accrued expenses and other current liabilities | 24 | **3 505** | 1 668 |
| Related party loans and payables | 17 | **8** | 13 |
| Taxation payable | | **21** | 7 |
| Derivative financial instruments | 40 | **2** | 38 |
| Bank overdrafts | 38 | **9** | 32 |
| | | **4 007** | 2 121 |
| Liabilities classified as held for sale | 16 | **–** | 26 |
| **TOTAL EQUITY AND LIABILITIES** | | **55 728** | 35 764 |

* Refer to note 2(w) for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

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

# Consolidated income statement

for the year ended 31 March 2021

| | Notes | 31 March 2021 US$'m | Restated* 2020 US$'m |
|---|---|---|---|
| **Revenue from contracts with customers** | 26 | **5 116** | 3 330 |
| Cost of providing services and sale of goods | 27 | **(3 455)** | (2 177) |
| Selling, general and administration expenses | 27 | **(2 614)** | (1 762) |
| Other (losses)/gains – net | 28 | **(87)** | 16 |
| **Operating loss** | | **(1 040)** | (593) |
| Interest income | 29 | **83** | 201 |
| Interest expense | 29 | **(262)** | (223) |
| Other finance income – net | 29 | **177** | 61 |
| Share of equity-accounted results | 9, 10 | **7 095** | 3 930 |
| Impairment of equity-accounted investments | 9, 10 | **(30)** | (21) |
| Dilution gains/(losses) on equity-accounted investments | 9, 10 | **1 000** | (52) |
| Net gains on acquisitions and disposals | 30 | **309** | 434 |
| **Profit before taxation** | | **7 332** | 3 737 |
| Taxation[(1)] | 31 | **67** | (75) |
| **Profit for the year** | | **7 399** | 3 662 |
| **Attributable to:** | | | |
| Equity holders of the group | | **7 449** | 3 771 |
| Non-controlling interests | | **(50)** | (109) |
| | | **7 399** | 3 662 |
| **Earnings per ordinary share (US cents) for the year** | | | |
| Basic | 32 | **459** | 232 |
| Diluted | 32 | **450** | 228 |

* Refer to note 2(w) for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

(1) Refer to note 25 for details on the tax credit in the current year.

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

# Consolidated statement of comprehensive income

for the year ended 31 March 2021

| | Notes | 31 March 2021 US$'m | Restated* 2020 US$'m |
|---|---|---|---|
| **Profit for the year** | | **7 399** | 3 662 |
| **Other comprehensive income (OCI)** | | | |
| **Items that may be subsequently reclassified to profit or loss** | | | |
| Foreign exchange gains/(losses) arising on translation of foreign operations | | **1 985** | (1 361) |
| Share of equity-accounted investments' movement in OCI | | **(424)** | 123 |
| Foreign currency translation reserve | | **(424)** | 123 |
| **Items that may not be subsequently reclassified to profit or loss** | | | |
| Fair-value gains/(losses) on financial assets through OCI | 11 | **669** | (282) |
| Share of equity-accounted investments' movement in OCI and net asset value | 9 | **6 819** | 114 |
| Share-based compensation reserve | | **548** | 429 |
| Valuation reserve | 19 | **6 271** | (315) |
| **Total other comprehensive profit/(loss), net of tax, for the year** | | **9 049** | (1 406) |
| **Total comprehensive income for the year** | | **16 448** | 2 256 |
| **Attributable to:** | | | |
| Equity holders of the group | | **16 460** | 2 402 |
| Non-controlling interests | | **(12)** | (146) |
| | | **16 448** | 2 256 |

* Refer to note 2(w) for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

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

# Consolidated statement of changes in equity

for the year ended 31 March 2021

| | Share capital and premium US$'m | Foreign currency translation reserve US$'m | Valuation reserve US$'m | Existing control business combination reserve US$'m | Share-based compensation reserve US$'m | Retained earnings US$'m | Shareholders' funds US$'m | Non-controlling interest US$'m | Total US$'m |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 April 2019** | 599 | (1 448) | 641 | (1 087) | 1 687 | 26 858 | 27 250 | 132 | 27 382 |
| Changes in accounting policy* | – | – | – | (391) | – | 391 | – | – | – |
| Restated balance at 1 April 2019 | 599 | (1 448) | 641 | (1 478) | 1 687 | 27 249 | 27 250 | 132 | 27 382 |
| Total comprehensive income for the year | – | (1 201) | (597) | – | 429 | 3 771 | 2 402 | (146) | 2 256 |
| Profit for the year (restated)* | – | – | – | – | – | 3 771 | 3 771 | (109) | 3 662 |
| Total other comprehensive loss for the year | – | (1 201) | (597) | – | 429 | – | (1 369) | (37) | (1 406) |
| Distribution[1] | – | – | – | – | – | (215) | (215) | – | (215) |
| Share capital movement[2] | 6 | – | – | – | – | (6) | – | – | – |
| Share-based compensation movements | – | – | – | – | (37) | (130) | (167) | (3) | (170) |
| Share-based compensation expense | – | – | – | – | 63 | – | 63 | (3) | 60 |
| Transfers to retained earnings | – | – | – | – | (63) | 63 | – | – | – |
| Other share-based compensation movements[3] | – | – | – | – | (37) | (193) | (230) | – | (230) |
| Transactions with non-controlling shareholders | – | – | – | (160) | – | (10) | (170) | 231 | 61 |
| Direct equity movements | 1 | 2 | (42) | (7) | (111) | 157 | – | – | – |
| Direct movements from associates | – | – | (31) | – | (68) | 99 | – | – | – |
| Transfer of reserves as a result of disposals | – | – | (11) | – | (33) | 44 | – | – | – |
| Other direct movements | 1 | 2 | – | (7) | (10) | 14 | – | – | – |
| Remeasurement of written put option liabilities* | – | – | – | 53 | – | – | 53 | – | 53 |
| Other movements[4] | – | – | – | 9 | – | (62) | (53) | – | (53) |
| **Balance at 31 March 2020** | 606 | (2 647) | 2 | (1 583) | 1 968 | 30 754 | 29 100 | 214 | 29 314 |
| **Balance at 1 April 2020** | **606** | **(2 647)** | **2** | **(1 583)** | **1 968** | **30 754** | **29 100** | **214** | **29 314** |
| Total comprehensive income for the year | – | 1 525 | 6 938 | – | 548 | 7 449 | 16 460 | (12) | 16 448 |
| Profit for the year | – | – | – | – | – | 7 449 | 7 449 | (50) | 7 399 |
| Total other comprehensive profit for the year | – | 1 525 | 6 938 | – | 548 | – | 9 011 | 38 | 9 049 |
| Repurchase of own shares[5] | – | – | – | – | – | (1 416) | (1 416) | – | (1 416) |
| Share-based compensation movements | – | – | – | – | (66) | 1 | (65) | (19) | (84) |
| Share-based compensation expense | – | – | – | – | 54 | – | 54 | (19) | 35 |
| Transfers to retained earnings | – | – | – | – | (42) | 42 | – | – | – |
| Other share-based compensation movements[3] | – | – | – | – | (78) | (41) | (119) | – | (119) |
| Transactions with non-controlling shareholders | – | – | – | (255) | – | 1 | (254) | (66) | (320) |
| Direct equity movements | 6 | (1) | (233) | 136 | (4) | 96 | – | – | – |
| Direct movements from associates | – | – | (235) | – | – | 235 | – | – | – |
| Transfer of reserves as a result of disposals | – | (1) | 2 | 111 | (4) | (108) | – | – | – |
| Other direct movements | 6 | – | – | 25 | – | (31) | – | – | – |
| Remeasurement of written put option liabilities* | – | – | – | (508) | – | – | (508) | – | (508) |
| Other movements[4] | – | – | – | (2) | – | (31) | (33) | – | (33) |
| Dividends paid[6] | – | – | – | – | – | (215) | (215) | – | (215) |
| **Balance at 31 March 2021** | **612** | **(1 123)** | **6 707** | **(2 212)** | **2 446** | **36 639** | **43 069** | **117** | **43 186** |

* Refer to note 2(w) for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

(1) Relate to the distributions as a result of common control transactions.

(2) 1 185 996 011 N ordinary shares and 2 452 605 A ordinary shares were issued prior to the listing of Prosus on 11 September 2019. Pursuant to the listing, the group issued 438 656 059 N ordinary shares and 1 059 213 A ordinary shares. Refer to note 18.

(3) Includes contributions made to Naspers share trusts of US$78.8m (2020: US$27.3m) as well as the modification of equity-settled schemes.

(4) The movement in business combination reserve relates mainly to the cancellation of written put option liabilities in the current year of US$75.9m offset by a common control transaction of US$67.2m. The movement in retained earnings relates to the transfer of reserves, as a result of various disposals and liquidations of US$31.3m. The prior year relates to the transfer of reserves as a result of various disposals and liquidations, to retained earnings of US$61.6m and existing control business combination reserve of US$8.5m.

(5) Relates to the group's share repurchase programme. Refer to note 18.

(6) Dividend paid consists of US$154.8m paid to Naspers and US$58.2m paid to the non-controlling shareholders of the Prosus group. The dividend was approved on 18 August 2020 and was paid on 17 November 2020.

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

# Consolidated statement of cash flows

for the year ended 31 March 2021

| | Notes | 31 March 2021 US$'m | 2020 US$'m |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash from operations | 33 | **(52)** | (475) |
| Dividends received from investments and equity-accounted companies | | **458** | 382 |
| **Cash generated/(utilised in) in operating activities** | | **406** | (93) |
| Interest income received | | **106** | 224 |
| Interest costs paid | | **(248)** | (230) |
| Taxation paid | | **(105)** | (110) |
| **Net cash generated from/(utilised in) in operating activities** | | **159** | (209) |
| **Cash flows from investing activities** | | | |
| Property, plant and equipment acquired | | **(105)** | (79) |
| Proceeds from sale of property, plant and equipment | | **4** | 4 |
| Intangible assets acquired | | **(16)** | (22) |
| Acquisitions of subsidiaries and businesses, net of cash acquired | 34 | **(88)** | (468) |
| Disposals of subsidiaries and businesses | 35 | **27** | 22 |
| Acquisition of associates | 36 | **(276)** | (156) |
| Additional investment in existing associates | 36 | **(1 484)** | (218) |
| Partial disposals of associates | | **20** | – |
| Disposal of associates | | **194** | 87 |
| Acquisition of joint ventures | 36 | **(5)** | – |
| Additional investments in existing joint ventures | 36 | **(127)** | (23) |
| Acquisition of short-term investments(1) | | **(1 208)** | (3 866) |
| Maturity of short-term investments(1) | | **3 839** | 7 010 |
| Loans advanced to related parties | 17 | **(318)** | – |
| Cash paid for other investments | 11 | **(1 322)** | (30) |
| Acquisition of Naspers shares | 11 | **(2 350)** | – |
| Cash movement in other investing activities | | **(3)** | 9 |
| **Net cash (utilised in)/generated from investing activities** | | **(3 218)** | 2 270 |
| **Cash flows from financing activities** | | | |
| Repurchase of own shares | 18 | **(1 415)** | – |
| Proceeds from long- and short-term loans raised | 21 | **4 593** | 1 300 |
| Repayments of long- and short-term loans | 21 | **(155)** | (1 047) |
| Repayments of related party loans(2) | 17 | **–** | (58) |
| Additional investments in existing subsidiaries(3) | | **(270)** | (64) |
| Repayments of capitalised lease liabilities | 21 | **(48)** | (29) |
| Contributions made to the Naspers share trusts | | **(79)** | – |
| Additional investment from non-controlling shareholders | | **53** | 127 |
| Dividends and capital repayments to shareholders | | **(214)** | – |
| Distribution(4) | | **–** | (215) |
| Other movements in financing activities | | **(15)** | 3 |
| **Net cash generated from financing activities** | | **2 450** | 17 |
| Net movement in cash and cash equivalents | | **(609)** | 2 078 |
| Foreign exchange translation adjustments on cash and cash equivalents | | **22** | (37) |
| Cash and cash equivalents at the beginning of the year | | **4 149** | 2 127 |
| Cash and cash equivalents classified as held for sale | 16 | **–** | (19) |
| **Cash and cash equivalents at the end of the year** | 38 | **3 562** | 4 149 |

(1) Relates to short-term cash investments with maturities of more than three months from the date of acquisition. Refer to note 37.
(2) The prior year includes payments on behalf of related parties amounting to US$48.2m and US$10.1m for loans advanced to related parties. Refer to note 17 for related party transactions and balances.
(3) Relates to transactions with non-controlling interest resulting in changes in effective interest of existing subsidiaries.
(4) Relates to distributions as a result of common control transactions. Refer to note 17.

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

# Notes to the consolidated financial statements

for the year ended 31 March 2021

## 1. General information

Prosus N.V. (Prosus or the group) is a public company with limited liability *(naamloze vennootschap)* incorporated under Dutch law, with its registered head office located at Symphony Offices, Gustav Mahlerplein 5, 1082 MS Amsterdam, the Netherlands (registered in the Dutch commercial register under number 34099856). Prosus is a subsidiary of Naspers Limited (Naspers), a company incorporated in South Africa. On 11 September 2019, Prosus was listed on the Euronext Amsterdam stock exchange, with a secondary listing on the JSE Limited's stock exchange and A2X markets in South Africa.

The Prosus group is a global consumer internet group and one of the largest technology investors in the world.

The consolidated financial statements for the year ended 31 March 2021 have been authorised for issue by the board of directors on 19 June 2021.

## 2. Principal accounting policies

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

### Basis of preparation

The consolidated financial statements for the year ended 31 March 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRS-EU), as well as the Interpretations (IFRICs) of the IFRS Interpretations Committee (IFRS IC) and the Interpretations published by the Standing Interpretations Committee (SIC) as well as the requirements under Dutch law, including Title 9 of Book 2 of the Dutch Civil Code.

### Operating segments

The group's operating segments reflect the components of the group that are regularly reviewed by the chief operating decision-maker (CODM) as defined in note 39 'Segment information'. The group proportionately consolidates its share of the results of its associates and joint ventures in its operating segments.

### Going concern

The consolidated and company financial statements are prepared on the going-concern basis. Based on forecasts and available cash resources, the group and company have adequate resources to continue operations as a going concern for the foreseeable future. As at 31 March 2021, the group recorded US$4.77bn in net cash, comprising US$3.57bn of cash and cash equivalents and US$1.21bn in short-term cash investments. The group had US$7.89bn of interest-bearing debt (excluding capitalised lease liabilities) and an undrawn US$2.5bn revolving credit facility. Refer to note 18 'Share capital and premium – capital management' for details of how the group manages its capital to safeguard its ability to continue as a going concern.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 2. Principal accounting policies continued

### Basis of preparation continued

#### Going concern continued

In assessing going concern, the impact of the Covid-19 pandemic on the group's operations and liquidity was considered in preparing the forecasts and in assessing the group's actual performance against budget. The board is of the opinion that the group has performed well during the current year and has sufficient financial flexibility to negate the effects on the group and company's going concern that could result from the potential negative impact of Covid-19 on the group's businesses in the year subsequent to the date of these financial statements. Refer to note 3 for further information on the impact of the pandemic on the group's financial results.

#### Accounting judgements and sources of estimation uncertainty

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

Estimates are made regarding the fair value of intangible assets recognised in business combinations; impairment of property, plant and equipment (refer to note 5); goodwill impairment (refer to note 6); recognition and impairment of other intangible assets (refer to note 7); impairment of financial assets carried at amortised cost and other assets (refer to note 14); the remeasurements required in business combinations and disposals of associates, joint ventures and subsidiaries (refer to note 30); the valuation and remeasurement of written put option liabilities (refer to note 22) and equity compensation benefits (refer to note 42). Where relevant, the group has provided sensitivity analyses demonstrating the impact of changes in key estimates and assumptions on reported results.

The following accounting judgements had the most significant impact on the consolidated financial statements:

*Lag periods applied when reporting results of equity-accounted investments*

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

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

The group recognises its share of other comprehensive income and other changes in net assets of associates and joint ventures in the statement of comprehensive income. Other changes in net assets of the associate and joint ventures include changes in their share-based compensation reserve, transactions with non-controlling shareholders and other direct equity movements. Equity-accounted investments share of other comprehensive income and changes in net asset value are accumulated in the valuation reserve.

*Accounting for written put option liabilities*

The group accounts for all written put options as liabilities equal to the present value of the expected redemption amount payable in the statement of financial position. The present value is based on a discounted cash flow model, market multiples or a recent transaction during the current year in which the equity value was determined. This applies regardless of whether the group has the discretion to settle in its own equity instruments or cash. Written put option liabilities that are linked to a committed employment period are accounted for as cash-settled share-based compensation benefits. The expected redemption amounts payable for these written put options is dependent on the completion of an employment service period. Management's judgements and estimates relate to the inputs used in determining the present value of the expected redemption amount payable. Refer to note 2(w) for the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

*Accounting for share-based payment transactions*

The group recognises cash- and equity-settled share-based payment expenses arising from its various share incentive schemes and exercises significant judgement when calculating these expenses. Where the group has a choice of settlement, it classifies the share-based payment transaction as cash-settled based on management estimate of the most likely outcome, its settlement policy and whether it has a present obligation to settle in cash; otherwise, it accounts for the transaction as equity-settled. Expenses are generally based on the fair values of awards granted to employees.

Fair value is measured using appropriate valuation and option pricing models, where applicable. The values assigned to the key assumptions used in the valuation models for the group's most significant share incentive schemes are disclosed in note 42.

The group provides funding via loan account or provides equity contributions to Naspers group share trusts to acquire Naspers or Prosus shares on the market for settlement of Naspers group's equity-compensation benefits. The trust provided with funding and the trusts that receive equity contributions from the group are controlled structured entities of the Naspers group as they administer Naspers group share schemes for all employees and are approved by the Naspers board. The group cannot make decisions over the Naspers group share trusts unilaterally even in the event that loan funding is provided.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 2. Principal accounting policies continued

### Basis of preparation continued

Accounting judgements and sources of estimation uncertainty continued

*Accounting judgements related to the cash flow classification for the contribution to Naspers group equity compensation plans*

The Naspers group has restricted stock units (RSU) and performance share units (PSU) which are accounted for as equity-settled compensation plans. These equity compensation benefits are provided to employees of the Prosus group. Contributions made by the group to fund the purchase of the shares on the market by the Naspers group share trusts have been classified as financing activities on the consolidated statement of cash flows. This is because the Prosus group has no economic interest in the shares acquired and does not control the share trusts. The contributions are in substance a distribution to the Naspers group.

### (a) Basis of consolidation

The financial statements include the results of Prosus and its subsidiaries, associated companies and joint ventures.

Subsidiaries

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

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

Business combinations

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

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

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

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

Goodwill

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

Transactions with non-controlling shareholders

Non-controlling shareholders are equity participants of the group and transactions with non-controlling shareholders are therefore accounted for in equity and included in the statement of changes in equity, where the transaction does not result in the loss of control of a subsidiary. In transactions with non-controlling shareholders, the excess of the cost/proceeds of the transaction over the group's proportionate share of the net asset value acquired/disposed is allocated to the 'Existing control business combination reserve' in equity. Refer to section (c) for the group's accounting policy regarding written put options over non-controlling interests.

Common control transactions

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

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

Associates and joint ventures

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

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 2. Principal accounting policies continued

### Basis of preparation continued

### (a) Basis of consolidation continued

#### Associates and joint ventures continued

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

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

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

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

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

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

Each associate and joint venture is assessed as single assets for impairment indicators at each reporting date. Impairment indicators considered will include poor performance of the associate and joint venture on a consistent basis and/or other significant changes to the business that may indicate that the equity-accounted investment is impaired. If there is an indicator that it is impaired, the carrying value of the group's investment in the associate or joint venture is adjusted to its recoverable amount determined as the higher of its fair value less costs of disposal and its value in use. The resulting impairment loss is included in 'Impairment of equity-accounted investments' in the income statement.

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

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

The gain or loss is eliminated against the carrying value of the investment in the associate or joint venture to the extent of the group's interest.

#### Disposals

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

### (b) Financial assets

#### Classification, initial recognition and measurement

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

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

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 2. Principal accounting policies continued

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

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

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

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

Financial assets at fair value through profit or loss are subsequently carried at fair value with changes in fair value included in 'Other (losses)/gains – net' in the income statement.

Refer to note 41 for the group's fair value measurement methodology regarding financial assets.

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

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

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

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

For related party loans and receivables, the impairment loss allowance is based on a general expected credit loss model. The measurement of the impairment loss allowance on these loans and receivables is based on the assessment of whether there has been a significant increase in credit risk.

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

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

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

Refer to note 40 for further details regarding the group's credit risk management.

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

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 2. Principal accounting policies continued

### Basis of preparation continued

### (c) Financial liabilities continued

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

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

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

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

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

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

The group documents, at inception of hedging transactions, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives used in hedging transactions are expected to be and have been highly effective in offsetting changes in fair values or cash flows of hedged items. Hedging instruments are included in 'Derivative financial instruments' in the statement of financial position. The group designates derivatives as hedging instruments either in their entirety or elements thereof, as appropriate. The fair values of derivatives used for hedging purposes are disclosed in note 40.

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

#### Fair-value hedges

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

#### Cash flow hedges

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

When the hedged forecast transaction or firm commitment subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to the income statement in the same period during which the hedged expected future cash flow affects the income statement.

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

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 2. Principal accounting policies continued

### Basis of preparation continued

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

Net investment hedges

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

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

### (e) Leased assets

At inception of a contract, the group assesses whether a contract is, or contains a lease. A contract is, or contains a lease if it conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The group's leasing arrangements relate primarily to office buildings, warehouse space, equipment and vehicles. Lease agreements are generally entered into for fixed periods of between two and 10 years, depending on the nature of the underlying asset being leased.

Lessee accounting

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

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

The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease and where that rate cannot be readily determined the group entity uses the incremental borrowing rate.

This is the rate of interest that the group entity would have to pay to borrow the funds necessary to obtain an asset of a similar value to the respective right-of-use asset in a similar economic environment.

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

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

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

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The group presents right-of-use assets in 'Property, plant and equipment' and capitalised lease liabilities in 'Long-term liabilities' in the statement of financial position.

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

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

### (f) Property, plant and equipment

Property, plant and equipment comprises owned and leased assets.

Property, plant and equipment are stated at cost, being the purchase cost plus costs to prepare the assets for their intended use, less accumulated depreciation and accumulated impairment losses. Cost includes transfers from equity of gains/losses on qualifying cash flow hedges relating to foreign currency property, plant and equipment acquisitions. Property, plant and equipment, with the exception of land, are depreciated in equal annual amounts over each asset's estimated useful life to their residual values. Land is not depreciated as it is deemed to have an indefinite life.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 2. Principal accounting policies continued

### Basis of preparation continued

### (f) Property, plant and equipment continued

Depreciation periods vary in accordance with the conditions in the relevant industries, but are subject to the following range of useful lives:

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

Where parts of property, plant and equipment require replacement at regular intervals, the carrying value of an item of property, plant and equipment includes the cost of replacing the part when that cost is incurred, if it is probable that future economic benefits will flow to the group and the cost can be reliably measured. The carrying values of the parts replaced are derecognised on capitalisation of the cost of the replacement part. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately where it has an estimated useful life that differs from that of the item as a whole.

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

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

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

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

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

### (g) Intangible assets

Intangible assets acquired are capitalised at cost. Intangible assets with finite useful lives are amortised using the straight-line method over their estimated useful lives. Residual values of intangible assets are presumed to be zero and along with their useful lives are reassessed on an annual basis.

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

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

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

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

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

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 2. Principal accounting policies continued

### Basis of preparation continued

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

#### Goodwill

Goodwill is tested annually for impairment or more frequently if change in circumstance indicate that it may be impaired. Goodwill is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for purposes of impairment testing. An impairment test is performed by determining the recoverable amount of the cash-generating unit to which the goodwill relates. The recoverable amount of a cash-generating unit or individual asset is the higher of its value in use and its fair value less costs of disposal. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in 'Other (losses)/gains– net' in the income statement. Impairment losses recognised on goodwill are not reversed in subsequent periods.

#### Other intangible assets and property, plant and equipment

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

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

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

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash inflows of other assets or groups of assets (a cash-generating unit level).

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

### (i) Inventory

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

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

### (j) Cash and cash equivalents

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

Cash and cash equivalents include money market funds at fair value through profit or loss. These funds have a maturity of three months or less, are highly liquid and include cash flows which are not solely payments of principal and interest, but also subject to insignificant changes in value.

### (k) Short-term investments

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

### (l) Provisions

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

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

The group recognises a provision relating to its estimated exposure on all products at the statement of financial position date. A provision for onerous contracts is established when the expected benefits to be derived under a contract are less than the unavoidable costs of fulfilling the contract.

Reorganisation provisions are recognised in the period in which the group becomes legally or constructively committed to a formal restructuring plan.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 2. Principal accounting policies continued

### Basis of preparation continued

### (l) Provisions continued

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

### (m) Taxation

#### Tax expense

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

#### Current income tax

The statutory Dutch corporate tax rate applicable to Prosus for the year ending 31 March 2021 is 25% (2020: 25%). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It accounts for uncertain tax positions where appropriate, on the basis of amounts expected to be paid to the tax authorities. International tax rates vary from jurisdiction to jurisdiction.

#### Deferred taxation

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

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

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

### (n) Foreign currencies

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

#### Foreign currency transactions

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

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

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

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

#### Foreign operations

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

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 2. Principal accounting policies continued

### Basis of preparation continued

### (o) Revenue recognition

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

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

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

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

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

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

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

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

#### Ecommerce revenue

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

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

#### Advertising revenues

The group mainly derives advertising revenues from advertisements shown online on its websites and instant-messaging windows. Online advertising revenues are recognised over the period in which the advertisements are displayed using a time-based measure.

### (p) Employee benefits

#### Retirement benefits

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

#### Medical aid benefits

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

#### Post-employment benefits

Some group companies provide post-employment benefits to their retirees. The entitlement to post-employment healthcare benefits is subject to the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the minimum service period. Independent actuaries carry out annual valuations of these obligations. All remeasurements resulting from experience adjustments and changes in actuarial assumptions are recognised immediately in other comprehensive income. These obligations are unfunded.

#### Termination benefits

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

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 2. Principal accounting policies continued

### Basis of preparation continued

### (q) Equity compensation benefits

The Naspers group grants share options, PSUs and RSUs through the various trusts consolidated by the Naspers group and therefore not within the Prosus group, and Prosus grants share appreciation rights (SARs) and share options settled in the shares of the underlying entity within the Prosus group

The equity compensation plans are granted to employees of the group. The group recognises an employee benefit expense in the income statement, representing the fair value of share options, PSUs and RSUs granted. A corresponding credit to equity is raised for equity-settled plans. For SARs and other cash-settled share option schemes the group recognises an employee benefit expense in the income statement at fair value of the amount payable to employees over the vesting period during which the employees become entitled to payment. A corresponding credit to liabilities is raised for these cash-settled plans.

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

A share option, PSU or RSU scheme is considered equity-settled when the transaction is settled through the granting of equity instruments of Prosus N.V. or any of its other subsidiaries or where the group has no obligation to settle awards with participants. SARs and other option schemes are considered cash-settled when there is an obligation to settle in cash or any other asset.

Funding for PSU and RSU share schemes are recognised as contributions to Naspers group share trusts in equity and are accounted for separately from the equity compensation plans.

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

### (r) Earnings per share

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

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

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

The group discloses headline earnings per share as determined in accordance with Circular 1/2019, pursuant to the JSE Listings Requirements. Headline earnings represents net profit for the year attributable to the group's equity holders, excluding certain defined separately identifiable remeasurements relating to, among others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains and losses on acquisitions and disposals of investments as well as assets, dilution gains and losses on equity-accounted investments, remeasurement gains and losses on disposal groups classified as held for sale and remeasurements included in equity-accounted earnings, net of related taxes (both current and deferred) and the related non-controlling interests. These remeasurements are determined in accordance with Circular 1/2019, headline earnings, as issued by the South African Institute of Chartered Accountants, at the request of the JSE Limited in relation to the calculation of headline earnings and disclosure of a detailed reconciliation of headline earnings to the earnings numbers used in the calculation of basic earnings per share in accordance with the requirements of IAS 33 *Earnings per Share*, under the JSE Listings Requirements.

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

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

### (s) Share capital and treasury shares

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

Where subsidiaries hold Prosus N ordinary shares, the consideration paid to acquire those shares, including attributable incremental costs, is deducted from shareholders' equity as treasury shares. Where such shares are subsequently sold or reissued, the cost of those shares is released, and realised gains or losses are recorded in equity. In addition, where Prosus holds its own N ordinary shares in issue, such shares are deducted from retained earnings as treasury shares until they are cancelled. When these shares are cancelled, they are deducted against share capital and share premium on the basis of their par value.

### (t) Segment reporting

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 2. Principal accounting policies continued

### Basis of preparation continued

### (u) Assets and liabilities classified as held for sale

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

### (v) Accounting developments

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 2020, but these did not have a significant effect on the group's consolidated financial statements.

The following new standards, interpretations and amendments to existing standards, that are considered relevant to the group, are not yet effective as at 31 March 2021. The group is currently evaluating the effects of these standards and interpretations, which have not been early adopted. The estimated impact is not considered to be material at this stage for the following standards and interpretations:

| Standard/Interpretation | Title/Amendment area | Effective for year ending |
|---|---|---|
| IAS 1 | Presentation of Financial Statements (current and non-current liabilities) | March 2023 |
| IFRS 3 | Business Combinations (assets and liabilities in a business combination) | March 2023 |
| IFRS 9/IAS 39/IFRS 7 | Financial Instruments (Interest rate benchmark reform – Phase 2) | March 2022 |
| IFRS 16 | Leases (Covid-19-related rent concessions) | March 2022 |
| IFRS 10/IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be determined by the IASB |

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

None of the other new standards, interpretations and amendments to existing standards that are not yet effective as at 31 March 2021 are expected to have a significant impact on the group.

### (w) Voluntary change in accounting policy for the subsequent measurement of written put option liabilities

Effective 1 April 2020, the group made a voluntary change to its accounting policy regarding the subsequent measurement of written put option arrangements with non-controlling shareholders. Subsequent changes in the carrying value of put option liabilities previously recognised in the income statement in 'Other finance income – net' are now being recognised through equity.

The group considers that the change in the accounting policy will provide more relevant information about the effects of underlying transactions with non-controlling shareholders. Written put option arrangements are considered equity transactions because the settlement with non-controlling shareholders does not result in the loss of control over a subsidiary. Furthermore, as part of the business combination accounting, the group simultaneously recognises the non-controlling interest on initial recognition of the written put option liability, because the risks and rewards of ownership are not deemed to have transferred to the group until the written put option liability is settled.

The group has adopted this change in accounting policy retrospectively, however, the impact is insignificant to the consolidated statement of financial position as all previous remeasurements recognised through the consolidated income statement are already accumulated in equity as at the effective date of the change. The previous remeasurements accumulated in retained earnings have been reclassified to the 'Existing control business combination reserve'. Consequently, comparative figures on the consolidated statement of financial position have been restated for the reclassification between retained earnings and other reserves. The carrying value of the written put option liabilities and the total equity of the group in the comparative periods remain unchanged. The consolidated income statement and finance income/costs note have been restated for the remeasurement of written put option liabilities as these are now recognised directly in equity.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 2. Principal accounting policies continued

### Basis of preparation continued

### (w) Voluntary change in accounting policy for the subsequent measurement of written put option liabilities continued

Below is a summary of the impact of the change in accounting policy on the consolidated financial statements, including the impact on the group's basic, diluted and headline earnings per share.

### Consolidated income statement

| | Year ended 31 March 2020 | | |
|---|---|---|---|
| | Previously reported US$'m | Change in accounting policy[1] US$'m | Restated US$'m |
| **Profit for the year** | 3 715 | (53) | 3 662 |
| **Attributable to:** | | | |
| Equity holders of the group | 3 824 | (53) | 3 771 |
| Non-controlling interests | (109) | | (109) |
| | 3 715 | (53) | 3 662 |
| **Earnings per share (US cents)** | | | |
| Basic | 235 | (3) | 232 |
| Diluted | 231 | (3) | 228 |
| **Headline earnings (US$'m)** | 2 795 | (53) | 2 742 |
| **Headline earnings per share (US cents)** | | | |
| Basic | 172 | (3) | 169 |
| Diluted | 168 | (3) | 165 |

(1) Represents the impact of the change in accounting policy for the remeasurement of written put option liabilities with non-controlling shareholders previously recognised in 'Other finance income – net'.

### Consolidated statement of changes in equity

| | Year ended 31 March 2020 | | |
|---|---|---|---|
| | Previously reported US$'m | Change in accounting policy[1] US$'m | Restated US$'m |
| Share capital and premium | 606 | – | 606 |
| Other reserves | (1 922) | (338) | (2 260) |
| Retained earnings | 30 416 | 338 | 30 754 |
| Non-controlling interests | 214 | – | 214 |
| **Total equity** | 29 314 | – | 29 314 |

(1) Represents the impact of the change in accounting policy for the remeasurement of written put option liabilities with non-controlling shareholders previously accumulated in retained earnings that has been reclassified to 'Existing control business combination reserve'.

## 3. Covid-19 impact on financial position and performance during the reporting year

The global Covid-19 pandemic began to affect the operations of the group towards the end of March 2020. The pandemic has impacted the group's financial position, financial performance and cash flows presented in these consolidated financial statements for the year ended 31 March 2021. The impact of the pandemic on significant accounting matters is discussed below.

### Use of significant judgements and estimates

The group has monitored the significant judgements and estimates used to support the reported assets, liabilities, income and expenses for the year ended 31 March 2021. Areas of judgement and estimates primarily impacted by the pandemic include the fair value of financial instruments, impairment testing and the measurement of written put option liabilities.

### Fair value of financial instruments

The fair value measurement of the group's financial instruments recognised through other comprehensive income or profit or loss took into account the respective listed prices for listed investments, the performance of the investments and any recent transactions that occurred during the year. No significant fair-value losses have been recognised for these investments during the year.

### Impairment testing

The group assessed whether there was an indication of impairment for the assets recognised in the statement of financial position. Impairment testing was primarily focused on the carrying value of goodwill and equity-accounted associates and joint ventures, expected credit losses of related party receivables, trade and other receivables and any inventory writedowns.

Goodwill is tested annually as at 31 December or more frequently if a change in circumstance indicates that it might be impaired. The group assessed its goodwill impairment calculations as well as the appropriateness of the recoverable amounts taking into account the impact of the Covid-19 pandemic. The group's 10-year budgets and forecasts consisted of cash flow projections and included the anticipated impact of the pandemic. These budgets and forecasts were used to calculate discounted cash flow valuations and also to identify whether there were any indicators that goodwill allocated to various cash-generating units (CGUs) was impaired. For the year ended 31 March 2021, the discounted cash flow valuations of the various ecommerce CGUs were used as the recoverable amounts. The group recognised goodwill impairment for the CGUs whose recoverable amount was lower than its respective carrying amount. Goodwill impairments relate to those subsidiaries in the respective CGUs whose actual performance during the current year, budgets and forecasts, taking into account current market indicators, showed declined revenue growth and profitability than what was previously anticipated. The group recognised goodwill impairment of US$67.6m (31 March 2020: US$9.6m) during the current year primarily related to Silver Indonesia JVCo B.V. and Aasaanjobs Private Limited in the Classifieds segment, which had shown a decline in performance from the prior year. Refer to note 6.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 3. Covid-19 impact on financial position and performance during the reporting year continued

### Impairment testing continued

Impairment assessments of equity-accounted associates and joint ventures considered the financial performance of the investments during the year and determined whether there were any significant indicators, such as material losses, that would result in an impairment. Impairment losses of US$30.7m (31 March 2020: US$21.0m) were recognised for the group's equity-accounted associates and joint venture, mainly due to the associates' performance during the current year falling below expectations and the joint venture closing operations in certain regions. Refer to note 9 and 10.

Inventories are measured at the lower of cost and net realisable value. In determining the appropriate level of inventory writedowns, changes in the ageing of inventory and consumer behaviour due to Covid-19 were taken into account. Due to the shift of consumers to online ecommerce platforms to purchase goods, the adverse effects of the pandemic on inventory writedowns were not significant. The inventory writedown during the year did not have a significant impact on the group's financial results.

The group recognises an allowance for expected credit losses for its trade and other receivables. The expected credit loss assessment took into account all reasonable and supportable information about the likelihood that counterparties would breach their agreed payment terms and any deterioration of their credit ratings. Where relevant, additional expected credit losses were accounted for when deemed necessary. Total impairment losses (net of reversals) recognised for trade and other receivables amounted to US$7.9m as at 31 March 2021 (31 March 2020: US$8.9m). The adverse effects of the pandemic on expected credit losses for trade and other receivables in relation to increased revenue were not significant.

### Measurement of written put option liabilities

Written put option liabilities are measured at the present value of the expected redemption amount payable. The settlement amount takes into account the equity values of the group's subsidiaries who have these written put option arrangements. The measurement of the written put option liabilities considers the performance of the group's subsidiaries in comparison to their budgets and forecasts. For the 31 March 2021 financial year the group recognised an aggregate decrease in equity for the remeasurement of written put option liabilities of US$508.3m (31 March 2020: increase of US$53.0m) resulting in an increase (31 March 2020: decrease) in the written put option liabilities. The movement in the put option liability in the current year is predominantly due to growth in the group's ecommerce subsidiaries that resulted in the increase in the equity values used to determine the expected redemption amount payable. The group has voluntarily changed its accounting policy on the subsequent measurement of written put option liabilities previously recognised in the income statement to be recognised in equity. Refer to note 2(w).

## 4. Business combinations, other acquisitions and disposals

### Financial year ended 31 March 2021

The following relates to the group's significant transactions related to business combinations and equity-accounted investments for the year ended 31 March 2021:

In April 2020, OLX Global B.V. (OLX) contributed its subsidiary, Dubizzle Limited (BVI) (Dubizzle), the leading classifieds platform for users in the UAE, for an interest in Emerging Markets Property Group (EMPG). EMPG owns and operates bespoke classifieds portals in different emerging markets across the world, including Bayut in Dubai, Zameen in Pakistan, and Mubawab in Morocco, North Africa. The total consideration was US$390.5m, including cash of US$75.0m. On disposal of Dubizzle, the group recognised a gain of US$113.5m in 'Net gains on acquisitions and disposals' in the income statement, including the recycling of the foreign exchange translation reserve. This gain on disposal recognised from the contribution of Dubizzle is to the extent of the external parties' interest in EMPG.

Following the transaction, the group holds a 39% effective and fully diluted interest in EMPG. The group accounts for its interest in EMPG as an investment in an associate.

In July 2020, OLX merged its US letgo business with OfferUp, two of America's most popular apps to buy and sell in the US. OLX contributed its US letgo business. The total consideration was US$360.0m, including cash of US$100.0m. On disposal of the US letgo business, the group recognised a gain of US$114.8m in 'Net gains on acquisitions and disposals'. This gain on disposal recognised from the contribution of the US letgo business is to the extent of the external parties' interest in OfferUp.

Following the transaction, the group holds a 38% effective (35% fully diluted) interest in OfferUp. The group accounts for its interest in OfferUp as an investment in an associate.

In August and October 2020, the group made an additional investment in Remitly Global, Inc. (Remitly) amounting to US$52.5m and US$14.3m respectively. Remitly is an international remittances company focused on the consumer segment, primarily in the US, the UK and Canada. Following this investment, the group holds a 24% effective (20% fully diluted) interest in Remitly. The group continues to account for its interest in Remitly as an investment in an associate.

In September 2020, Eruditus Learning Solutions Private Limited (Eruditus), a learning platform that partners with top-tier universities across the US, Europe, LatAm, India and China, announced the successful completion of its Series D funding round totalling US$113.0m (including secondary sales). The group, through Naspers Ventures B.V. (Prosus Ventures) participated in the funding round with a US$59.9m cash contribution. Following the transaction, the group holds a 9% effective (8% fully diluted) interest in Eruditus. The group accounts for its interest in Eruditus as an investment in an associate, as a result of the group's board representation.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 4. Business combinations, other acquisitions and disposals continued

### Financial year ended 31 March 2021 continued

In September 2020, the group made an additional investment amounting to US$25.0m, in Mail.ru, a leading Russian social networks and instant messaging service. Following this investment, the group holds a 27% effective interest in Mail.ru. The group continues to account for its interest in Mail.ru as an investment in an associate.

In October 2020, the group made an additional investment in its joint venture Silver Brazil JVCo B.V. (OLX Brazil) amounting to US$89.0m. Furthermore, the group provided loan financing to OLX Brazil amounting to US$171.0m. The capital and loan provided was to finance the joint ventures investment acquisitions. The funding was provided jointly by the group and its partner in the joint venture Adevinta ASA (Adevinta). Accordingly, the group's effective shareholding in this investment subsequent to the additional investment remained unchanged. The additional contribution to OLX Brazil is included in the carrying value of the investment.

In December 2020, Naspers, through its subsidiary MIH Treasury Services Proprietary Limited, sold Homefind24 (Pty) Ltd (Property24) to the Prosus group for US$71.0m. The transaction was accounted for as an acquisition of a subsidiary under common control.

In March 2020, MIH Movile Holding B.V. (Movile) signed an agreement to sell its subsidiary Wavy Global Holdings B.V. (Wavy) to Stockholm-listed customer engagement platform, Sinch AB, in exchange for cash and the issue of 1 534 582 new shares in Sinch AB (which represents at the reporting date a 2% equity investment). The transaction obtained regulatory approval and was closed in February 2021. The total proceeds on disposal of Wavy was US$310.2m, including cash of US$63.4m. On disposal of Wavy, the group recognised a total gain of US$275.8m, comprising of US$101.3m recognised in 'Net gains on acquisitions and disposals' and a gain of US$174.5m recognised in 'Other finance income – net' as a result of the exposure to the fair-value gains on 1 534 582 Sinch AB listed shares from the signing date of the agreement until the closing date. The gain on disposal recognised in 'Net gains on acquisitions and disposals' includes the recycling of the foreign exchange translation reserve. The group recognised its interest in Sinch AB as an investment at fair value through other comprehensive income.

The following transactions were entered into in March 2021:

IF-JE Participações S.A. (iFood) contributed its 100% subsidiary Come Ya S.A.S. (Come Ya) for a 51% effective interest in Inversiones CMR S.A.S. (Domicilios.com) for a total consideration of US$44.0m, including cash of US$7.0m. Domicilios.com is an online food-delivery platform in Colombia. On disposal of Come Ya, the group recognised a gain of US$18.6m in 'Net gains on acquisitions and disposals'. This gain on disposal recognised from the contribution of Come Ya is to the extent of the external parties' interest in Domicilios.com.

Following the transaction, the group holds a 51% effective (51% fully diluted) interest in Domicilios.com. The group accounts for its interest in Domicilios.com as a joint venture, as contractually the decisions over its operations require unanimous consent of both shareholders.

Prosus acquired approximately 20.37 million shares in Delivery Hero for US$2.6bn by 31 March 2021 to offset current and potential future dilutions in the investment. The acquisition increased the group's shareholding by 8% to approximately 24.99%, which continues to position the group as the largest shareholder of Delivery Hero. At 31 March 2021, while legal ownership had transferred for the 8% additional interest, the access to the returns associated with the ownership had not fully transferred for 4% of this interest. Accordingly, the effective interest in Delivery Hero recognised at 31 March 2021 was 21% with the remaining 4% amounting to US$1.2bn recognised as a contractual right to receive the shares or cash, which is included in 'Other investments' on the statement of financial position. At 31 March 2021, the 4% was recognised as a financial instrument at fair value through profit or loss. The fair value recognised represents the consideration paid for this interest in the investment, which was subsequently included in the effective interest of the investment when access to the returns associated with the ownership had transferred. Refer to note 43.

### Financial year ended 31 March 2020

The following relates to the group's significant transactions related to business combinations and equity-accounted investments for the year ended 31 March 2020:

In July 2019, the group acquired the majority stake in Red Dot Payment Private Limited (Red Dot) in Southeast Asia for US$45m. The company is an online payment company providing payment solutions and expertise to merchants across Asia Pacific. Following this investment, the group has a 72% effective interest (66% fully diluted) in Red Dot. The transaction was accounted for as a business combination with an effective date of July 2019. The purchase price allocation: fixed assets US$1m; intangible assets US$11m; cash and deposits US$14m; trade and other receivables US$2m; trade and other liabilities US$7m; and the balance of US$36m to goodwill. The group has a put option arrangement with the non-controlling interest exercisable in the future over a specified period and also exercisable upon termination of employment of the non-controlling interest. The main intangible assets recognised in the business combination were customer relationships and technology.

The main factor contributing to the goodwill recognised in the acquisition is RedDot's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In July 2019, the group invested US$66m for a 100% effective and fully diluted interest in Wibmo, Inc. (Wibmo), a digital payment company providing payment security, mobile payment solutions and processing services in India. The transaction was accounted for as a business combination with an effective date of July 2019. The purchase price allocation: intangible assets US$28m; property, plant and equipment US$3m; cash and deposits US$4m; trade and other receivables US$9m; liabilities US$14m; and the balance of US$36m to goodwill. The main intangible assets recognised in the business combination were technology and customer relationships.

The main factor contributing to the goodwill recognised in the acquisition is Wibmo's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 4. Business combinations, other acquisitions and disposals continued

### Financial year ended 31 March 2020 continued

In October 2019, the group concluded the merger of Dante International Korlátolt Felelősségű Társaság (eMAG Hungary), its Hungarian operations, with operations of Ed Group Vagyonkezelő Korlátolt Felelősségű Társaság (Extreme Digital), one of the leading marketers in Hungary. The group contributed the operations of its subsidiary eMAG Hungary as well as US$1m cash with an aggregate value of US$13m. Following the merger, eMAG is the majority shareholder, with an effective interest of 52% in the newly merged entity. The group accounted for the acquisition of its interest in Extreme Digital as a business combination and recognised an investment in subsidiary. The purchase price allocation: intangible assets US$21m; property, plant and equipment US$8m; other assets US$1m; liabilities US$9m; and the balance of US$4m to goodwill. The main intangible assets recognised in the business combination were customer relationships and brand names. The transaction gave rise to the recognition of non-controlling interest of US$11m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of Extreme Digital as at the acquisition date.

The group has a put option arrangement with the non-controlling interest exercisable at specified future dates or upon termination of employment of the non-controlling interest. The settlement of the put option arrangement is in cash or shares at the group's discretion. The portion of the put option linked to employment is accounted for as a cash-settled share-based compensation arrangement over the employment period. At acquisition, the cash-settled liability for this arrangement amounted to US$9m.

The main factor contributing to the goodwill recognised in the acquisition is Extreme Digital's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In December 2019, the group invested US$134m in cash and contributed its subsidiary PayU Turkey to acquire a 90% effective and fully diluted interest in İyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (Iyzico), a leading payment service provider in Turkey. The acquisition of Iyzico was accounted for as a business combination with an effective date of December 2019. The shares held by non-controlling interest in Iyzico are linked to an employment service period and will be accounted for as a cash-settled share-based compensation arrangement over the employment service period. Accordingly, no non-controlling interest has been recognised at the acquisition date. The purchase price allocation: intangible assets US$40m; cash and deposits US$28m; fixed assets US$2m; trade and other liabilities US$25m; deferred tax liabilities US$9m; and the balance of US$98m to goodwill. The main intangible assets recognised in the business combination were customer relationships, brand names and technology.

The main factor contributing to the goodwill recognised in the acquisition is Iyzico's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In December 2019, the group invested an additional US$163m in PaySense Private Limited (PaySense), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. Prior to this transaction the group held 21% in PaySense and was accounted for as an investment in an associate. Following this additional investment, the group now holds a 79% effective and fully diluted interest in PaySense. The fair value of the group's previously held interest in PaySense was US$31m at the date of obtaining control. A gain of US$14m has been recognised in 'Gains/(losses) on acquisitions and disposals' in the income statement on the remeasurement of the group's previously held equity interest in PaySense to its fair value. The transaction was accounted for as a business combination with an effective date of December 2019. The purchase price allocation: intangible assets US$41m; cash and deposits US$98m; fixed assets US$1m; trade and other receivables US$3m; liabilities US$22m; deferred tax liabilities US$10m; and the balance of US$90m to goodwill. The main intangible assets recognised in the business combination were technology and brand names. The transaction gave rise to the recognition of non-controlling interest of US$8m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of PaySense as at the acquisition date. A portion of the shares held by non-controlling interest in PaySense is linked to an employment service period and will be accounted for as a cash-settled share-based compensation arrangement over the employment service period. Accordingly, the non-controlling interest recognised at the acquisition date relates to 50% of their legal shareholding not linked to an employment service period.

The group has a put option arrangement with the non-controlling interest exercisable at specified future dates or upon termination of employment of the non-controlling interest. The settlement of the put option arrangement is in cash or shares at the group's discretion. The portion of the put option linked to employment is accounted for as a cash-settled share-based compensation arrangement over the employment period. At acquisition, the cash-settled liability for this arrangement amounted to US$5m.

The main factor contributing to the goodwill recognised in the acquisition is PaySense's market presence and technological capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In December 2019, the group invested US$320m in cash and contributed a portion of its investment in subsidiaries India Used Car Group B.V. (IUCG) and Poland Used Car Group B.V. (PUCG) for an additional interest in Frontier Car Group (FCG). FCG is a used car marketplace in emerging markets providing consumers with access to buy used cars. Prior to this transaction the group held 33% effective interest (32% fully diluted) in FCG and was accounted for as an investment in an associate. Following this additional investment, the group holds an 84% effective interest (83% fully diluted) in FCG. A gain of US$59m has been recognised in 'Gains/(losses) on acquisitions and disposals' in the income statement on the remeasurement of the group's previously held equity interest in FCG to its fair value. The aggregate value of the investment in FCG was US$455m consisting of the cash consideration, the fair value of the previously held interest in the company of US$118m, the fair value of PUCG and IUCG contributed amounting to US$4m and US$11m respectively. The transaction was accounted for as a business combination with an effective date of December 2019.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 4. Business combinations, other acquisitions and disposals continued

### Financial year ended 31 March 2020 continued

The purchase price allocation: intangible assets US$113m; cash and deposits US$123m; trade and other receivables US$31m; inventory US$22m; property, plant and equipment US$15m; liabilities US$78m; deferred tax liabilities US$22m; and the balance of US$287m to goodwill. The main intangible assets recognised in the business combination were software, dealer relationships, trade names and domain names. The transaction gave rise to the recognition of non-controlling interest of US$31m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of FCG as at the acquisition date.

The group has a put option arrangement with the non-controlling interest exercisable at specified future dates or upon termination of employment of the non-controlling interest. The settlement of the put option arrangement is in cash or shares at the group's discretion. The portion of the put option linked to employment is accounted for as a cash-settled share-based compensation arrangement over the employment period. At acquisition, the cash-settled liability for this arrangement amounted to US$20m.

The main factor contributing to the goodwill recognised in the acquisition is FCG's market presence. The goodwill that arose is not expected to be deductible for income tax purposes.

Since the acquisition dates of the above business combinations, revenue of US$193m and net losses of US$41m have been included in the group's income statement. The impact on revenue and net losses from the above transactions, had the acquisitions taken place on 1 April 2019, were US$833m and US$125m respectively.

During the reporting period the group disposed of its 100% effective interest in its subsidiary BuscaPé Company Informaçao e Technologia Limitada (BuscaPé) for US$15m. The transaction received regulatory approval in October 2019. At 30 September 2019, BuscaPé was classified as a disposal group available for sale in the amount of US$9m. The group recognised a loss of US$178m, primarily related to the recycling of the foreign exchange translation loss reserve of US$182m.

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

In April 2019, the group contributed 100% of the issued share capital of its subsidiary Netrepreneur Connections Enterprises Inc. (Sulit) as well as cash with an aggregate value of US$56m to Carousell Private Limited (Carousell) in exchange for a 12% (10% fully diluted) interest in Carousell, one of Asia's largest and fastest-growing classifieds marketplaces. The group recognised a gain on loss of control of US$26m in 'Gains on acquisitions and disposals' in the income statement. The companies will merge their operations in the Philippines. The group classified its interest in Carousell as an investment in an associate on account of its representation on the board of Carousell. In November 2019 the group's interest was further diluted to 7% effective interest (6% fully diluted) as a result of a subsequent funding round that resulted in the group losing its board representation. The group has classified its interest in Carousell as an investment at fair value through other comprehensive income.

In July 2019, the group invested an additional US$25m in Brainly Inc. (Brainly). Following this investment, the group holds a 44% effective interest (38% fully diluted) in Brainly. The group continues to account for its interest as an investment in an associate.

In August 2019, the group invested US$80m in Meesho Inc. (Meesho), a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalogue of goods and services to sell. Meesho also provides logistics and payment tools on their platform. As at 31 March 2020, the group holds a 12% effective and fully diluted interest in Meesho. The group has accounted for its interest as an investment in an associate on account of its representation on the board of Meesho.

In August 2019, the group exchanged its 43% interest in its online travel associate MakeMyTrip Limited for a 6% effective interest in Trip.com Group Limited (formerly Ctrip.com International Limited) (Trip.com), a well-known provider of online travel and related services headquartered in China. The group made a gain of US$599m, which was recognised in 'Gains on acquisitions and disposals' in the income statement. The group has classified its interest in Trip.com as an investment at fair value through other comprehensive income presented in 'Other investments and loans' in the statement of financial position.

In October 2019, the group acquired a 21% effective interest (19% fully diluted) for US$30m in NTex Transportation Services Private Limited (ElasticRun), a software and technology platform for providing transportation and logistics services in India. The group accounts for the acquisition of its interest as an investment in an associate.

In February 2020, the group made an additional investment amounting to US$100m, in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food-delivery marketplace in India. Following this investment, the group holds a 40% effective interest (36% fully diluted) in Swiggy. The group continues to account for its interest in Swiggy as an investment in an associate.

The group made an additional investment amounting to US$10m in April 2019 and US$34m in March 2020, in Udemy Inc. (Udemy), an online education marketplace. Following this investment, the group holds a 15% effective interest (13% fully diluted) in Udemy. The group continues to account for its interest in Udemy as an investment in an associate.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 5. Property, plant and equipment

| | Land and buildings US$'m | Computers and office equipment US$'m | Furniture and fittings US$'m | Other US$'m | Total US$'m |
|---|---|---|---|---|---|
| **1 April 2020** | | | | | |
| Cost | **347** | **75** | **52** | **12** | **486** |
| Accumulated depreciation and impairment | **(57)** | **(31)** | **(20)** | **(4)** | **(112)** |
| **Carrying value at 1 April 2020** | **290** | **44** | **32** | **8** | **374** |
| Foreign currency translation effects | **8** | **3** | **4** | **–** | **15** |
| Acquisitions of subsidiaries and businesses | **1** | **1** | **–** | **7** | **9** |
| Disposals of subsidiaries and businesses | **(2)** | **(1)** | **–** | **–** | **(3)** |
| Acquisitions of assets | **13** | **31** | **8** | **1** | **53** |
| Acquisitions of right-of-use assets | **39** | **6** | **1** | **3** | **49** |
| Disposals/scrappings | **(7)** | **(1)** | **–** | **(1)** | **(9)** |
| Depreciation | **(59)** | **(21)** | **(9)** | **(4)** | **(93)** |
| **31 March 2021** | | | | | |
| Cost | **388** | **112** | **65** | **21** | **586** |
| Accumulated depreciation and impairment | **(105)** | **(50)** | **(29)** | **(7)** | **(191)** |
| **Carrying value at 31 March 2021** | **283** | **62** | **36** | **14** | **395** |
| Work in progress at 31 March 2021 | | | | | **48** |
| **Total carrying value at 31 March 2021** | | | | | **443** |

| | Land and buildings US$'m | Computers and office equipment US$'m | Furniture and fittings US$'m | Other US$'m | Total US$'m |
|---|---|---|---|---|---|
| **1 April 2019** | | | | | |
| Cost | 96 | 53 | 49 | 4 | 202 |
| Accumulated depreciation and impairment | (18) | (26) | (19) | (1) | (64) |
| **Carrying value at 1 April 2019** | 78 | 27 | 30 | 3 | 138 |
| Change in accounting policy[1] | 181 | 7 | – | 6 | 194 |
| **Restated carrying value at 1 April 2019** | 259 | 34 | 30 | 9 | 332 |
| Foreign currency translation effects | (39) | (3) | (2) | – | (44) |
| Transferred to assets classified as held for sale | (3) | (1) | – | – | (4) |
| Reclassifications | – | 3 | (3) | – | – |
| Acquisitions of subsidiaries and businesses | 23 | 2 | 2 | 1 | 28 |
| Disposals of subsidiaries and businesses | (2) | (2) | – | – | (4) |
| Acquisitions of assets | 26 | 23 | 14 | 1 | 64 |
| Acquisitions of right-of-use assets | 87 | 6 | – | 1 | 94 |
| Disposals/scrappings | (10) | (1) | – | (1) | (12) |
| Depreciation | (51) | (17) | (9) | (3) | (80) |
| **31 March 2020** | | | | | |
| Cost | 347 | 75 | 52 | 12 | 486 |
| Accumulated depreciation and impairment | (57) | (31) | (20) | (4) | (112) |
| **Carrying value at 31 March 2020** | 290 | 44 | 32 | 8 | 374 |
| Work in progress at 31 March 2020 | | | | | 3 |
| **Total carrying value at 31 March 2020** | | | | | 377 |

[1] The group adopted IFRS 16 from 1 April 2019 and accordingly the capitalised lease assets as at 31 March 2020 relate to all leases, including those previously classified as operating leases in terms of IAS 17 which were not recognised on the statement of financial position.

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

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

| | **31 March 2021** | | 31 March 2020 | |
|---|---|---|---|---|
| | **Carrying value US$'m** | **Depreciation charge for the year US$'m** | Carrying value US$'m | Depreciation charge for the year US$'m |
| Vehicles | 12 | (3) | 7 | (2) |
| Buildings | 184 | (50) | 199 | (44) |
| Computers, furniture and office equipment | 21 | (6) | 19 | (4) |
| | 217 | (59) | 225 | (50) |

Included in the acquisition of property, plant and equipment is an amount of US$44.6m (2020: US$81.7m) relating to leased assets, which are non-cash in nature. Refer to note 25 for details of the group's assets pledged as collateral.

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 6. Goodwill

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Cost** | | |
| **Opening balance** | 2 263 | 2 269 |
| Foreign currency translation effects | 34 | (282) |
| Acquisitions of subsidiaries and businesses | 42 | 566 |
| Disposals of subsidiaries and businesses | (78) | (138) |
| Transferred to assets classified as held for sale | – | (152) |
| **Closing balance** | 2 261 | 2 263 |
| **Accumulated impairment** | | |
| **Opening balance** | 94 | 234 |
| Foreign currency translation effects | 3 | (17) |
| Impairment | 68 | 10 |
| Disposals of subsidiaries and businesses | (6) | (133) |
| **Closing balance** | 159 | 94 |
| **Carrying value** | 2 102 | 2 169 |

The group recognised impairment losses on goodwill of US$67.6m (2020: US$9.6m) in the current year, which primarily related to Silver Indonesia JVCo B.V. and Aasaanjobs Private Limited in the Classifieds segment that had shown a decline in performance from the prior year.

Management used up to 10-year projected cash flow models, terminal growth rates ranging between 2% and 8% and post-tax discount rates ranging between 10% and 25% in performing the impairment tests. The group uses up to 10-year projected cash flow models as many businesses have monetisation timelines longer than five years as further explained below.

### Impairment testing of goodwill

The group has allocated goodwill to various cash-generating units (CGUs). The recoverable amounts of these CGUs have been determined based on the higher of the value-in-use calculations and the fair value less costs of disposal. Fair value less costs of disposal of these CGUs takes into account the transaction value for the group's recent acquisitions or upcoming disposals where applicable, or is determined using an option pricing methodology. Value in use is based on discounted cash flow calculations. During the current financial year, the recoverable amounts for CGUs was determined predominantly using value-in-use calculations. The group based its cash flow calculations on 10-year budgeted and forecast information approved by senior management and/or the various boards of directors of group companies. Long-term average growth rates for the respective countries in which the entities operate or, where more appropriate, the growth rate of the CGUs, were used to extrapolate cash flows into the future.

The discount rates used reflect specific risks relating to the relevant CGUs and the countries in which they operate, while maximising the use of market observable data. For certain CGUs risk adjustments are made to discount rates used when calculating the value in use. Discount rates take into account country risk premiums and inflation differentials as appropriate.

Other assumptions included in cash flow projections vary widely between CGUs due to the group's diverse range of business models, and are closely linked to entity-specific key performance indicators.

Goodwill is tested annually as at 31 December or more frequently if there is a change in circumstance that indicates that it might be impaired. The group assessed its goodwill impairment calculations as well as the appropriateness of the recoverable amounts taking into account the impact of the Covid-19 pandemic. The group's 10-year budgets and forecasts consisted of cash flow projections and included the anticipated impact of the pandemic. These budgets and forecasts were used to calculate discounted cash flow valuations to identify whether there were any indicators that goodwill allocated to various CGUs was impaired. The value-in-use amounts used were considered appropriate based on these budgets and forecasts.

Covid-19 has had a broad impact on the group, with the restrictions impacting some businesses negatively, particularly in the first half of the financial year where they were unable to operate and on the other hand, having a positive impact on some of the group's other major business operations. The positive impact on some of the group's major business operations was predominantly from regions where online services and sale of goods were the primary solutions for social distancing measures imposed. The impairment loss recognised as at 31 March 2021, therefore, takes into account the impact of the pandemic on the group and its CGUs which is the group's best estimate amid this current uncertain economic environment. The goodwill impairment relates to the group's Classifieds business.

Estimating the future performance of the group's CGUs is challenging during this pandemic. As circumstances change and/or information becomes available, the group may be required to recognise impairments in future periods.

The group's impairment testing of goodwill takes into account that, in most instances, longer forecast periods are required for many ecommerce businesses. These longer forecast periods are required as the group's ecommerce businesses generally only reach maturity once sufficient market share has been gained, the businesses have reached the appropriate scale and have become revenue generative or profitable. The forecast period is assessed annually to ensure it remains appropriate for the relevant businesses. Key assumptions in estimating these future cash flows over the forecast period include the CGU's ability to capture the required market share and the additional investment required in order for it to reach the appropriate scale. The group uses look-back analysis to assess past performance of its CGUs and uses it to validate past judgements and predict future performance.

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

Post-tax discount rates have been applied as value in use was determined using post-tax cash flows. Impairment testing is performed using the appropriate currency cash flows.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 6. Goodwill continued

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

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

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

The group's Classifieds segment accounts for over 77% of the overall balance of goodwill and, accordingly, assumptions made in determining the cash flows of the Classifieds CGUs have a significant impact on the annual impairment assessment. Key assumptions underlying revenue forecasts for CGUs in the Classifieds segment include the CGU's anticipated market share, the number of listings expected over the forecast period and the revenue and EBITDA contribution of each such listing. EBITDA margins based on the long-term 10-year business plan ranges between 3% and 59%, depending on the stage of maturity of the relevant business. Terminal growth rates and discount rates used in performing impairment tests are detailed in the table below.

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

The carrying value of goodwill presented per segment as at 31 March 2021 is as follows:

| | Carrying value of goodwill US$'m | Basis of determination of recoverable amount[1] | Pre-tax discount rates[2] % | Post-tax discount rate applied to cash flows[2] % | Growth rate used to extrapolate cash flows[2] % | Average revenue growth rate[2], [3] % |
|---|---|---|---|---|---|---|
| **CGUs by segment** | | | | | | |
| **Classifieds** | **1 617** | | | | | **16.1 – 63.7** |
| Avito AB | **1 097** | VIU | **13.7** | **12.0** | **4.0** | |
| Frontier Car Group Inc. (FCG) | **287** | VIU | **12.4-26.3** | **10.5 – 22.0** | **4.0** | |
| OLX B.V. | **77** | VIU | **12.3-14.8** | **11.0 – 13.0** | **4.0** | |
| Letgo Global B.V. | **55** | VIU | **24.7** | **23.0** | **8.0** | |
| Other Classifieds | **101** | VIU/FVLCoD | **Various** | **Various** | **Various** | |
| **Payments and Fintech** | **372** | | | | | **12.8 – 47.9** |
| PayU India | **133** | VIU | **15.8** | **13.5** | **4.0** | |
| PayU Global Payments Operations (GPO) | **151** | VIU | **15.3** | **13.0** | **4.0** | |
| Credit India | **88** | VIU | **15.5** | **13.5** | **4.0** | |
| **Food Delivery** | **28** | VIU | **15.5** | **12.5** | **4.5** | **22.3 – 37.6** |
| **Etail** | **53** | VIU | **13.7** | **12.5** | **4.0** | **13.3 – 17.8** |
| **Other** | **32** | VIU/FVLCoD | **Various** | **Various** | **Various** | |
| | **2 102** | | | | | |

(1) The recoverable amount for the subsidiary's goodwill in these segments is either the value in use (VIU) or the fair value less cost to sell (FVLCoD). FVLCoD is based on the most recent transaction value from an acquisition during the current financial year. The fair value for these CGUs are level 3 measurements.
(2) Goodwill is tested annually as at 31 December or more frequently if changes in circumstances indicate that it might be impaired.
(3) The revenue growth rate is based on an average rate over the forecasted period.

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 6. Goodwill continued

The carrying value of goodwill presented per segment as at 31 March 2020 is as follows:

| | Carrying value of goodwill US$'m | Basis of determination of recoverable amount[1] | Pre-tax discount rates[2] % | Post-tax discount rate applied to cash flows[2] % | Growth rate used to extrapolate cash flows[2] % | Average revenue growth rate[2][4] % |
|---|---|---|---|---|---|---|
| **CGUs by segment** | | | | | | |
| **Classifieds** | 1 682 | | | | | 12.1 – 41.6 |
| Avito AB | 1 057 | VIU | 19.2 | 16.5 | 3.5 | |
| Frontier Car Group Inc. (FCG) | 287 | FVLCoD | | | | |
| OLX B.V. | 77 | VIU | 15.6 | 13.4 | 4.0 | |
| Dubizzle Limited (BVI) | 75 | FVLCoD[3] | | | | |
| Letgo Global B.V. | 55 | FVLCoD[3] | | | | |
| Silver Indonesia JVCo B.V. (OLX Indonesia) | 48 | VIU | 17.7 | 17.5 | 4.0 | |
| Other Classifieds | 83 | VIU/FVLCoD | Various | Various | Various | |
| **Payments and Fintech** | 384 | | | | | 20.5 – 29.8 |
| PayU India | 130 | VIU | 17.0 | 14.5 | 4.0 | |
| PayU Global Payments Operations (GPO) | 169 | FVLCoD, VIU | 17.0 | 14.5 | 4.0 | |
| Credit India | 85 | FVLCoD | | | | |
| **Food Delivery** | 19 | VIU/FVLCoD | 17.6 | 14.5 | 4.0 | 17.8 – 33.3 |
| **Etail** | 55 | VIU | 17.5 | 16.0 | 4.5 | 13.4 – 18.0 |
| **Other** | 29 | VIU/FVLCoD | Various | Various | Various | |
| | 2 169 | | | | | |

(1) The recovery amount for the subsidiary's goodwill in these segments is either the value in use (VIU) or the fair value less cost to sell (FVLCoD). FVLCoD is based on the most recent transaction value from an acquisition during the prior financial year. The fair value for these CGUs are level 3 measurements.
(2) Goodwill is tested annually as at 31 December or more frequently if changes in circumstances indicate that it might be impaired.
(3) The FVLCoD for Letgo Global B.V. and Dubizzle Limited (BVI) in this segment was based on the transaction value for the disposal of these subsidiaries. Refer to note 4.
(4) The revenue growth rate is based on an average rate over the forecasted period.

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

## 7. Other intangible assets

| | Customer-related assets US$'m | Brand names and title rights US$'m | Software US$'m | Total US$'m |
|---|---|---|---|---|
| **1 April 2020** | | | | |
| Cost | 579 | 612 | 125 | 1 316 |
| Accumulated amortisation and impairment | (186) | (247) | (49) | (482) |
| **Carrying value at 1 April 2020** | 393 | 365 | 76 | 834 |
| Foreign currency translation effects | 12 | 15 | – | 27 |
| Acquisitions of subsidiaries and businesses | 3 | 4 | 38 | 45 |
| Disposals of subsidiaries and businesses | (9) | (4) | – | (13) |
| Acquisitions | 4 | – | 8 | 12 |
| Transfers from work in progress | – | – | 11 | 11 |
| **31 March 2020** | | | | |
| Amortisation | (41) | (70) | (27) | (138) |
| Cost | 574 | 624 | 181 | 1 379 |
| Accumulated amortisation and impairment | (212) | (314) | (75) | (601) |
| **Carrying value at 31 March 2021** | 362 | 310 | 106 | 778 |
| Work in progress at 31 March 2021 | | | | 4 |
| **Total carrying value at 31 March 2021** | | | | 782 |

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 7. Other intangible assets continued

| | Intellectual property rights and patents US$'m | Customer-related assets US$'m | Brand names and title rights US$'m | Software US$'m | Total US$'m |
|---|---|---|---|---|---|
| **1 April 2019** | | | | | |
| Cost | 2 | 552 | 636 | 82 | 1 272 |
| Accumulated amortisation and impairment | – | (172) | (262) | (46) | (480) |
| **Carrying value at 1 April 2019** | 2 | 380 | 374 | 36 | 792 |
| Foreign currency translation effects | – | (55) | (58) | (6) | (119) |
| Acquisitions of subsidiaries and businesses | – | 106 | 90 | 59 | 255 |
| Disposals of subsidiaries and businesses | (1) | (3) | – | (2) | (6) |
| Acquisitions | – | 8 | – | 7 | 15 |
| Amortisation | (1) | (43) | (41) | (18) | (103) |
| **31 March 2020** | | | | | |
| Cost | – | 579 | 612 | 125 | 1 316 |
| Accumulated amortisation and impairment | – | (186) | (247) | (49) | (482) |
| **Carrying value at 31 March 2020** | – | 393 | 365 | 76 | 834 |
| Work in progress at 31 March 2020 | | | | | 10 |
| **Total carrying value at 31 March 2020** | | | | | 844 |

The group recognised no impairment losses on other intangible assets (2020: US$nil).

## 8. Significant subsidiaries

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

| Name of subsidiary | Effective percentage interest[1] 2021 % | 2020 % | Nature of business | Country of incorporation | Functional currency |
|---|---|---|---|---|---|
| **Unlisted companies** | | | | | |
| **Corporate companies** | | | | | |
| MIH B2C Holdings B.V. | **100.00** | 100.00 | Investment holding | The Netherlands | US$ |
| MIH Internet Holdings B.V. | **100.00** | 100.00 | Investment holding | The Netherlands | US$ |
| Prosus Services B.V. | **100.00** | 100.00 | Corporate entity | The Netherlands | US$ |
| **Classifieds** | | | | | |
| Aasaanjobs Private Limited | **68.55** | 68.55 | Classifieds | India | INR |
| Avito AB | **100.00** | 100.00 | Classifieds | Sweden | SEK |
| Brocante Lab SAS (Selency) | **54.79** | 54.79 | Classifieds | France | EUR |
| Dubizzle Limited (BVI)[2] | **–** | 100.00 | Classifieds | UAE | AED |
| Frontier Car Group Inc (FCG)[3] | **90.70** | 84.37 | Classifieds | United States of America | US$ |
| Letgo Global B.V.[2] | **–** | 79.94 | Classifieds | The Netherlands | US$ |
| OLX B.V. | **100.00** | 100.00 | Classifieds | The Netherlands | US$ |
| OLX Portugal S.A. | **100.00** | 100.00 | Classifieds | Portugal | EUR |
| Silver Indonesia JVCo B.V. (OLX Indonesia)[4] | **100.00** | 65.78 | Classifieds | The Netherlands | US$ |
| The Car Trader Proprietary Limited (AutoTrader) | **100.00** | 100.00 | Classifieds | South Africa | ZAR |
| 321sprzedane.pl Sp. z.o.o. (Poland Used Car Group)[3] | **90.70** | 84.37 | Classifieds | Poland | PLN |
| **Etail** | | | | | |
| Dante International S.A. (eMAG) | **80.08** | 80.08 | Retail and ecommerce | Romania | RON |
| Extreme Digital Zrt | **41.64** | 41.64 | Retail and ecommerce | Hungary | HUF |

(1) The percentage interest shown is the financial effective interest, after disregarding the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.
(2) Refer to note 4 for the disposal of the group's interest in the current year.
(3) The group acquired an additional interest in the current year and continues to account for its interest as a subsidiary.
(4) The group acquired an additional interest in the current year and now holds 100% interest in subsidiary.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 8. Significant subsidiaries continued

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

| Name of subsidiary | Effective percentage interest[1] 2021 % | 2020 % | Nature of business | Country of incorporation | Functional currency |
|---|---|---|---|---|---|
| **Payments and Fintech** | | | | | |
| iyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (Iyzico)[2] | **91.13** | 88.66 | Payments platform | Turkey | TRY |
| PayU Global B.V.[2] | **100.00** | 98.77 | Payments platform | The Netherlands | US$ |
| PayU Payments Private Limited[2] | **100.00** | 98.77 | Payments platform | India | INR |
| PaySense Private Limited | **79.20** | 79.20 | Credit platform | India | INR |
| Red Dot Payment Private Limited | **71.73** | 72.43 | Payments platform | Singapore | SGD |
| Wibmo Inc.[2] | **100.00** | 98.77 | Payments platform | United States of America | US$ |
| Zooz Mobile Limited[2] | **100.00** | 98.77 | Payments platform | Israel | US$ |
| **Food Delivery** | | | | | |
| iFood.com Agência de Restaurantes Online S.A. (iFood)[2] | **62.24** | 54.68 | Food delivery | Brazil | BRL |
| **Other Ecommerce** | | | | | |
| Movile Internet Móvel S.A.[3] | **–** | 82.02 | Mobile value-added services | Brazil | BRL |
| Movile Mobile Commerce Holdings, S.L.[3] | **93.35** | 82.02 | Mobile value-added services | Brazil | BRL |
| Sympla Internet Soluções S.A.[2] | **77.26** | 65.44 | Mobile value-added services | Brazil | BRL |

[1] The percentage interest shown is the financial effective interest, after disregarding the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.
[2] The group acquired an additional interest in the current year and continues to account for its interest as a subsidiary.
[3] Due to an internal restructuring the entity now forms part of Movile Mobile Commerce Holdings S.L.

## 9. Investments in associates

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

| Name of associated company | Effective percentage interest[1] 2021 % | 2020 % | Nature of business | Country of incorporation | Functional currency | Year-end |
|---|---|---|---|---|---|---|
| **Listed companies** | | | | | | |
| Delivery Hero SE[2] | **21.10** | 21.16 | Food delivery | Germany | EUR | December |
| Mail.ru Group Limited[2] | **27.29** | 27.90 | Internet-related services | British Virgin Islands | RUB | December |
| Tencent Holdings Limited | **30.86** | 31.00 | Internet-related services | Cayman Islands | RMB | December |
| **Unlisted companies** | | | | | | |
| **Classifieds** | | | | | | |
| EMPG Holdings Limited[3] | **39.07** | – | Classifieds | United Arab Emirates | US$ | December |
| OfferUp Incorporated[3] | **39.54** | – | Classifieds | United States of America | US$ | December |
| **Payments and Fintech** | | | | | | |
| Primrose Hill Ventures Private Limited (ZestMoney)[4] | **19.44** | 19.44 | Consumer lending | India | INR | December |
| Remitly, Inc.[2] | **24.12** | 20.95 | Digital money transfer | United States of America | US$ | December |
| **Food Delivery** | | | | | | |
| Bundl Technologies Private Limited (Swiggy) | **41.19** | 40.02 | Food delivery | India | INR | March |

[1] The percentage interest shown is the financial effective interest, after disregarding the interests of equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.
[2] Refer to note 4 for the group's additional investment during the current year.
[3] The group acquired its interest in the current year. Refer to note 4.
[4] The group accounts for its interest as an investment in an associate on account of its significant influence on the board of directors.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 9. Investments in associates continued

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

| Name of associated company | Effective percentage interest[1] 2021 % | 2020 % | Nature of business | Country of incorporation | Functional currency | Year-end |
|---|---|---|---|---|---|---|
| **Unlisted companies** continued | | | | | | |
| **Other Ecommerce** | | | | | | |
| Brainly, Inc. | **40.06** | 43.81 | Educational technology | United States of America | US$ | December |
| emTransit B.V. (Dott)[2] | **19.70** | 19.70 | Travel | The Netherlands | EUR | March |
| Eruditus Learning Solutions Private Limited[2, 3] | **8.83** | – | Educational technology | Singapore | SGD | June |
| Honor Technology, Inc. (Honor)[2] | **15.83** | 16.47 | Home care | United States of America | US$ | December |
| Meesho, Inc.[2] | **12.36** | 12.16 | Online market-place | United States of America | US$ | March |
| NTEx Transportation Services Private Limited (ElasticRun) | **20.57** | 20.57 | Logistic services | India | INR | March |
| Ryzac, Inc. (Codecademy) | **20.94** | 21.03 | Educational technology | United States of America | US$ | December |
| SimilarWeb Limited[2] | **16.86** | 23.93 | Internet metrics | Israel | NIS | December |
| SoloLearn, Inc.[2] | **19.84** | 15.24 | Educational technology | United States of America | US$ | March |
| Think & Learn Private Limited (BYJU'S)[2] | **10.57** | 11.31 | Educational technology | India | INR | March |
| Udemy, Inc.[2] | **13.98** | 14.81 | Educational technology | United States of America | US$ | March |

(1) The percentage interest shown is the financial effective interest, after disregarding the interests of equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.
(2) The group accounts for its interest as an investment in an associate on account of its significant influence on the board of directors.
(3) The group acquired its interest in this entity during the current year. Refer to note 4.

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

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Listed investments** | | |
| Tencent Holdings Limited | **232 354** | 145 249 |
| Mail.ru Group Limited | **1 409** | 985 |
| Delivery Hero SE | **6 810** | 3 134 |

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

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Opening balance** | **22 233** | 19 746 |
| Associates acquired – gross consideration[1] | **2 342** | 437 |
| Net assets acquired | **436** | 132 |
| Goodwill and other intangibles recognised | **2 023** | 328 |
| Deferred taxation recognised | **(117)** | (23) |
| Associates disposed of[2] | **(20)** | (575) |
| Share of current-year changes in OCI and net asset value | **6 819** | 129 |
| Share of equity-accounted results | **7 147** | 3 973 |
| Equity-accounted results due to purchase accounting | **(33)** | (21) |
| Amortisation of other intangible assets | **(46)** | (31) |
| Realisation of deferred taxation | **13** | 10 |
| Impairment | **(9)** | (21) |
| Dividends received | **(458)** | (377) |
| Foreign currency translation effects | **1 546** | (1 000) |
| Dilution gains/(losses) | **989** | (58) |
| **Closing balance** | **40 556** | 22 233 |
| **Investments in associates** | | |
| Listed | **38 136** | 20 728 |
| Unlisted | **2 420** | 1 505 |
| **Total investments in associates** | **40 556** | 22 233 |

(1) The current year includes new investments in OfferUp and EMPG as well as additional investments in Delivery Hero and Mail.ru. Refer to note 4.
(2) The prior year relates to the deemed disposals of Frontier Car Group (FCG), PaySense and MakeMyTrip.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 9. Investments in associates continued

The group recognised US$7.1bn (2020: US$3.9bn) from associates as its share of equity-accounted results in the income statement. There are no cumulative unrecognised losses relating to associates that have been fully impaired, recognised (2020: US$nil) as at 31 March 2021.

The group recognised total dilution gain of US$1.0bn (2020: a dilution loss of US$52.2m) as part of 'Dilution gains/(losses) on equity-accounted investments' in the income statement. The dilution gain includes US$989.4m (2020: a net dilution loss of US$57.8m), which relates primarily to a 4% dilution in the group's interest in Delivery Hero of US$834.7m as a result of a share issue as well as dilutions in the group's shareholding in Tencent, Mail.ru and other unlisted investments.

The total dilution gain/(loss) presented in the income statement also includes a loss of US$8.4m (2020: US$5.4m) relating to the reclassification of a portion of the group's foreign currency translation reserves from other comprehensive income to the income statement following shareholding dilutions, as well as a gain on the partial disposal of SimilarWeb Limited of US$18.5m.

The impairment loss related to an equity-accounted investment focused on the provision of logistical services in the other ecommerce business (March 2020: equity-accounted investment focused on the provision of consumer goods in the other ecommerce business). The group impaired this investment as performance and the opportunity to leverage the investment in some of the group's core markets fell below expectations.

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

Direct equity movements relate to the group's share of equity-accounted investments' transfer of gains on disposal and deemed disposal of financial instruments to retained earnings.

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

As at 31 March 2021, the group does not recognise deferred tax on its investments in associates as distributions from associates do not have tax consequences.

### Material associates' summarised financial information

| | 31 March[1] Tencent Holdings Limited | | 31 March[1] Mail.ru Group Limited | |
|---|---|---|---|---|
| | **2021 US$'m** | 2020 US$'m | **2021 US$'m** | 2020 US$'m |
| **Dividends received** | **458** | 377 | **–** | – |
| Non-current assets | **160 556** | 98 321 | **3 058** | 2 853 |
| Current assets | **48 476** | 35 491 | **806** | 326 |
| **Total assets** | **209 032** | 133 812 | **3 864** | 3 179 |
| Non-current liabilities | **43 169** | 31 805 | **792** | 320 |
| Current liabilities | **41 064** | 33 908 | **655** | 562 |
| **Total liabilities** | **84 233** | 65 713 | **1 447** | 882 |
| Revenue | **71 597** | 54 045 | **1 345** | 1 464 |
| Net profit/(loss) from continuing operations | **26 365** | 13 454 | **(197)** | 172 |
| Other comprehensive income | **21 571** | 310 | **13** | 6 |
| **Total comprehensive income/(loss)** | **47 936** | 13 764 | **(184)** | 178 |

### Reconciliation of summarised financial information to carrying value of investment

| | 31 March[1] Tencent Holdings Limited | | 31 March[1] Mail.ru Group Limited | |
|---|---|---|---|---|
| | **2021 US$'m** | 2020 US$'m | **2021 US$'m** | 2020 US$'m |
| **Opening net assets** | **68 099** | 55 254 | **2 297** | 2 535 |
| Profit/(loss) for the year | **26 365** | 13 454 | **(197)** | 172 |
| Other comprehensive income | **21 571** | 310 | **13** | 6 |
| Transactions with equity holders | **3 364** | 3 514 | **217** | 10 |
| Dividends | **(1 479)** | (1 217) | **–** | – |
| Foreign currency translation effects | **6 879** | (3 216) | **79** | (440) |
| Other | **–** | – | **8** | 14 |
| **Closing net assets** | **124 799** | 68 099 | **2 417** | 2 297 |
| Non-controlling interests | **(12 857)** | (7 924) | **(22)** | (10) |
| | **111 942** | 60 175 | **2 395** | 2 287 |
| Group's effective interest in associate at year-end | **34 545** | 18 654 | **654** | 638 |
| Goodwill | **11** | 11 | **103** | 101 |
| **Carrying value of investment** | **34 556** | 18 665 | **757** | 739 |

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 9. Investments in associates continued

### Material associates' summarised financial information

| | 31 March(1) Delivery Hero SE 2021 US$'m | 2020 US$'m |
|---|---|---|
| Non-current assets | **8 236** | 1 456 |
| Current assets | **3 809** | 1 678 |
| **Total assets** | **12 045** | 3 134 |
| Non-current liabilities | **4 959** | 319 |
| Current liabilities | **1 739** | 682 |
| **Total liabilities** | **6 698** | 1 001 |
| Revenue | **2 919** | 1 372 |
| Net (loss)/profit from continuing operations | **(4 133)** | 78 |
| Net profit from discontinued operations | **–** | 249 |
| Other comprehensive loss | **(64)** | (31) |
| **Total comprehensive (loss)/income** | **(4 197)** | 296 |

### Reconciliation of summarised financial information to carrying value of investment

| | 31 March(1) Delivery Hero SE 2021 US$'m | 2020 US$'m |
|---|---|---|
| **Opening net assets** | **2 133** | 1 193 |
| (Loss)/profit for the year | **(4 133)** | 327 |
| Other comprehensive loss | **(64)** | (31) |
| Fair-value step-up as a result of additional interest acquired | **888** | – |
| Transactions with equity holders | **6 368** | 685 |
| Foreign currency translation effects | **155** | (41) |
| **Closing net assets** | **5 347** | 2 133 |
| Non-controlling interests | **5** | 2 |
| Group's effective interest in associate (at year-end) | **1 129** | 452 |
| Goodwill | **1 694** | 872 |
| **Carrying value of investment** | **2 823** | 1 324 |

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

### Other associates' summarised financial information

| | 31 March 2021 US$'m | 2020 US$'m |
|---|---|---|
| Net loss from continuing operations | **(221)** | (327) |
| Other comprehensive income | **26** | 42 |
| **Total comprehensive loss** | **(195)** | (285) |
| **Carrying value of investments** | **2 420** | 1 505 |
| **Total carrying value of investments in associates** | **40 556** | 22 233 |

The group had no capital commitments or contingent liabilities at 31 March 2021 and 2020 in respect of its investments in associates.

## 10. Investments in joint ventures

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

| Name of joint venture | Effective percentage interest(1) 2021 % | 2020 % | Nature of business | Country of incorporation | Functional currency | Year-end |
|---|---|---|---|---|---|---|
| **Unlisted companies** | | | | | | |
| El Cocinero a Cuerda S.L. (SinDelantal Mexico) | **30.50** | 26.79 | Food delivery | Spain | EUR | December |
| Inversiones CMR S.A.S. (Domicilios.com)(2) | **51.00** | – | Food delivery | Colombia | COP | December |
| Silver Brazil JVCo B.V. (OLX Brazil) | **50.00** | 50.00 | Classifieds | The Netherlands | US$ | December |

(1) The percentage interest shown is the financial effective interest, after disregarding the interests of equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.
(2) The group acquired its interest in the current year. Refer to note 4.

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 10. Investments in joint ventures continued

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Opening balance** | **72** | 95 |
| Joint ventures acquired – gross consideration[1] | **134** | 23 |
| Net assets acquired | **20** | – |
| Goodwill and other intangibles recognised | **114** | 23 |
| Share of equity-accounted results | **(19)** | (21) |
| Equity-accounted results due to acquisition accounting | **(1)** | (1) |
| Impairment | **(21)** | – |
| Foreign currency translation effects | **(7)** | (24) |
| **Closing balance** | **158** | 72 |

(1) Refer to note 4 for investments in joint ventures during the current year.

The group recognised losses of US$19.2m (2020: losses of US$21.3m) from joint ventures as its share of equity-accounted profits in in the income statement. There are no cumulative unrecognised losses relating to joint ventures that have been fully impaired, recognised (2020: US$nil) as at 31 March 2021.

Impairment losses of US$20.8m (2020: US$nil) were recognised for the group's investments in joint ventures.

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

As at 31 March 2021, the group does not recognise deferred tax on its investments in joint ventures as distributions from joint ventures do not have tax consequences.

The group had no capital commitments or contingent liabilities in respect of its investments in joint ventures at 31 March 2021 and 2020, except for OLX Brazil mentioned above.

## 11. Other investments

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| Investments at fair value through other comprehensive income | **4 122** | 792 |
| Investments at fair value through profit or loss | **1 258** | 13 |
| Investments at amortised cost | **11** | – |
| **Total other investments** | **5 391** | 805 |
| Current portion of other investments | **(1 253)** | – |
| Investments at fair value through profit or loss[1] | **(1 242)** | – |
| Investments at amortised cost | **(11)** | – |
| **Non-current portion of other investments** | **4 138** | 805 |

(1) Represents the contractual right to receive Delivery Hero shares or cash. Refer to note 4.

Fair-value gains or losses on investments held at fair value through other comprehensive income are not reclassified to the income statement. These investments are not held for trading.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 11. Other investments continued

### Significant equity investments at fair value through other comprehensive income

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

| | 31 March | | | |
|---|---|---|---|---|
| | Fair value | | Dividend income | |
| | 2021 US$'m | 2020 US$'m | 2021 US$'m | 2020 US$'m |
| **Listed investments** | | | | |
| Trip.com Group Limited | 1 189 | 704 | – | – |
| Sinch AB[(1)] | 270 | – | – | – |
| Naspers Limited[(2)] | 2 526 | – | – | – |
| | 3 985 | 704 | – | – |
| **Unlisted investments** | | | | |
| Wolt Enterprises Oy[(3)] | 70 | – | – | – |
| Creditas Financial Solutions Limited | 30 | 24 | – | – |
| Carousell Private Limited (Carousell)[(4)] | – | 23 | – | – |
| Grishin Robotics Fund, L.P. | 1 | 7 | – | – |
| SV Angel Funds | 7 | 6 | – | 1 |
| Bakkt Holdings LLC | 8 | 8 | – | – |
| Kreditech Holding SSL Gmbh | – | 7 | – | – |
| Pantera Venture Funds | 10 | 3 | – | – |
| Other | 11 | 10 | – | 4 |
| | 137 | 88 | – | 5 |
| **Total other investments** | 4 122 | 792 | – | 5 |

(1) The group acquired its interest in Sinch AB as part of the proceeds on disposal of Wavy during the current year. Refer to note 4.
(2) The group acquired Naspers N ordinary shares on the market as part of a share repurchase programme during the current year. Refer to note 18.
(3) The group acquired Wolt Enterprises Oy, a food-delivery business and provider of mobile payment solutions, during the current year.
(4) Investment in Carousell was disposed as part of the consideration for the additional interest acquired in Silver Indonesia during the current year. Refer to note 8. Prior to this disposal the group recognised fair-value gains of US$26.6m for this investment.

## 12. Deferred taxation

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

| | 1 April 2020 US$'m | Charged to income US$'m | Charged to other comprehensive income US$'m | Acquisition of subsidiaries and businesses US$'m | Foreign exchange effects US$'m | 31 March 2021 US$'m |
|---|---|---|---|---|---|---|
| **Deferred taxation assets** | | | | | | |
| Provisions and other current liabilities | 7 | 3 | – | – | 1 | 11 |
| Capitalised lease liabilities | 2 | 1 | – | – | – | 3 |
| Tax losses carried forward | 3 | – | – | – | – | 3 |
| Other | 10 | 2 | (2) | – | – | 10 |
| Total deferred tax assets | 22 | 6 | (2) | – | 1 | 27 |
| Offsetting of deferred tax liabilities | (7) | | | | | (4) |
| **Net deferred tax assets** | 15 | | | | | 23 |
| **Deferred taxation liabilities** | | | | | | |
| Intangible assets | 177 | (12) | – | 10 | 4 | 179 |
| Other | 17 | 3 | – | – | – | 20 |
| Total deferred tax liabilities | 194 | (9) | – | 10 | 4 | 199 |
| Offsetting of deferred tax assets | (7) | | | | | (4) |
| **Net deferred tax liabilities** | 187 | | | | | 195 |
| **Net deferred taxation** | (172) | 15 | (2) | (10) | (3) | (172) |

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 12. Deferred taxation continued

| | 1 April 2019 US$'m | Charged to income US$'m | Acquisition of subsidiaries and businesses US$'m | Disposals of subsidiaries and businesses US$'m | Foreign exchange effects US$'m | 31 March 2020 US$'m |
|---|---|---|---|---|---|---|
| **Deferred taxation assets** | | | | | | |
| Provisions and other current liabilities | 6 | 1 | 1 | – | (1) | 7 |
| Capitalised lease liabilities | – | 2 | – | – | – | 2 |
| Tax losses carried forward | 8 | (4) | – | – | (1) | 3 |
| Other | 15 | (8) | – | 1 | 2 | 10 |
| Total deferred tax assets | 29 | (9) | 1 | 1 | – | 22 |
| Offsetting of deferred tax liabilities | (15) | | | | | (7) |
| **Net deferred tax assets** | 14 | | | | | 15 |
| **Deferred taxation liabilities** | | | | | | |
| Intangible assets | 169 | (32) | 60 | (1) | (19) | 177 |
| Other | 22 | (4) | – | – | (1) | 17 |
| Total deferred tax liabilities | 191 | (36) | 60 | (1) | (20) | 194 |
| Offsetting of deferred tax assets | (15) | | | | | (7) |
| **Net deferred tax liabilities** | 176 | | | | | 187 |
| **Net deferred taxation** | (162) | 27 | (59) | 2 | 20 | (172) |

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

The group has tax losses carried forward of approximately US$2.5bn (2020: US$2.6bn) and unrecognised deferred tax assets on interest carried forward of US$89.0m. A summary of the tax losses carried forward at 31 March 2021 by tax jurisdiction and the expected expiry dates are set out below:

| | Asia US$'m | Europe US$'m | Latin America and USA US$'m | Africa US$'m | Other US$'m | Total US$'m |
|---|---|---|---|---|---|---|
| Expires in year one | **14** | **114** | **–** | **–** | **–** | **128** |
| Expires in year two | **11** | **149** | **3** | **–** | **–** | **163** |
| Expires in year three | **24** | **340** | **3** | **–** | **–** | **367** |
| Expires in year four | **47** | **239** | **–** | **–** | **–** | **286** |
| Expires in year five | **66** | **11** | **–** | **–** | **–** | **77** |
| Non-expiring/expires after year five | **170** | **935** | **320** | **22** | **36** | **1 483** |
| | **332** | **1 788** | **326** | **22** | **36** | **2 504** |

Total deferred taxation assets amount to US$23.3m (2020: US$15.4m), of which US$14.3m (2020: US$9.3m) are expected to be utilised within the next 12 months and US$9.0m (2020: US$6.1m) after 12 months. Total deferred taxation liabilities amount to US$194.7m (2020: US$186.6m), of which US$19.1m (2020: US$18.5m) are expected to be settled within the next 12 months and US$175.6m (2020: US$168.1m) after 12 months.

The group has not recognised any deferred tax assets related to accumulated losses when the utilisation depends on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences, and the relevant group entity from which the deferred tax asset would arise has suffered a loss in either the current or a preceding period.

Temporary differences arise from the existence of undistributed profits of subsidiaries and changes in foreign exchange rates on translation of the subsidiaries' operations. No deferred tax liabilities are recognised for these temporary differences because the group controls the timing of the reversal of temporary differences associated with the investment by controlling the subsidiaries' dividend policies.

## 13. Inventory

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Carrying value** | | |
| Finished products, trading inventory and consumables, gross | **330** | 221 |
| *Less:* Allowance for slow-moving and obsolete inventories | **(9)** | (8) |
| **Net inventory** | **321** | 213 |

The total allowance charged to the income statement to write inventory down to net realisable value amounted to US$1.7m (2020: US$1.3m), and reversals of these allowances amounted to US$1.5m (2020: US$0.3m). Net realisable value writedowns relate primarily to inventory within the Etail segment.

Inventories are measured at the lower of cost and net realisable value. In determining the appropriate level of inventory writedowns, changes in the ageing of inventory and consumer behaviour due to the impact of the Covid-19 pandemic were taken into account. Overall, the inventory writedown during the year ended 31 March 2021 did not have a significant impact on the group's financial results.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 14. Trade receivables

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Carrying value** | | |
| Trade accounts receivable, gross | **178** | 134 |
| *Less:* Allowance for impairment of trade receivables | **(28)** | (23) |
| | **150** | 111 |
| The movement in the allowance for impairment of trade receivables during the year was as follows: | | |
| **Opening balance** | **(23)** | (20) |
| Additional allowances charged to the income statement | **(14)** | (19) |
| Allowances reversed through the income statement | **4** | 10 |
| Allowances utilised | **4** | – |
| Acquisition of subsidiaries | **(2)** | (1) |
| Disposal of subsidiaries | **3** | 2 |
| Transferred to assets classified as held for sale | **–** | 2 |
| Foreign currency translation effects | **–** | 3 |
| **Closing balance** | **(28)** | (23) |

The group's maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables mentioned above. The group does not hold any form of collateral as security relating to trade receivables. Refer to note 40 for the group's credit risk management.

At 31 March 2021 and 2020, the total allowance for impairment of trade receivables comprised both portfolio allowances and specific allowances. The majority of the allowance related to a portfolio allowance, which cannot be identified with specific receivables.

The group recognises an allowance for expected credit losses for its trade receivables. The expected credit loss assessment took into account all reasonable and supportable information about the likelihood that counterparties would breach their agreed payment terms and any deterioration of their credit ratings. Where relevant, additional expected credit losses were accounted for when deemed necessary. Overall, the expected credit loss allowance did not have a material impact on the group's trade receivables for the year ended 31 March 2021.

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

| | 31 March 2021 | | | 31 March 2020 | | |
|---|---|---|---|---|---|---|
| | Carrying value US$'m | Impairment US$'m | Expected loss rate | Carrying value US$'m | Impairment US$'m | Expected loss rate |
| Current | **124** | **(1)** | **1%** | 82 | (1) | 1% |
| Past due 30 to 59 days | **12** | **(3)** | **25%** | 15 | (4) | 27% |
| Past due 60 to 89 days | **8** | **(2)** | **25%** | 7 | (2) | 29% |
| Past due 90 to 119 days | **4** | **(1)** | **25%** | 7 | (2) | 29% |
| Past due 120 days and older | **30** | **(21)** | **70%** | 23 | (14) | 61% |
| | **178** | **(28)** | | 134 | (23) | |

## 15. Other receivables

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| Prepayments | **111** | 85 |
| Accrued income* [1] | **17** | 22 |
| Staff debtors* | **3** | 5 |
| VAT and related taxes receivable | **87** | 66 |
| Merchant and bank receivables* [2] | **268** | 188 |
| Sundry deposits | **8** | 8 |
| Interest receivable on cross-currency interest rate swap* | **8** | 8 |
| Disposal proceeds receivable* | **34** | 14 |
| Service provider receivable* | **5** | 4 |
| Loan receivable* [3] | **31** | 17 |
| Other receivables** | **21** | 7 |
| **Total other receivables** | **593** | 424 |
| *Less:* Non-current portion of other receivables[4] | **(16)** | (4) |
| **Current portion of other receivables** | **577** | 420 |

(1) Relates to revenue from contracts with customers. Refer to note 26 for movements in accrued income balances.
(2) Merchant and bank receivables are presented net of an allowance for expected impairment (credit) losses of US$2.7m (2020: US$6.6m). Refer to note 40 for details of the group's credit risk management policy.
(3) Loan receivables are presented net of an allowance for expected impairment (credit) losses of US$2.1m (2020: US$nil).
(4) Relates to non-current prepaid rental deposits, loan receivables and employment-linked prepayments.
* Financial assets.
** Includes financial assets of US$11.8m (2020: US$nil).

## 16. Assets and liabilities classified as held for sale

In July 2020, the group contributed the assets and liabilities of the US letgo business in exchange for an equity interest in OfferUp Inc., a US online marketplace. The assets and liabilities of the US letgo business were classified as held for sale as at 31 March 2020. The transaction was concluded in July 2020 (refer to note 4).

In March 2020, the assets and liabilities of the group's subsidiary Wavy Global Holdings B.V. (Wavy) were classified as held for sale as the group signed an agreement to sell its investment to Stockholm-based customer engagement platform, Sinch AB. The transaction closed in February 2021 (refer to note 4).

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 16. Assets and liabilities classified as held for sale continued

The assets and liabilities classified as held for sale as at 31 March 2021 and 2020 are detailed in the table below:

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Assets classified as held for sale** | | |
| Property, plant and equipment | | 4 |
| Goodwill and other intangible assets | | 152 |
| Trade and other receivables | | 27 |
| Cash and cash equivalents | | 19 |
| | | 202 |
| **Liabilities classified as held for sale** | | |
| Long-term liabilities | | 3 |
| Provisions | | 1 |
| Trade payables | | 4 |
| Accrued expenses and other current liabilities | | 18 |
| | | 26 |

## 17. Related party transactions and balances

The group entered into transactions and has balances with a number of related parties, including associates, joint ventures, directors (key management personnel), shareholders, and entities under common control. Transactions that are eliminated on consolidation as well as gains or losses eliminated through the application of the equity method are not included. The transactions and balances with related parties are summarised below:

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Sale of goods and services to related parties[(1)]** | | |
| EMPG Holdings Limited | **18** | – |
| MakeMyTrip Limited[(2)] | **–** | 5 |
| MIH Holdings Proprietary Limited | **15** | 9 |
| Bom Negocio Atividades de Internet Ltda (OLX Brazil) | **3** | – |
| Various other related parties | **1** | 2 |
| | **37** | 16 |

(1) The group receives revenue from a number of its related parties in connection with service agreements. The nature of these related party relationships are that of equity-accounted investments and subsidiaries of Naspers outside of the group.
(2) Revenue earned from MakeMyTrip Limited relates to payment services provided by PayU when MakeMyTrip was an associate of the group.

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Services received from related parties[(1)]** | | |
| MIH Holdings Proprietary Limited | **11** | 9 |
| MIH Ecommerce Holdings Proprietary Limited | **–** | 4 |
| Various related parties | **–** | 1 |
| | **11** | 14 |

(1) The group receives corporate and other services rendered by a number of its related parties. The nature of these related party relationships are that of entities under the common control of the group's controlling parent, Naspers.

Subsequent to the listing on 11 September 2019, corporate expenses have been directly attributed or allocated to non-South African ecommerce and internet businesses and are, accordingly, recharged to the relevant business to which it relates. Those costs remaining in corporate entities have been allocated to companies based on specific identification criteria/allocation keys. During the current year the group recharged US$15.1m (2020: US$8.4m) to Naspers companies in respect of services performed on their behalf. In addition, Naspers recharged costs of US$11.4m (2020: US$8.5m) to the group's companies.

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Dividends paid as part of distribution** | | |
| MIH Holdings Proprietary Limited[(1)] | **–** | 215 |
| **Dividends paid to holding company** | | |
| Naspers Limited[(2)] | **155** | – |
| | **155** | 215 |

(1) Relates to distributions as a result of common control transactions by MIH Ming He, the group's former parent company prior to its formation.
(2) At the annual general meeting on 18 August 2020, the shareholders approved the proposed capital distribution of 11 euro cents per listed N ordinary share and the dividend distribution of 0.602 euro cents per A1 ordinary share. Holders of N ordinary shares could elect to receive a dividend distribution instead of a capital distribution. A dividend distribution of US$154.9m was paid to Naspers and the remainder related to the non-controlling shareholders of the company.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 17. Related party transactions and balances continued

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

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Loans and receivables**[1] | | |
| Myriad/MIH (Malta) Limited | **4** | 8 |
| MIH Holdings Proprietary Limited | **35** | 9 |
| Bom Negocio Atividades de Internet Ltda (OLX Brazil)[2] | **171** | – |
| MIH Treasury Services (Pty) Ltd | **7** | – |
| MIH Internet Holdings B.V. Share Trust[3] | **169** | 66 |
| Zoop Tecnologia e Meios de Pagamento Ltda (Zoop) | **–** | 6 |
| Honor Technology, Inc | **–** | 8 |
| Tencent Technology (Shenzhen) Co Ltd | **–** | 90 |
| Other | **14** | 3 |
| *Less:* Allowance for impairment of loans and receivables[4] | **–** | – |
| **Total related party receivables** | **400** | 190 |
| *Less:* Non-current portion of related party receivables | **(356)** | (81) |
| **Current portion of related party receivables** | **44** | 109 |
| The movement in the allowance for impairment of related party receivables during the year was as follows: | | |
| **Opening balance** | **–** | 58 |
| Additional allowances charged to the income statement | **–** | – |
| Allowances utilised | **–** | (58) |
| **Closing balance** | **–** | – |

(1) The group provides services and loan funding to a number of its related parties.
(2) OLX Brazil acquired an interest in Grupo Zap in the current year. The acquisition was partially funded via a contribution and loan funding from the group. Refer to note 4. The loan is repayable by October 2035 and interest free until April 2022. Subsequently, interest is charged annually at SELIC+2%.
(3) Relates to related party loan funding provided to Naspers group share trusts for equity compensation plans. The loan is interest free and repayable in 2031, or upon winding up of the trust if earlier. Cash flows for transactions are disclosed as investing activities in the consolidated cash flow statement.
(4) Refer to note 40 for the group's impairment methodology for related party receivables. Impairment allowance for related parties was not material.

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Payables** | | |
| MIH Holdings Proprietary Limited | **7** | 6 |
| Myriad/MIH (Malta) Limited | **1** | 4 |
| Mail.ru Group Limited | **2** | 2 |
| Other | **–** | 4 |
| **Total related party payables** | **10** | 16 |
| *Less:* Non-current portion of related party payables | **(2)** | (3) |
| **Current portion of related party payables** | **8** | 13 |

### Reconciliation of related parties arising from financing activities

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Opening balance** | **3** | 2 |
| Foreign exchange translation | **(1)** | 1 |
| **Closing balance** | **2** | 3 |

### Terms of significant related party current receivables and payables:

The above current receivables and payables relate primarily to cost recharges to/by entities under the common control of Naspers Limited, the group's ultimate controlling parent. These current receivables and payables are interest free.

### Shares held in holding company:

The group acquired US$2.35bn shares in Naspers. These shares are classified as fair value through other comprehensive income investments. Refer to note 11. The group recognised a fair-value gain in OCI for this investment amounting to US$115.3m.

### Group equity contributions to Naspers share trusts:

The group made contributions to Naspers share trusts amounting to US$78.8m (2020: nil) during the current year.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 17. Related party transactions and balances continued

### Directors' remuneration

The executive directors received the following remuneration and emoluments:

| | 31 March 2021 US$'000 | 2020 US$'000 |
|---|---|---|
| **Executive directors**[1] | | |
| Salary | **2 332** | 1 952 |
| Annual short-term incentive payments | **2 310** | 2 233 |
| Pension contributions and other benefits paid on behalf of director | **226** | 285 |
| Share-based payment expense | **174 251** | 15 839 |
| **Total** | **179 119** | 20 309 |

(1) Executive directors' aggregate cost of their compensation is currently allocated 90% to Prosus and 10% to Naspers.

The non-executive directors received the following remuneration and emoluments:

| | 31 March 2021 US$'000 | 2020 US$'000 |
|---|---|---|
| **Non-executive directors**[1] | | |
| Directors' fees | **2 429** | 1 448 |
| Committee and trust fees | **592** | 358 |
| Other fees | **-** | 85 |
| **Total** | **3 021** | 1 891 |

(1) Non-executive directors receive no additional compensation for their dual responsibilities to Naspers and Prosus. However, the aggregate cost of their compensation is currently allocated 70% to Prosus and 30% to Naspers.

Key management received the following remuneration:

| | 31 March 2021 US$'000 | 2020 US$'000 |
|---|---|---|
| **Key management** | | |
| Short-term employee benefits | **10 741** | 14 744 |
| Post-employment benefits | **414** | 799 |
| Share-based payment expense | **118 793** | 58 681 |
| **Total** | **129 948** | 74 224 |

The group has not provided any personal loans, advances or guarantees to the executive, non-executive directors and key management personnel.

Key management excludes executive and non-executive directors' remuneration.

The prior year's remuneration includes the remuneration of the former statutory directors until the date of resignation and the remuneration of the newly appointed executive directors from the date of appointment.

### Directors' interest in Prosus shares

The directors of Prosus (and their associates) had the following interests in Prosus A1 ordinary shares as at 31 March:

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | Prosus A ordinary shares | | | Prosus A ordinary shares | | |
| | Beneficial | | | Beneficial | | |
| **Name** | **Direct** | **Indirect** | **Total** | Direct | Indirect | Total |
| SJZ Pacak[1] | **–** | **383** | **383** | – | 383 | 383 |
| JDT Stofberg[1] | **–** | **639** | **639** | – | 639 | 639 |
| **Total** | **–** | **1 022** | **1 022** | – | 1 022 | 1 022 |

(1) Shares acquired as a result of the unbundling by Naspers of all of its internet interests outside of South Africa into Prosus, listed on Euronext Amsterdam, on 11 September 2019.

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

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | Prosus N ordinary shares | | | Prosus N ordinary shares | | |
| | Beneficial | | | Beneficial | | |
| **Name** | **Direct** | **Indirect**[1] | **Total** | Direct | Indirect | Total |
| JP Bekker | **–** | **4 688 691** | **4 688 691** | – | 4 688 691 | 4 688 691 |
| CL Enenstein | **–** | **415** | **415** | – | 415 | 415 |
| FLN Letele | **1 474** | **–** | **1 474** | 1 474 | – | 1 474 |
| SJZ Pacak | **–** | **630 635** | **630 635** | – | 630 635 | 630 635 |
| TMF Phaswana[2] | **–** | **–** | **–** | – | 1 030 | 1 030 |
| V Sgourdos[3] | **32 483** | **98 410** | **130 893** | 32 483 | 87 367 | 119 850 |
| MR Sorour | **2 145** | **442** | **2 587** | 2 145 | 442 | 2 587 |
| JDT Stofberg | **183 317** | **141 888** | **325 205** | 183 317 | 141 888 | 325 205 |
| BJ van der Ross[4] | **2 550** | **2 000** | **4 550** | 2 550 | 820 | 3 370 |
| B van Dijk | **51 809** | **1 003 928** | **1 055 737** | 51 809 | 922 451 | 974 260 |
| Y Xu | **–** | **–** | **–** | – | – | – |
| **Total** | **273 778** | **6 566 409** | **6 840 187** | 273 778 | 6 473 739 | 6 747 517 |

(1) Prosus share options that have been released (vested), but have not yet been exercised, are included in the indirect column for Bob van Dijk 1 003 928 shares, Basil Sgourdos 98 410 shares and Steve Pacak 54 000 shares.
(2) Resigned as a director of Prosus on 1 April 2020.
(3) On 6 July 2020, Basil Sgourdos exercised 6 667 Prosus N.V. shares linked to Naspers N ordinary share options originally offered to him in September 2010. Basil disposed of the Prosus N ordinary shares he received. The full net gain after tax on disposal of these shares was reinvested into the group in the form of Prosus N.V. bonds, which he bought on the open market.
(4) On 6 July 2020 and 9 July 2020, an associate of Ben van der Ross acquired 660 and 520 Prosus N ordinary shares at an average price per share of R1 611.84 and R1 699.02 respectively.

Additional information on the remuneration and share-based compensation of members of the board and the remuneration of key management is disclosed in the remuneration report.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 18. Share capital and premium

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Authorised** | | |
| 5 000 000 000 N ordinary shares of €0.05 each (2020: €0.05) | | |
| 10 000 000 A1 ordinary shares of €0.05 each (2020: €0.05) | | |
| 10 000 A2 ordinary shares of €50.0 each (2020: €50.0) | | |
| **Issued** | | |
| 1 624 652 070 N ordinary shares of €0.05 each (2020: €0.05) | **94** | 89 |
| 3 511 818 A1 ordinary shares of €0.05 each (2020: €0.05) | **1** | 1 |
| | **95** | 90 |
| **Share premium** | **517** | 516 |
| | **612** | 606 |

Equity compensation plans administered by Naspers group share trusts hold 2 736 666 (2020: 2 236 042) of the N ordinary shares issued.

### Share repurchase programme

In October 2020, the group announced its intention to acquire up to US$5.0bn of Prosus N ordinary shares and Naspers N ordinary shares. This was implemented through acquiring up to US$1.4bn Prosus N ordinary shares and up to US$3.6bn Naspers N ordinary shares on the open market. The Prosus N ordinary share repurchase was completed in February 2021 and the 11 874 493 N ordinary shares will be cancelled after obtaining shareholder approval in August 2021. At 31 March 2021, the group acquired US$2.4bn Naspers N ordinary shares. At 31 March 2021, the group acquired 10 568 947 Naspers N ordinary shares and classified the shares as an investment measured at fair value through other comprehensive income. Refer to note 43 for additional Naspers N ordinary shares acquired subsequent to year-end.

### Treasury shares

The group holds a total of 11 874 493 N ordinary shares (2020: nil), or 0.73% (2020: nil%), of the gross number of N ordinary shares in issue at 31 March 2021 as treasury shares. The N ordinary shares are recognised as treasury shares in retained earnings. The treatment differs from the company financial statements (through share premium) due to the differences in share premium that arose on formation of the group. The group will hold these treasury shares until they are cancelled after obtaining the necessary shareholder approvals. For withholding tax purposes for these shares repurchased, the company financial statements of Prosus N.V. are leading.

### Voting and dividend rights

The company's issued share capital at 31 March 2021 consists of 3 511 818 (2020: 3 511 818) A1 ordinary shares and 1 624 652 070 (2020: 1 624 652 070) N ordinary shares. The N ordinary shares are listed on the Euronext Amsterdam stock exchange with a secondary listing on the JSE and A2X Markets, and, on a poll, carry one vote per share. The A1 ordinary shares are not listed on a stock exchange and, on a poll, carry one vote per share. The A1 ordinary shares automatically convert to A2 ordinary shares carrying 1 000 votes per share, if Naspers makes, or is obliged to make, a filing with the Netherlands Authority for the Financial Markets that it ceases to be entitled to exercise at least 50% plus one vote of the total number of voting rights that may be exercised at a general meeting.

In terms of Prosus's articles of association, N ordinary shareholders are entitled to dividends. The dividends declared to A ordinary shareholders are equal to one fifth of the dividends to which N ordinary shareholders are entitled.

In respect of all other rights, the A ordinary shares rank pari passu with the N ordinary shares of the company.

### Share capital and share premium

Refer to the company financial statements for a reconciliation of group equity to the company's equity. Significant differences from the equity of the company arise from the accounting treatment of the restructuring that occurred upon formation of the Prosus group.

### Unissued share capital

The directors of the company have unrestricted authority, until the next annual general meeting, to allot and issue the unissued 3 375 347 930 N ordinary shares, 6 488 182 A1 and 10 000 A2 ordinary shares of the company. This authority was granted by the Netherlands Authority for the Financial Markets subject to the provisions of the Dutch Civil Code *(Burgerlijk Wetboek)*, other applicable Dutch laws and regulations and any other exchange on which the shares of the company may be quoted or listed from time to time.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 18. Share capital and premium continued

| | 31 March 2021 Number of shares | 31 March 2020 Number of shares |
|---|---|---|
| **Movement in ordinary shares in issue during the year** | | |
| Ordinary shares in issue at 1 April | **1 628 163 888** | 1 717 777 |
| Ordinary shares cancelled and converted to N ordinary shares | **–** | (1 717 777) |
| N ordinary shares issued | **–** | 1 624 652 070 |
| A1 ordinary shares issued | **–** | 3 511 818 |
| **Shares in issue at 31 March** | **1 628 163 888** | 1 628 163 888 |
| **Movement in ordinary shares held as treasury shares during the year** | | |
| Shares held as treasury shares at 1 April | **–** | – |
| Shares acquired under the share repurchase programme | **11 874 493** | – |
| **Shares held as treasury shares at 31 March** | **11 874 493** | – |
| **Net number of ordinary shares in issue at 31 March** | **1 616 289 395** | 1628 163 888 |

Refer to note 42 for the group's equity compensation plans.

### Capital management

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

The group relies upon distributions, including dividends, from its subsidiaries, associates and joint ventures to generate the funds necessary to meet the obligations and other cash flow requirements of the combined group. The operations of the group have historically been funded in a number of ways, including both debt and equity financing. Recent acquisitions were primarily funded through debt financing. The group's businesses are beginning to scale and accordingly, they are expected to become cash generative and able to sustain their operating capital requirements. The group received US$458.2m (2020: US$377.3m) in dividends from Tencent during the year and US$571.1m (2020: US$458.0m) after the year-end – an increase of 25% compared to the 2020 financial year.

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

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

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

Below is a summary of the group bonds in issue for the year ended 31 March 2021:

| Currency of year-end balance | Listing date[(1)] | Year of final repayment | Fixed interest rate | Interest payments | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|---|---|---|---|
| US$ | Jul 2017 | 2025 | 5.50% | Semi-annual | **1 200** | 1 200 |
| US$ | Jul 2017 | 2027 | 4.85% | Semi-annual | **1 000** | 1 000 |
| US$ | Jan 2020 | 2030 | 3.68% | Semi-annual | **1 250** | 1 250 |
| EUR | Aug 2020 | 2028 | 1.54% | Annual | **998** | – |
| EUR | Aug 2020 | 2032 | 2.03% | Annual | **879** | – |
| US$ | Aug 2020 | 2050 | 4.03% | Semi-annual | **1 000** | – |
| US$ | Dec 2020 | 2051 | 3.83% | Semi-annual | **1 500** | – |
| | | | | | **7 827** | 3 450 |

(1) The publicly traded bonds are listed on the Irish Stock Exchange (Euronext Dublin).

### Bonds issued during the year ended 31 March 2021

In August 2020, the group issued bonds totalling US$2.18bn. These bonds consist of 30-year US$1.00bn notes due in 2050, eight-year €500m notes due in 2028, and 12-year €500m notes due in 2032.

In December 2020, the group issued bonds totalling US$2.23bn. These bonds consist of 30-year US$1.50bn due in 2051, a tap of €350m due in 2028, and a tap of €250m of its existing notes due in 2032. The 2028 notes were offered at an issue price yield of 1.211% and will be treated as a single class of the group's existing €500m 1.539% senior notes due in 2028. The 2032 notes were offered at an issue price yield of 1.742% and will be treated as a single class of the group's existing €500m 2.031% senior notes due in 2032.

The current favourable market backdrop enabled the group to further enhance its average debt maturity profile while reducing its average cost of funding. The purpose of this offering was to raise proceeds for general corporate purposes, including potential future M&A activity, and to further augment the group's liquidity position.

### Bonds issued during the year ended 31 March 2020

The group issued a 10-year US$1.25bn bond in January 2020. The bond matures in January 2030. The purpose of this offering was to raise proceeds to redeem the US$1.0bn bond that was redeemable in July 2020. The net proceeds of the offering of this bond were used by the group for the redemption of the bond due in 2020 and otherwise for general corporate purposes.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 18. Share capital and premium continued

### Undrawn revolving credit facility

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

The borrower under the bonds and the undrawn US$2.5bn (2020: undrawn balance of US$2.5bn) RCF (refer to the group's unutilised banking facilities disclosed in note 40) is Prosus N.V. The borrower is obligated to pay a commitment fee equal to 35% of the applicable margin under the RCF. The undrawn balance of the RCF is available to fund future investments and development expenditure by the group as part of its growth strategy.

The group has specific financial covenants in place to govern its RCF, all of which were complied with during the reporting period. These financial covenants are linked to various financial metrics, including the ratio of the group's debt to the value of its investment portfolio.

### Net interest-bearing debt-to-equity ratio

As of 31 March 2021, the group had total interest-bearing debt (including capitalised lease liabilities) of US$8.1bn (2020: US$3.7bn) and a net cash balance, including short-term cash investments of US$4.77bn (2020: US$8.03bn). The net interest-bearing debt-to-equity ratio was 8% at 31 March 2021 (31 March 2020: negative 15%) due to the group's cash position and accumulated equity reserves. The group excludes capitalised lease liabilities from total interest-bearing debt when evaluating and managing capital. These items are considered to be operating in nature. The adjusted total interest-bearing debt (excluding capitalised lease liabilities) was US$7.9bn (2020: US$3.5bn) and the adjusted net interest-bearing debt-to-equity ratio was 7% at 31 March 2021. The group does not have a formal targeted debt-equity ratio.

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

## 19. Other reserves

| | 31 March | |
|---|---|---|
| | **2021 US$'m** | 2020 US$'m |
| **Other reserves in the statement of financial position comprise:** | | |
| Foreign currency translation reserve | **(1 123)** | (2 647) |
| Valuation reserve | **6 707** | 2 |
| Existing control business combination reserve (BCR) | **(2 212)** | (1 583) |
| Share-based compensation reserve | **2 446** | 1 968 |
| | **5 818** | (2 260) |

### Foreign currency translation reserve

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

### Valuation reserve

The valuation reserve relates to fair-value changes in financial assets at fair value through other comprehensive income, differences between the fair value and the contractually stipulated value of shares issued in business combinations and other acquisitions. Furthermore, the valuation reserve includes the group's share of equity-accounted investees' revaluations of their financial assets at fair value through other comprehensive income and other changes in net asset value of the equity-accounted investees.

Other changes in net assets of the associate and joint ventures include changes in their share-based compensation reserve, transactions with non-controlling shareholders and other direct equity movements. The components of the valuation reserve may subsequently be reclassified to profit or loss, except for fair-value gains or loss relating to the group's financial assets at fair value through other comprehensive income, fair-value gains or losses from equity-accounted investments' financial assets at fair value through other comprehensive income and other direct reserve movements of equity-accounted investments.

### Share-based compensation reserve

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

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

### Existing control business combination reserve (BCR)

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

Effective 1 April 2020, the group made a voluntary change to its accounting policy regarding the subsequent measurement of written put option arrangements with non-controlling shareholders. Subsequent changes in the carrying value of put option liabilities previously recognised in the income statement in 'Other finance income/(costs) – net' are now being recognised through the existing control business combination reserve (refer to note 2 for details). On disposal of a business, any amounts accumulated in the 'Existing control business combination reserve' in respect of that business are transferred to retained earnings.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 19. Other reserves continued

Below is a summary of the group's significant transactions with non-controlling shareholders during the year:

| | 31 March | | | 31 March | | |
|---|---|---|---|---|---|---|
| | **Shareholding acquired 2021 %** | **Purchase price 2021 US$'m** | **BCR 2021 US$'m** | Shareholding acquired 2020 % | Purchase price 2020 US$'m | BCR 2020 US$'m |
| Movile Mobile Commerce Holdings S.L. | **11.33%** | **190** | **(136)** | 0.20% | 31 | 29 |
| Letgo Global B.V. | **20.06%** | **32** | **(25)** | – | – | – |
| Frontier Car Group | **6.33%** | **34** | **1** | – | – | – |
| Silver Indonesia JVCo B.V.[1] | **34.22%** | **54** | **(37)** | – | – | – |
| MIH Internet Sea Pte Ltd[1] | **8.71%** | **89** | **(114)** | – | – | – |
| | | **399** | **(311)** | | 31 | 29 |

[1] Purchase price for these transactions includes non-cash consideration paid to non-controlling shareholders.

## 20. Retained earnings

The board recommends that a distribution is made to the Prosus shareholders, in the form of a capital repayment, of 14 euro cents per N ordinary share. If the exchange offer transaction announced by Prosus on 12 May 2021 is implemented and settlement takes place, the distribution on the ordinary shares N held by Naspers will be capped at Naspers's effective economic interest percentage of the total distribution as outlined in the amended articles of association. Simultaneously to the distribution of the N ordinary shares, a distribution will be made on the A1 ordinary shares, and, if the exchange offer is implemented and settled, the B ordinary shares, in each case in accordance with the distribution rights attached to such shares under the articles of association. Holders of N ordinary shares as at 29 October 2021 (the Dividend Record Date) who do not wish to receive a capital repayment can elect to receive a dividend instead. A choice for one option implies an opt-out of the other option. If confirmed by shareholders at the Prosus annual general meeting on 24 August 2021, elections to receive a dividend instead of a capital repayment will need to be made by holders of N ordinary shares by 15 November 2021. Capital repayments and dividends will be payable to shareholders recorded in the books on the Dividend Record Date and paid on 24 November 2021. Capital repayments will be paid from share capital for Dutch tax purposes. No dividend tax will be withheld on the amounts of capital reductions paid to shareholders. Holders of N ordinary shares electing to receive a dividend will receive a dividend declared from retained earnings.

Dividends will be subject to the Dutch dividend tax rate of 15%. Dividends payable to holders of N ordinary shares who elect to receive a dividend and who hold their N ordinary share through the listing of the company on the JSE will, in addition to the Dutch dividend withholding tax, be subject to South African dividend tax at a rate of up to 20%. The amount of additional South African dividend tax payable will be calculated by deducting from the 20% South African dividend tax otherwise due, a rebate equal to the Dutch dividends tax paid in respect of the dividend (without any right of recovery). Those shareholders, unless exempt from paying dividend tax or entitled to a reduced withholding tax rate in terms of an applicable tax treaty, will be subject to a maximum of 20% total dividend tax. Holders of N ordinary shares that don't elect for a dividend will automatically receive a capital repayment which will not be subject to Dutch and South African dividend tax.

The issued share capital as at 19 June 2021 was 1 612 777 577 N ordinary shares (excluding 11 874 493 N ordinary shares held by the company as treasury shares) and 3 511 818 A1 ordinary shares.

## 21. Long-term liabilities

| | 31 March | | | 31 March | | |
|---|---|---|---|---|---|---|
| | **Long-term liabilities 2021 US$'m** | **Current portion 2021 US$'m** | **Total liabilities 2021 US$'m** | Long-term liabilities 2020 US$'m | Current portion 2020 US$'m | Total liabilities 2020 US$'m |
| **Interest bearing** | **8 033** | **84** | **8 117** | 3 692 | 49 | 3 741 |
| Capitalised lease liabilities | **173** | **54** | **227** | 184 | 42 | 226 |
| Loans and other liabilities | **7 860** | **30** | **7 890** | 3 508 | 7 | 3 515 |
| **Non-interest bearing** | **48** | **18** | **66** | 20 | 14 | 34 |
| Loans and other liabilities | **48** | **18** | **66** | 20 | 14 | 34 |
| **Total liabilities** | **8 081** | **102** | **8 183** | 3 712 | 63 | 3 775 |

### Interest bearing: Capitalised lease liabilities

| **Type of lease** | **Currency of year-end balance** | **Year of final repayment** | **Weighted average interest rate** | **31 March 2021 US$'m** | 31 March 2020 US$'m |
|---|---|---|---|---|---|
| Buildings | Various | 2021 – 2038 | 0.13% – 7.83% | **197** | 202 |
| Computers, furniture and office equipment | Various | 2021 – 2026 | 2.55% – 12.86% | **18** | 18 |
| Vehicles | Various | 2021 – 2025 | 0.75% – 9.14% | **12** | 6 |
| **Total capitalised lease liabilities** | | | | **227** | 226 |

### Maturity profile

| | 31 March | |
|---|---|---|
| | **2021 US$'m** | 2020 US$'m |
| **Minimum instalments** | | |
| Payable within year one | **58** | 49 |
| Payable within year two | **52** | 52 |
| Payable within year three | **36** | 40 |
| Payable within year four | **29** | 28 |
| Payable within year five | **24** | 22 |
| Payable after year five | **54** | 66 |
| | **253** | 257 |
| Future finance costs on capitalised lease liabilities | **(26)** | (31) |
| **Present value of capitalised lease liabilities** | **227** | 226 |

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 21. Long-term liabilities continued

### Maturity profile continued

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| **Present value** | | |
| Payable within year one | **54** | 42 |
| Payable within year two | **49** | 48 |
| Payable within year three | **33** | 37 |
| Payable within year four | **26** | 25 |
| Payable within year five | **20** | 19 |
| Payable after year five | **45** | 55 |
| **Present value of capitalised lease liabilities** | **227** | 226 |

### Interest bearing: Loans and other liabilities

| | Asset secured | Currency of year-end balance | Year of final repay-ment | Weighted average year-end interest rate | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|---|---|---|---|
| **Unsecured**[(1)] | | | | | | |
| Publicly traded bond | | US$ | 2025 | 5.50% | **1 200** | 1 200 |
| Publicly traded bond | | US$ | 2027 | 4.85% | **1 000** | 1 000 |
| Publicly traded bond | | US$ | 2030 | 3.68% | **1 250** | 1 250 |
| Publicly traded note[(2)] | | EUR | 2028 | 1.54% | **998** | – |
| Publicly traded note[(3)] | | EUR | 2032 | 2.03% | **879** | – |
| Publicly traded bond | | US$ | 2050 | 4.03% | **1 000** | – |
| Publicly traded bond | | US$ | 2051 | 3.83% | **1 500** | – |
| Various institutions | | Various | Various | Various | **8** | 8 |
| **Secured**[(4)] | | | | | | |
| Exim Bank S.A. | Building | EUR | 2021 – 2029 | EURIBOR 1M + (1.395%) | **38** | 37 |
| Raiffeisen Bank S.A. | Building | EUR | 2021 – 2028 | EURIBOR 1M + (1.395%) | **21** | 21 |
| Various institutions | | Various | Various | Various | **27** | 17 |
| **Total facilities** | | | | | **7 921** | 3 533 |
| Unamortised loan costs | | | | | **(50)** | (18) |
| Premium on euro bonds[(2), (3)] | | | | | **19** | – |
| | | | | | **7 890** | 3 515 |

(1) The publicly traded bonds are listed on the Irish Stock Exchange (Euronext Dublin). Refer to note 18.
(2) The bond maturing in 2028 was issued in two tranches. The second tranche was issued at an issue price of 102.381% (plus €1.9m representing 127-days accrued interest in respect of the period from, and including, 3 August 2020), resulting in a premium of €8.3m that is included in the fair value of the bond at initial recognition and is subsequently released over the term of the bond.
(3) The bond maturing in 2032 was issued in two tranches. The second tranche was issued at an issue price of 103.020% (plus €1.8m representing 127-days accrued interest in respect of the period from, and including, 3 August 2020), resulting in a premium of €7.6m that is included in the fair value of the bond at initial recognition and is subsequently released over the term of the bond.
(4) Refer to note 25 for details of the group's assets pledged as collateral.

### Non-interest bearing: Loans and other liabilities

| Loans | Asset secured | Currency of year end balance | Year of final repayment | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|---|---|---|
| **Secured**[(1)] | | | | | |
| Automotive Finance Corporation | Various | US$ | 2020 | **13** | 8 |
| **Unsecured** | | | | | |
| Earn-out obligations | | Various | Conditional | **13** | 22 |
| Preference shares liability | | Various | Conditional | **36** | – |
| Other | | Various | Various | **4** | 4 |
| | | | | **66** | 34 |
| **Total long-term liabilities** | | | | | |
| **Repayment terms of long-term liabilities (excluding capitalised lease liabilities)** | | | | | |
| Payable within year one | | | | **48** | 21 |
| Payable within year two | | | | **43** | 23 |
| Payable within year three | | | | **18** | 15 |
| Payable within year four | | | | **7** | 14 |
| Payable within year five | | | | **1 205** | 10 |
| Payable after year five | | | | **6 666** | 3 484 |
| | | | | **7 987** | 3 567 |
| Premium on euro bonds | | | | **19** | – |
| Unamortised loan costs | | | | **(50)** | (18) |
| | | | | **7 956** | 3 549 |
| **Interest rate profile of long-term liabilities (long- and short-term portion, including capitalised lease liabilities)** | | | | | |
| Liabilities at fixed rates: one to 12 months | | | | **84** | 49 |
| Liabilities at fixed rates: more than 12 months | | | | **7 974** | 3 626 |
| Interest-free loans | | | | **66** | 34 |
| Liabilities linked to variable rates | | | | **59** | 66 |
| | | | | **8 183** | 3 775 |

(1) Refer to note 25 for details of the group's assets pledged as collateral.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 21. Long-term liabilities continued

### Reconciliation of liabilities arising from financing activities

| | 31 March 2021 | | |
|---|---|---|---|
| | Capitalised lease liabilities[1] US$'m | Interest-bearing liabilities US$'m | Non-interest-bearing liabilities US$'m |
| **Balance at 1 April 2020** | **226** | **3 515** | **34** |
| Additional liabilities recognised | **44** | **4 432** | **161** |
| Repayments of long- and short-term debt | **(48)** | **(39)** | **(116)** |
| Repayments of interest on capitalised lease liabilities | **(10)** | **–** | **–** |
| Interest accrued | **10** | **3** | **–** |
| Acquisition of subsidiary | **9** | **–** | **–** |
| Disposal of subsidiary | **(2)** | **(1)** | **–** |
| Amortisation of transaction costs | **–** | **3** | **–** |
| Capitalisation of transaction costs | **–** | **(16)** | **–** |
| Foreign exchange translation | **3** | **(7)** | **(13)** |
| Remeasurement of capitalised lease liabilities | **(5)** | **–** | **–** |
| **Balance at 31 March 2021** | **227** | **7 890** | **66** |
| *Less:* Current portion | **(54)** | **(30)** | **(18)** |
| **Non-current liabilities** | **173** | **7 860** | **48** |

| | 31 March 2020 | | |
|---|---|---|---|
| | Capitalised lease liabilities US$'m | Interest-bearing liabilities US$'m | Non-interest-bearing liabilities US$'m |
| **Balance at 1 April 2019** | 8 | 3 247 | 11 |
| Change in accounting policy[1] | 194 | – | – |
| Additional liabilities recognised | 58 | 1 285 | 13 |
| Additional earn-out obligations | – | – | 2 |
| Repayments of long- and short-term debt | (29) | (1 032) | (15) |
| Repayment of interest on capitalised lease liabilities | (9) | – | – |
| Interest accrued | 8 | 1 | – |
| Acquisition of subsidiary | 12 | 33 | 20 |
| Disposal of subsidiary | (2) | (5) | – |
| Disposal of a business | (1) | – | – |
| Amortisation of transaction costs | – | 3 | – |
| Capitalisation of transaction costs | – | (8) | – |
| Foreign exchange translation | (12) | (5) | – |
| Transfer to held for sale | (2) | (1) | – |
| Other | 1 | (3) | 3 |
| **Balance at 31 March 2020** | 226 | 3 515 | 34 |
| *Less:* Current portion | (42) | (7) | (14) |
| **Non-current liabilities** | 184 | 3 508 | 20 |

(1) The group adopted IFRS 16 from 1 April 2019 and accordingly the capitalised lease liabilities as at 31 March 2020 relate to all leases, including those previously classified as operating leases in terms of IAS 17 that were not recognised on the statement of financial position.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 22. Other non-current liabilities

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| Written put option liabilities[1] | **1 267** | 869 |
| Post-employment liabilities | **2** | 3 |
| **Total other liabilities** | **1 269** | 872 |
| *Less:* Current portion of other liabilities included in accrued expenses and other current liabilities (refer to note 24) | **(1 207)** | (709) |
| **Non-current portion of other liabilities** | **62** | 163 |

[1] Relates to put options written over the non-controlling interests in the group's Frontier Car Group, Dante International S.A. (eMAG), Extreme Digital Hungary (eMAG Hungary), Movile Internet Movel S.A., PaySense Private Limited, Letgo Global B.V. classifieds business (based on OfferUp associate valuation) and various other smaller ecommerce units.

Effective 1 April 2020, the group made a voluntary change to its accounting policy regarding the subsequent measurement of written put option arrangements with non-controlling shareholders. Subsequent changes in the carrying value of put option liabilities previously recognised in the income statement in 'Other finance income – net' are now being recognised through the existing control business combination reserve (refer to note 2(w) for details). During the year, the group recognised an aggregate loss on the remeasurement of written put option liabilities of US$508.3m (2020 gain of US$53.0m). The movement in the written put option liability in the current year is predominantly due to growth in the group's ecommerce subsidiaries that resulted in the increase in the enterprise values used to determine the expected redemption amount payable (put option liability). In the prior year the remeasurement was primarily as a result of the group's acquisition of Frontier Car Group, Extreme Digital and PaySense which increased the liability, as well as the decrease in the put option liability related to letgo classifieds business that was measured using the transaction value of OfferUp Inc. (refer to note 4).

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

| | 31 March 2021 US$'m | 31 March 2020 US$'m |
|---|---|---|
| Exercisable within one year | **1 207** | 709 |
| Exercisable within one to two years | **60** | 29 |
| Exercisable after two to five years | **–** | 131 |
| **Total other liabilities** | **1 267** | 869 |

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

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

### Sensitivity analysis

The measurement of written put option liabilities is based on the value of the underlying businesses, calculated either through a discounted cash flow analysis or through transaction prices observed in orderly transactions. Accordingly, the measurement of written put option liabilities is subject to significant estimation uncertainty. At 31 March 2021, 95% (2020: 36%) of the total balance of written put option liabilities have been measured using discounted cash flow analyses based on the relevant group subsidiary 10-year budgeted cash flow and forecasts. The valuations were determined using the same inputs and methodology used in the value-in-use calculations for the goodwill impairment assessment (refer to note 6). The increase in written put option liabilities is predominantly as a result of the increase in valuations of the subsidiaries in the Etail and Food Delivery segments.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 22. Other non-current liabilities continued

### Sensitivity analysis continued

The following analysis illustrates the sensitivity of written put option liabilities to reasonable changes in the most significant underlying variables used in their measurement:

| | 31 March | |
|---|---|---|
| **Increase/(decrease) in written put option liabilities and loss/(gain) in equity** | **2021 US$'m** | 2020 US$'m |
| 1% increase in the discount rate and a 1% decrease in the terminal growth rate | **(247)** | (53) |
| 1% decrease in the discount rate and a 1% increase in the terminal growth rate | **323** | 62 |

Other assumptions contained in the discounted cash flow analyses as at 31 March 2021 used by the group when valuing written put option liabilities vary widely between obligations due to the group's diverse range of business models and are closely linked to entity-specific key performance indicators taking into account the impact of the Covid-19 pandemic, the shift to online ecommerce platforms as a result of the pandemic as well as broader market expectations. For written put option liabilities valued using orderly transactions in the prior year, the group assessed whether the transaction value as at 31 March 2020 was appropriate in light of the pandemic. The impact of the Covid-19 pandemic on the written put option liabilities based on transaction values was not considered to be significant.

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

| | 31 March | |
|---|---|---|
| | **2021 US$'m** | 2020 US$'m |
| **Opening balance** | **869** | 827 |
| Additional obligations raised | **–** | 142 |
| Remeasurements recognised in equity[(1)] | **508** | (53) |
| Settlements | **(24)** | – |
| Expirations and cancellations | **(71)** | – |
| Foreign currency translation effects | **(15)** | (47) |
| **Closing balance** | **1 267** | 869 |

(1) Refer to note 2(w) for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

## 23. Provisions

| | 31 March | |
|---|---|---|
| | **2021 US$'m** | 2020 US$'m |
| Pending litigation | **15** | 5 |
| Reorganisation | **1** | 1 |
| Long-service and retirement gratuity | **2** | 3 |
| Other | **2** | 3 |
| **Total provisions** | **20** | 12 |
| *Less:* Non-current portion of provisions | **(4)** | (3) |
| **Current portion of provisions** | **16** | 9 |

The group is currently involved in various litigation matters. The litigation provision has been estimated based on management assessment on likelihood of requirements on legal counsel and management's estimates of costs and possible claims relating to these after taking appropriate legal advice.

Please refer to note 25(d) for contingent assets disclosed in respect of the group's litigation matters. The reorganisation provision relates to the relocation costs of certain of our operations. The long-service and retirement gratuity provision relates to the estimated cost of these employee benefits. Furthermore, included in other provisions are estimated amounts related to other regulatory matters.

## 24. Accrued expenses and other current liabilities

| | 31 March | |
|---|---|---|
| | **2021 US$'m** | 2020 US$'m |
| Deferred income[(1)] | **82** | 51 |
| Accrued expenses* | **173** | 120 |
| Accrued interest related to the bonds* | **80** | 33 |
| Amounts owing in respect of investments acquired* | **170** | 4 |
| Taxes and other statutory liabilities | **96** | 59 |
| Bonus accrual | **82** | 53 |
| Accrual for leave | **23** | 16 |
| Other personnel accruals | **45** | 27 |
| Payments received in advance | **22** | 19 |
| Cash-settled share-based payment liability (refer to note 42) | **897** | 143 |
| Payables from reverse factoring arrangements* | **92** | 58 |
| Merchant payable* | **504** | 357 |
| Written put option liabilities (refer to note 22)* | **1 207** | 709 |
| Other current liabilities** | **32** | 19 |
| | **3 505** | 1 668 |

(1) Relates to revenue received in advance from contracts with customers. Refer to note 26 for movements in deferred income balances.
* Financial liabilities.
** Includes financial liabilities of US$23.5m (2020: US$15.8m).

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 25. Commitments and contingencies

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

### (a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2021 amount to US$2.5m (2020: US$nil).

### (b) Other commitments

The group entered into contracts for the receipt of various services. These service contracts are for the receipt of information technology and computer support services, access to networks, consulting services and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amount to US$75.8m (2020: US$102.9m).

### (c) Lease commitments

Lease commitments include the group's short-term lease arrangements as well as other contractual lease agreements whose commencement date is after 31 March 2021. Short-term lease commitments relate to leasing arrangements with lease terms of 12 months or less that are not recognised on the statement of financial position. The group has the following lease commitments at 31 March:

| | 31 March | |
|---|---|---|
| | **2021 US$'m** | 2020 US$'m |
| Minimum lease payments: | | |
| Payable in year one | **1** | 1 |
| Payable in year two | **2** | 1 |
| Payable in year three | **2** | 2 |
| Payable in year four | **2** | 2 |
| Payable in year five | **2** | 2 |
| Payable after five years | **4** | 5 |
| | **13** | 13 |

### (d) Litigation claims

Taxation matters

The group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures.

The group had an uncertain tax position of US$170.8m at 31 March 2020 related to amounts receivable from tax authorities. In the financial year ended 31 March 2019, the group concluded that this uncertain tax position was not probable and reflected the uncertainty in the tax expense recognised during that financial year. In September 2020, the group received this amount and has recognised it in 'Taxation' in the consolidated income statement, where it was originally recognised. The receipt of the amount has evidenced that no taxation was payable on the transaction and therefore this cash flow has been classified consistently with the underlying transaction in the consolidated statement of cash flows.

### (e) Assets pledged as collateral

The group pledged property, plant and equipment, investments, cash and cash equivalents, trade receivables and other working capital as collateral against its secured long-term liabilities with an outstanding balance of US$98.9m (2020: US$83.9m). Refer to note 21 for further details.

## 26. Revenue from contracts with customers

| | | 31 March | |
|---|---|---|---|
| | **Reportable segment(s) where revenue is included** | **2021 US$'m** | 2020 US$'m |
| Online sale of goods revenue | Etail and Classifieds | **2 826** | 1 539 |
| Classifieds listings revenue | Classifieds | **715** | 772 |
| Payment transaction commissions and fees | Payments and Fintech | **513** | 380 |
| Mobile and other content revenue | Other Ecommerce | **147** | 173 |
| Food-delivery revenue | Food Delivery | **733** | 310 |
| Advertising revenue | Classifieds | **71** | 91 |
| Comparison-shopping commissions and fees | Other Ecommerce | **–** | 22 |
| Other revenue | Various | **111** | 43 |
| | | **5 116** | 3 330 |

Revenue is presented on an economic-interest basis (i.e. including a proportionate consolidation of the revenue of associates and joint ventures) in the group's segmental review and is accordingly not directly comparable to the above consolidated revenue figures.

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

### Accrued income (refer to note 15)

Accrued income balance net of impairment allowances as at 31 March 2021 was US$16.5m (2020: US$22.1m). Refer to note 40 for the group's credit risk management policy. Impairment allowances recorded on accrued income balances were not material.

### Deferred income (refer to note 24)

Deferred income balance as at 31 March 2021 was US$81.8m (2020: US$51.1m). Revenue recognised in the current year that was included in the deferred income balance at the beginning of the year (as at 1 April 2020) was US$36.2m (2020: US$23.1m).

There were no significant changes in accrued income or deferred revenue balances during any of the periods presented.

### Unsatisfied long-term contracts

The group has no unsatisfied long-term contracts as at 31 March 2021 (2020: US$nil).

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 27. Expenses by nature

| | 31 March 2021 US$'m | 2020 US$'m |
|---|---|---|
| Operating loss includes the following items: | | |
| **Platform cost of sales, website hosting and warehousing costs** | **2 598** | 1 626 |
| **Payment facilitation transaction costs** | **379** | 258 |
| **Delivery services costs** | **390** | 196 |
| **Depreciation**(1) | **93** | 80 |
| **Amortisation**(2) | **138** | 103 |
| **Short-term lease payments** | **1** | 2 |
| **Auditor's remuneration – PwC in the Netherlands**(3) | | |
| Audit fees of the financial statements | **4** | 2 |
| Other audit services | **2** | 2 |
| **Auditor's remuneration – PwC network outside the Netherlands** | | |
| Audit fees of the financial statements | **4** | 4 |
| Audit fees – other audit services | **1** | – |
| **Total audit fees** | **11** | 8 |
| **Staff costs** | | |
| The total cost of employment of all employees, including executive directors, was as follows: | | |
| Salaries, wages and bonuses | **856** | 776 |
| Social security taxes | **99** | 54 |
| Retirement benefit costs | **8** | 2 |
| Medical aid fund contributions | **1** | – |
| Post-employment benefits | **1** | 1 |
| Cash-settled share-based compensation expenses | **675** | 88 |
| Equity-settled share-based compensation expenses | **54** | 63 |
| | **1 694** | 984 |
| Training costs | **7** | 8 |
| Retention option expense | **62** | 61 |
| **Total staff costs** | **1 763** | 1 053 |
| **Advertising expenses** | **322** | 299 |
| **General administration cost** | **363** | 313 |
| **Other costs of providing services and sale of goods, purchases and expenses** | **11** | 1 |
| **Total** | **6 069** | 3 939 |

(1) Includes depreciation charge of US$0.7m in cost of providing services and sale of goods (2020: US$nil).
(2) Recognised in selling, general and administration expense.
(3) The fees listed relate to the procedures applied to the company and its consolidated group entities by accounting firms and external auditors as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act *(Wet Toezicht Accountantsorganisaties)* as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups. The fees relate to the audit of the financial statements for the respective financial year.

## 28. Other (losses)/gains – net

| | 31 March 2021 US$'m | 2020 US$'m |
|---|---|---|
| Fair-value adjustments on financial instruments | **(4)** | 4 |
| **Impairment losses** | **(68)** | (10) |
| Impairment of goodwill | **(68)** | (10) |
| Gains recognised on loss of significant influence | **–** | 13 |
| Covid-19 donation | **(13)** | – |
| Dividends received on investments | **4** | 5 |
| Other | **(6)** | 4 |
| **Total other (losses)/gains – net** | **(87)** | 16 |

Refer to note 6 for further information on the above impairments.

## 29. Finance income/(costs)

| | 31 March 2021 US$'m | Restated* 2020 US$'m |
|---|---|---|
| **Interest income** | | |
| Loans and bank accounts | **61** | 198 |
| Other(1) | **22** | 3 |
| | **83** | 201 |
| **Interest expense** | | |
| Loans and overdrafts | **(245)** | (208) |
| Capitalised lease liabilities | **(10)** | (8) |
| Other | **(7)** | (7) |
| | **(262)** | (223) |
| **Net profit from foreign exchange translation and fair-value adjustments on derivative financial instruments** | | |
| On translation of assets and liabilities | **55** | 32 |
| Fair-value adjustments on derivative financial instruments | **122** | 29 |
| **Other finance income – net** | **177** | 61 |
| **Total finance (costs)/income – net** | **(2)** | 39 |

(1) Includes interest received on tax. Refer to note 25.
* Refer to note 2(w) for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 30. Net gains on acquisitions and disposals

| | 31 March 2021 US$'m | 2020 US$'m |
|---|---|---|
| Gains on sale of investments – net | **241** | 447 |
| Gains on sale of business – net | **118** | – |
| Gains recognised on loss of control transactions | **–** | 17 |
| Transaction-related costs[1] | **(51)** | (85) |
| Securities tax on internal restructuring | **–** | (18) |
| Remeasurement of previously held interest | **–** | 73 |
| Other | **1** | – |
| | **309** | 434 |

(1) Includes transaction-related cost regarding acquisition and disposal transactions. The prior year also includes transaction-related cost for the listing of the Prosus.

## 31. Taxation

| | 31 March 2021 US$'m | 2020 US$'m |
|---|---|---|
| **Current taxation** | **(52)** | 102 |
| Current year | **120** | 102 |
| Prior year | **(172)** | – |
| **Deferred taxation** | **(15)** | (27) |
| Current year | **(15)** | (27) |
| **Total taxation (credit)/expense per income statement[1]** | **(67)** | 75 |
| **Reconciliation of taxation** | | |
| Taxation at statutory rates[2] | **1 833** | 948 |
| Adjusted for: | | |
| Non-deductible expenses[3] | **226** | 130 |
| Non-taxable income[3] | **(383)** | (214) |
| Temporary differences not provided for[4] | **255** | 228 |
| Assessed losses utilised | **(11)** | (2) |
| Adjustments related to prior-year taxes[1] | **(136)** | (1) |
| Other taxes | **13** | 6 |
| Tax attributable to equity-accounted earnings | **(1 774)** | (983) |
| Tax adjustment for foreign taxation rates | **(90)** | (37) |
| **Taxation provided in income statement[1]** | **(67)** | 75 |

(1) Refer to note 25 for details on the tax credit in the current year.
(2) The reconciliation of taxation has been performed using the statutory tax rate of Prosus of 25% (2020: 25%). The impact of different tax rates applied to profits earned in other jurisdictions is disclosed above as 'Tax adjustment for foreign taxation rates'.
(3) Non-deductible expenses relate primarily to impairment losses, share-based payment expense and dilutions of equity-accounted investments. Non-taxable income relates primarily to the gains on disposals of subsidiaries and associates.
(4) Temporary differences and losses not provided for relate primarily to loss-making entities that did not recognise deferred tax assets.

## 32. Earnings per share

| | 31 March | | | | 31 March | | | |
|---|---|---|---|---|---|---|---|---|
| | **Gross 2021 US$'m** | **Taxation 2021 US$'m** | **Non-controlling interests 2021 US$'m** | **Net 2021 US$'m** | Gross Restated* 2020 US$'m | Taxation Restated* 2020 US$'m | Non-controlling interests Restated* 2020 US$'m | Net Restated* 2020 US$'m |
| **Earnings** | | | | | | | | |
| Basic earnings attributable to shareholders | | | | **7 449** | | | | 3 771 |
| Impact of dilutive instruments of subsidiaries, associates and joint ventures | | | | **(139)** | | | | (65) |
| Diluted earnings attributable to shareholders | | | | **7 310** | | | | 3 706 |
| **Headline adjustments[1]** | | | | | | | | |
| Adjustments for: | **(1 362)** | **(173)** | **(74)** | **(1 609)** | (1 089) | 11 | 49 | (1 029) |
| Impairment of goodwill and other intangible assets | **68** | **–** | **(1)** | **67** | 10 | – | – | 10 |
| Gain on loss of control transactions | **–** | **–** | **–** | **–** | (17) | – | – | (17) |
| Gains on loss of significant influence | **–** | **–** | **–** | **–** | (13) | – | 1 | (12) |
| Net gains on acquisitions and disposals of investments | **(359)** | **(173)** | **30** | **(502)** | (447) | 4 | 49 | (394) |
| Remeasurement of previously held interest | **–** | **–** | **–** | **–** | (73) | – | – | (73) |
| Dilution (gains)/losses on equity-accounted investments | **(1 000)** | **–** | **–** | **(1 000)** | 52 | – | – | 52 |
| Remeasurements included in equity-accounted earnings[2] | **(101)** | **–** | **(95)** | **(196)** | (622) | 7 | (1) | (616) |
| Impairment of equity-accounted investments | **30** | **–** | **(8)** | **22** | 21 | – | – | 21 |
| **Basic headline earnings** | | | | **5 840** | | | | 2 742 |
| **Diluted headline earnings** | | | | **5 701** | | | | 2 677 |

* Refer to note 2(w) for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.
(1) Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined separately identifiable remeasurements. The headline earnings measure is in pursuance of the JSE Listings Requirements. Refer to note 2 for detailed accounting policy relating to earnings per share.
(2) Remeasurements included in equity-accounted earnings include US$1.1bn (2020: US$841.9m) relating to gains arising on acquisitions and disposals by associates and US$932.5m (2020: US$226.7m) relating to impairments of assets recognised by associates.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 32. Earnings per share continued

| | 2021 Number of shares | 2020 Number of shares |
|---|---|---|
| Number of ordinary shares in issue at year-end (net of treasury shares) | **1 628 163 888** | 1 628 163 888 |
| Adjusted for A1 ordinary share's earnings percentage and share repurchase programme | **(5 006 658)** | (2 809 454) |
| Weighted average number of ordinary shares in issue during the year | **1 623 157 230** | 1 625 354 434 |
| Adjusted for effect of future share-based payment transactions | **–** | – |
| Diluted weighted average number of ordinary shares in issue during the year | **1 623 157 230** | 1 625 354 434 |
| **Earnings per ordinary share (US cents) for the year (restated for prior year)*** | | |
| Basic | **459** | 232 |
| Diluted | **450** | 228 |
| **Headline earnings per ordinary share (US cents) for the year (restated for prior year)*** | | |
| Basic | **360** | 169 |
| Diluted | **351** | 165 |
| Dividend paid per A1 ordinary share (euro cents) | **0.602** | |
| Dividend paid per N ordinary share (euro cents) | **11.000** | |
| Proposed dividend per A1 ordinary share (euro cents) | **0.766** | 0.602 |
| Proposed dividend per N ordinary share (euro cents) | **14.000** | 11.000 |

* Refer to note 2(w) for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

## 33. Cash from operations

| | 31 March 2021 US$'m | Restated* 2020 US$'m |
|---|---|---|
| Profit before tax per income statement (restated for the prior year)* | **7 332** | 3 737 |
| Adjustments relating to continuing operations: | | |
| Non-cash and other | **(7 277)** | (4 039) |
| Depreciation and amortisation | **231** | 183 |
| Retention option expense | **62** | 61 |
| Share-based compensation expenses | **729** | 151 |
| Net finance income | **2** | (39) |
| Share of equity-accounted results | **(7 095)** | (3 930) |
| Impairment of equity-accounted investments | **30** | 21 |
| Gains on acquisitions and disposals | **(360)** | (519) |
| Dilution (gains)/losses on equity-accounted investments | **(1 000)** | 52 |
| Gains recognised on loss of significant influence | **–** | (13) |
| Net realisable value adjustments on inventory, net of reversals | **–** | 1 |
| Impairment losses | **68** | 10 |
| Reversal of bonus provision | **39** | – |
| Other | **17** | (17) |
| | **55** | (302) |
| Working capital | **(107)** | (173) |
| Cash movement in trade and other receivables | **(56)** | 18 |
| Cash movement in payables and accruals | **48** | (165) |
| Cash movement in inventories | **(99)** | (26) |
| Total cash utilised in operations | **(52)** | (475) |

* Refer to note 2(w) for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 34. Acquisitions of subsidiaries and businesses

| | 31 March 2021 US$'m | 2020 US$'m |
|---|---|---|
| **Fair value of assets and liabilities:** | | |
| Property, plant and equipment | **9** | 28 |
| Investments and loans | **2** | – |
| Other intangible assets | **45** | 255 |
| Net current (liabilities)/assets | **(11)** | 253 |
| Deferred taxation | **(10)** | (59) |
| Long-term liabilities | **(9)** | (65) |
| | **26** | 412 |
| Non-controlling interests | **(24)** | (53) |
| Existing control business combination reserve[1] | **71** | – |
| Derecognition of equity-accounted investments | **–** | (78) |
| Remeasurement of previously held interest | **–** | (73) |
| Goodwill recognised | **42** | 566 |
| **Purchase consideration** | **115** | 774 |
| Contribution of subsidiary | **–** | (24) |
| Amount to be settled in future | **(7)** | (3) |
| Net cash in subsidiaries and businesses acquired | **(20)** | (279) |
| **Net cash outflow from acquisitions of subsidiaries and businesses** | **88** | 468 |

[1] In December, Naspers through its subsidiary MIH Treasury Services Proprietary Limited sold Homefind24 (Pty) Ltd (Property24) to the Prosus group for US$71.0m. The transaction was accounted for as an acquisition of a subsidiary under common control.

## 35. Disposals of subsidiaries and businesses

| | 31 March 2021 US$'m | 2020 US$'m |
|---|---|---|
| **Carrying values of assets and liabilities:** | | |
| Property, plant and equipment | **3** | 4 |
| Assets and liabilities classified as held for sale | **188** | – |
| Goodwill | **72** | 5 |
| Other intangible assets | **13** | 6 |
| Net current liabilities | **(6)** | (20) |
| Deferred taxation | **–** | (2) |
| Foreign currency translation reserve realised | **16** | 191 |
| | **286** | 184 |
| Non-controlling interests | **–** | 10 |
| Existing control business combination reserve | **(17)** | (21) |
| Gain/(loss) on disposal – net | **346** | (153) |
| Fair-value gain on shares received | **174** | – |
| **Selling price** | **789** | 20 |
| Net cash in subsidiaries and businesses disposed of | **(35)** | 2 |
| Shares received as settlement | **(710)** | – |
| Amounts to be received in the future | **(17)** | – |
| **Net cash inflow from disposals of subsidiaries and businesses** | **27** | 22 |

## 36. Acquisition of and additional investments in associates and joint ventures

Included in acquisition of and additional investments in associates of US$1.8bn (2020: US$374.0m) are the following: Delivery Hero SE US$1.3bn, EMPG US$75.0m, OfferUp Inc US$100.0m, Eruditus US$59.9m, Remitly US$66.8m, Mail.ru US$25.0m and other acquisitions of US$173.3m (2020: Swiggy US$100.1m, Meesho Inc. US$79.7m, Udemy US$43.0m, NTEx Transportation services (ElasticRun) US$30.2m, Brainly Inc US$25.0m and other acquisitions of US$96.0m). These investments were classified as investments in associates.

Included in acquisition of and additional investments in joint ventures of US$132.0m (2020: US$23.0m) is SilverBrazil US$112.1m, El Cochinero (iFood Mexico) US$11.4m and other acquisitions of US$8.5m (2020: El Cochinero US$23.0m). These investments were classified as investments in joint ventures.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 37. Short-term investments

The carrying values of short-term investments as at 31 March are shown below.

| | Weighted average interest rate | 31 March 2021 US$'m | 2020 US$'m |
|---|---|---|---|
| Deposits and money market investments | 0.37% | **1 209** | 3 839 |
| Accrued interest income | | **2** | 34 |
| | | **1 211** | 3 873 |

The deposits and money market investments of US$1.21bn (2020: US$3.84bn) are denominated in US dollar.

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

Short-term investments are classified as financial assets at amortised cost. Due to their short-term nature, the carrying values of these investments are considered to be a reasonable approximation of their fair values. None of the group's short-term investments were past due or subject to significant impairment allowances as at 31 March 2021.

Most short-term investments are held in the same currency as the respective entity's functional currency. However, there are certain money market investments held in euros by entities with US dollar functional currencies which give rise to foreign currency risk. Due to the nature of short-term investments, there is an insignificant exposure to price risk.

Refer to note 40 for further information regarding the credit risk and foreign currency risk of short-term investments.

## 38. Cash and cash equivalents

| | 31 March 2021 US$'m | 2020 US$'m |
|---|---|---|
| Cash at bank and on hand | **1 167** | 848 |
| Short-term bank deposits[1] | **2 404** | 3 333 |
| Bank overdrafts | **(9)** | (32) |
| | **3 562** | 4 149 |
| **Restricted cash** | | |
| The following cash balances are restricted from immediate use: | | |
| Classifieds | **–** | 5 |
| Payments and Fintech | **295** | 166 |
| Etail | **25** | – |
| Other Ecommerce | **16** | 1 |
| **Total restricted cash** | **336** | 172 |

(1) Included in short-term bank deposits is an amount of US$996.2m (2020: US$650.0m) which represents money market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies.

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

## 39. Segment information

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision-maker (CODM) in order to allocate resources to the segments and to assess their performance. The CODM has been identified as the group's executive directors, who make strategic decisions. The Prosus group has the same governance structures as its ultimate controlling parent, Naspers. It has the same board and management oversight, including the same individuals comprising the CODM. Accordingly, the CODM for Naspers Limited is the same CODM for the Prosus group.

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

The group has identified its reportable segments based on its business by service or product. The operating segments are grouped into the following categories: ecommerce, social and internet platforms and corporate. Below are operating segments under each category:

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

- *Classifieds* – the group operates a number of leading online classifieds platforms comprising general classifieds (such as OLX and letgo) and verticals (automotive and real estate verticals) in 19 core operating markets.
- *Payments and Fintech* – operates one of the largest mobile and online payment platforms in 20 high-growth markets through PayU, an online payment services provider. This segment also includes the group's fintech and credit interests via associates and subsidiaries.
- *Food Delivery* – the group invests in leading global online food-ordering and delivery platforms operating in regions including India, Latin America and across Europe, Asia and the Middle East through its investments in Delivery Hero, Swiggy and iFood.
- *Etail* – comprises the group's etail subsidiaries (eMAG). The group's operations are spread across Central and Eastern Europe and India.
- *Travel* – in the prior year, the group, through its investment in MakeMyTrip in India, operated a platform for online travel services including flight tickets and hotel reservations. Eight months of results are included for MakeMyTrip in the segmental results for the previous period, representing the group's share of its earnings for the period up to disposal and a catch-up of the lag period applied in reporting its results. After the Trip.com transaction, the travel segment ceased to exist and has not been reported on in the current financial year.
- *Other Ecommerce* – this segment comprises the group's edtech, mobile and other content businesses. Also included are various corporate support functions for the ecommerce segment.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 39. Segment information continued

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

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

Sales between the above segments are eliminated in the 'Inter-segmental' column. The revenue from external parties and all other items of income, expenses, profits and losses reported in the segment report is measured in a manner consistent with that in the income statement. Adjusted EBITDA and trading profit/(loss) are presented in the segment report.

Adjusted EBITDA represents operating profit/loss, as adjusted to exclude: (i) depreciation; (ii) amortisation; (iii) retention option expenses linked to business combinations; (iv) other losses/gains—net, which includes dividends received from investments, profits and losses on sale of assets, fair-value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities; (v) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and (vi) subsequent fair-value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the group has a cash cost on settlement with participants).

Trading profit/loss represents operating profit/loss, as adjusted to exclude: (i) amortisation of intangible assets recognised in business combinations and acquisitions, as these expenses are not considered operational in nature; (ii) retention option expenses linked to business combinations; (iii) other losses/gains—net, which includes dividends received from investments, profits and losses on sale of assets, fair-value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities; (iv) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and (v) subsequent fair-value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the group has a cash cost on settlement with participants).

The revenues from external customers for each major group of products and services are disclosed in note 26. The group is not reliant on any one major customer as the group's products are consumed by the general public in a large number of countries.

### Changes to definition of adjusted EBITDA and trading profit/(loss)

On 24 April 2020, the Naspers board (the board) approved a prospective change in the settlement mechanism for the group's share appreciation rights (SARs) plans from settlement in Naspers N ordinary shares to using cash resources for settlement. Accordingly, going forward these plans have been classified as cash-settled share-based payment expenses for both Prosus and Naspers. The change in settlement mechanism is at a Naspers group level and had no impact on the Prosus results as these plans were classified as cash-settled SARs since the formation of the Prosus group.

In October 2020, the board approved a change to the group's definition to adjusted EBITDA and trading profit/(loss) related to the treatment of SAR share-based compensation benefits. Adjusted EBITDA and trading profit/(loss) now include the impact of the group's SAR share-based compensation expenses based on the grant date fair value for cash-settled share-based compensation benefits. The non-IFRS measures therefore exclude the subsequent remeasurement of the group's cash-settled share-based compensation benefits. These non-IFRS measures are aimed to reflect a stable measure of the group's operations. From April 2020, since the change in the settlement mechanism, the CODM reviews these two non-IFRS measures to include the impact of the grant date fair value of the group's cash-settled share-based compensation benefits. The CODM reviews these measures excluding the subsequent remeasurement because the volatility in the fair value of our ecommerce portfolio may distort the operating performance of the group's segments. Whilst this presentation is different from what was reported for the six months ended 30 September 2020, the CODM simultaneously reviewed segment information for these non-IFRS measures without the subsequent fair-value remeasurement during this period. Accordingly, in October 2020, subsequent to the board approval of the change to the definition of these non-IFRS measures, the September 2020 results were restated. This ensured that these non-IFRS measures were presented on a similar basis for the financial year. Including only the grant date fair value of the group's cash-settled share-based compensation benefits is consistent with how the CODM reviewed these measures prior to the modification of the SARs to a cash-settled scheme and as a result the prior period presented does not require restatement. The group has applied this new definition for adjusted EBITDA and trading profit from April 2020 in these consolidated financial statements.

On an economic-interest basis, this non-IFRS measure will continue to include the group's proportionate share of its associate cash-settled share-based compensation expenses and exclude the share of its associate equity-settled share-based compensation expenses.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 39. Segment information continued

| | Revenue | | | | | |
|---|---|---|---|---|---|---|
| | 31 March 2021 | | | 31 March 2020 | | |
| | US$'m | US$'m | US$'m | US$'m | US$'m | US$'m |
| | External | Inter-segmental | Total | External | Inter-segmental | Total |
| Ecommerce | 6 230 | – | 6 230 | 4 266 | – | 4 266 |
| Classifieds | 1 598 | 1 | 1 599 | 1 281 | – | 1 281 |
| Payments and Fintech | 577 | – | 577 | 422 | 6 | 428 |
| Food Delivery | 1 481 | 5 | 1 486 | 751 | – | 751 |
| Etail | 2 240 | 10 | 2 250 | 1 363 | – | 1 363 |
| Travel | – | – | – | 146 | – | 146 |
| Other | 334 | (16) | 318 | 303 | (6) | 297 |
| Social and Internet Platforms | 22 526 | – | 22 526 | 17 189 | – | 17 189 |
| Tencent | 22 155 | – | 22 155 | 16 779 | – | 16 779 |
| Mail.ru | 371 | – | 371 | 410 | – | 410 |
| Corporate | – | – | – | – | – | – |
| **Total economic interest from operations** | 28 756 | – | 28 756 | 21 455 | – | 21 455 |
| *Less:* Equity-accounted investments | (23 640) | – | (23 640) | (18 125) | – | (18 125) |
| **Total consolidated** | 5 116 | – | 5 116 | 3 330 | – | 3 330 |

| | Year ended 31 March 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total revenue US$'m | COPS and SGA[1] US$'m | Adjusted EBITDA[2] US$'m | Deprecia-tion US$'m | Amorti-sation of software US$'m | Interest on leases US$'m | Trading (loss)/ profit[3] US$'m |
| Ecommerce | 6 230 | (6 507) | (277) | (132) | (10) | (10) | (429) |
| Classifieds | 1 599 | (1 532) | 67 | (46) | (5) | (7) | 9 |
| Payments and Fintech | 577 | (636) | (59) | (8) | – | (1) | (68) |
| Food Delivery | 1 486 | (1 799) | (313) | (38) | (3) | (1) | (355) |
| Etail | 2 250 | (2 148) | 102 | (31) | (2) | (1) | 68 |
| Other | 318 | (392) | (74) | (9) | – | – | (83) |
| Social and Internet Platforms | 22 526 | (15 297) | 7 229 | (1 015) | (31) | (29) | 6 154 |
| Tencent | 22 155 | (15 004) | 7 151 | (986) | (13) | (26) | 6 126 |
| Mail.ru | 371 | (293) | 78 | (29) | (18) | (3) | 28 |
| Corporate | – | (104) | (104) | (5) | – | (1) | (110) |
| **Total economic interest** | 28 756 | (21 908) | 6 848 | (1 152) | (41) | (40) | 5 615 |
| *Less:* Equity-accounted investments | (23 640) | 16 739 | (6 901) | 1 059 | 34 | 30 | (5 778) |
| **Total consolidated** | 5 116 | (5 169) | (53) | (93) | (7) | (10) | (163) |

(1) Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.
(2) Adjusted EBITDA is a non-IFRS measure that refers to earnings before the remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for Naspers group share option schemes, interest, taxation, depreciation and amortisation. It is considered a useful measure to analyse profitability by eliminating the effects of remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes, financing, tax, capital investment, depreciation and amortisation.
(3) Trading (loss)/profit is a non-IFRS measure that refers to adjusted EBITDA adjusted for depreciation, amortisation of software and interest on capitalised lease liabilities. It is considered a useful measure to analyse operational profitability.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 39. Segment information continued

| | Year ended 31 March 2020 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Total revenue US$'m | COPS and SGA[1] Restated* US$'m | Adjusted EBITDA[2] Restated* US$'m | Depreciation Restated* US$'m | Amortisation of software US$'m | Interest on leases US$'m | Trading (loss)/profit[3] Restated* US$'m |
| Ecommerce | 4 266 | (4 926) | (660) | (101) | (12) | (9) | (782) |
| Classifieds | 1 281 | (1 199) | 82 | (40) | (3) | (5) | 34 |
| Payments and Fintech | 428 | (488) | (60) | (6) | – | (1) | (67) |
| Food Delivery | 751 | (1 347) | (596) | (24) | (3) | (1) | (624) |
| Etail | 1 363 | (1 355) | 8 | (25) | (2) | (1) | (20) |
| Travel | 146 | (165) | (19) | (3) | – | – | (22) |
| Other* | 297 | (372) | (75) | (3) | (4) | (1) | (83) |
| Social and Internet Platforms | 17 189 | (11 734) | 5 455 | (705) | (25) | (26) | 4 699 |
| Tencent | 16 779 | (11 451) | 5 328 | (692) | (11) | (24) | 4 601 |
| Mail.ru | 410 | (283) | 127 | (13) | (14) | (2) | 98 |
| Corporate[4]* | – | (133) | (133) | (7) | – | – | (140) |
| **Total economic interest** | 21 455 | (16 793) | 4 662 | (813) | (37) | (35) | 3 777 |
| *Less:* Equity-accounted investments | (18 125) | 13 139 | (4 986) | 733 | 28 | 27 | (4 198) |
| **Total consolidated** | 3 330 | (3 654) | (324) | (80) | (9) | (8) | (421) |

* During the current year, the way that corporate costs are presented to the CODM has been changed. Corporate costs, previously allocated and disclosed in the 'Other Ecommerce' sub-segment, are now included in the 'Corporate segment'. This provides more clarity on the total corporate costs incurred by the group. This change had no impact on the overall group trading (loss)/profit.

(1) Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.

(2) Adjusted EBITDA is a non-IFRS measure that refers to earnings before the remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for Naspers group share option schemes, interest, taxation, depreciation and amortisation. It is considered a useful measure to analyse profitability by eliminating the effects of remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes, financing, tax, capital investment, depreciation and amortisation.

(3) Trading (loss)/profit is a non-IFRS measure that refers to adjusted EBITDA adjusted for depreciation, amortisation of software and interest on capitalised lease liabilities. It is considered a useful measure to analyse operational profitability.

(4) Corporate cost of US$nil (2020: US$3.5m) has been incurred subsequent to the listing of the Prosus group.

### Additional disclosure

| | **Year ended 31 March 2021** | | |
|---|---|---|---|
| | **Impairment of assets US$'m** | **Share of equity-accounted results US$'m** | **Average number of employees[1]** |
| Ecommerce | **(501)** | **(1 007)** | **20 888** |
| Classifieds | **(64)** | **(44)** | **7 621** |
| Payments and Fintech | **–** | **(15)** | **2 927** |
| Food Delivery | **(414)** | **(903)** | **3 034** |
| Etail | **–** | **–** | **6 041** |
| Other | **(23)** | **(45)** | **1 265** |
| Social and Internet Platforms | **(553)** | **8 102** | |
| Tencent | **(550)** | **8 156** | |
| Mail.ru | **(3)** | **(54)** | |
| Corporate | **–** | **–** | **130** |
| Total reportable segments | **(1 054)** | **7 095** | **21 018** |
| *Less:* Equity-accounted investments[2] | **986** | **–** | |
| **Total** | **(68)** | **7 095** | **21 018** |

| | Year ended 31 March 2020 | | |
|---|---|---|---|
| | Impairment of assets US$'m | Share of equity-accounted results US$'m | Average number of employees[1] |
| Ecommerce | – | (296) | 16 875 |
| Classifieds | – | (22) | 6 482 |
| Payments and Fintech | – | (23) | 2 080 |
| Food Delivery | – | (166) | 2 882 |
| Etail | – | – | 5 223 |
| Travel | – | (27) | – |
| Other | – | (58) | 208 |
| Social and Internet Platforms | (201) | 4 226 | |
| Tencent | (175) | 4 178 | |
| Mail.ru | (26) | 48 | |
| Corporate | – | – | 164 |
| Total reportable segments | (201) | 3 930 | 17 039 |
| *Less:* Equity-accounted investments[2] | 201 | – | |
| **Total** | – | 3 930 | 17 039 |

(1) Includes 173 (2020: 177) employees working in the Netherlands. As at 31 March 2021 the group employed 23 874 (2020: 20 524) permanent employees.

(2) All associates' and joint ventures' results are accounted for using the equity method.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 39. Segment information continued

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

| | 31 March 2021 US$'m | Restated* 31 March 2020 US$'m |
|---|---|---|
| **Consolidated adjusted EBITDA[1]** | **(53)** | (324) |
| Depreciation | **(93)** | (80) |
| Amortisation of software | **(7)** | (9) |
| Interest on capitalised lease liabilities | **(10)** | (8) |
| **Trading loss from operations per segment report[2]** | **(163)** | (421) |
| Interest on capitalised lease liabilities | **10** | 8 |
| Amortisation of other intangible assets | **(131)** | (94) |
| Other (losses)/gains – net | **(87)** | 16 |
| Retention option expense | **(62)** | (61) |
| Remeasurement of cash-settled share-based incentive expenses[3] | **(594)** | (25) |
| Share-based incentives for share options settled in Naspers Limited shares[4] | **(13)** | (16) |
| **Operating loss per the income statement** | **(1 040)** | (593) |
| Interest income | **83** | 201 |
| Interest expense | **(262)** | (223) |
| Other finance income/(costs) – net | **177** | 61 |
| Share of equity-accounted results | **7 095** | 3 930 |
| Impairment of equity-accounted investments | **(30)** | (21) |
| Dilution gains/(losses) on equity-accounted investments | **1 000** | (52) |
| Net gains on acquisitions and disposals | **309** | 434 |
| **Profit before taxation per the income statement** | **7 332** | 3 737 |

* Refer to note 2(w) for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

(1) Adjusted EBITDA is a non-IFRS measure that refers to earnings before the remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for Naspers group share option schemes, interest, taxation, depreciation and amortisation. It is considered a useful measure to analyse profitability by eliminating the effects of remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes, financing, tax, capital investment, depreciation and amortisation.

(2) Trading (loss)/profit is a non-IFRS measure that refers to adjusted EBITDA adjusted for depreciation, amortisation of software and interest on capitalised lease liabilities. It is considered a useful measure to analyse operational profitability.

(3) Represents the previous period's differential between share-based incentives measured on a cash-settled basis at the Prosus group level and the incentives valued on an equity-settled basis at a Naspers group level. The CODM reviews share-based incentives on an equity-settled basis at both a Naspers and Prosus group level.

(4) Refers to share-based incentives settled in equity instruments of the Naspers group, where the Prosus group has no obligation to settle the awards with participants, i.e. they are settled by Naspers.

### Geographical information

The group operates in four main geographical areas:

*Asia* – The group's activities comprise its interests in internet activities based in China, India, Thailand and Singapore.

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

*Latin America* – The group's activities comprise its interests in internet activities based in Brazil and other Latin American countries.

*Other* – Includes the group's provision of various products and internet services located mainly in Africa, Australia and the United States of America.

| | Asia US$'m | Europe US$'m | Latin America US$'m | Other US$'m | Total US$'m |
|---|---|---|---|---|---|
| **March 2021** | | | | | |
| External consolidated revenue | **420** | **3 186** | **1 266** | **244** | **5 116** |
| External proportionately consolidated revenue[1] | **22 803** | **4 182** | **1 317** | **454** | **28 756** |
| **March 2020** | | | | | |
| External consolidated revenue | 341 | 2 187 | 624 | 178 | 3 330 |
| External proportionately consolidated revenue[1] | 17 450 | 3 069 | 677 | 259 | 21 455 |

(1) Revenue includes the group's proportionate share of associates' and joint ventures' external revenue.

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 40. Financial risk management

### Financial risk factors

The group's activities expose it to a variety of financial risks such as market risk (including currency risk, fair-value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. These include the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. The group's overall risk management programme seeks to minimise the potential adverse effects of financial risks on its financial performance. The group uses derivative financial instruments, such as forward exchange contracts and interest rate swaps, to hedge certain risk exposures.

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

### 40.1 Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk. A substantial portion of the group's revenue and expenses is denominated in the currencies of the countries in which it operates.

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

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

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

Cumulative losses of US$24.1m (2020: gains of US$24.8m) have been recognised in the foreign currency translation reserve relating to the net investment hedge since the inception of the hedging relationship. The increase in the value of the net investment in Delivery Hero used to determine hedge ineffectiveness for the period is US$1.50bn (2020: increase in value of US$123.0m).

During the current year, total losses of US$79.3m (2020: gains of US$82.3m) were recognised on the cross-currency interest rate swap. Losses of US$48.2m (2020: gains of US$13.1m) for the year have been recognised in the foreign currency translation reserve relating to the net investment hedge (and comprise the fair-value movements used as a basis for recognising hedge effectiveness). Losses of US$31.0m (2020: gains of US$69.2m) were recognised as part of 'Other finance (costs)/income – net' in the income statement. This is the element of the cross-currency interest rate swap not designated as part of the hedging relationship. Ineffectiveness may arise from credit risk on the cross-currency interest rate swap. Ineffectiveness is negligible as all critical terms on the hedging instrument and hedged item match.

The group does not apply hedge accounting with respect to any of its forward exchange contracts outstanding as at 31 March 2021.

Where the group has surplus funds offshore, the treasury policy is to spread the funds between more than one currency to limit the effect of foreign exchange rate fluctuations and to generate the highest possible interest income. As at 31 March 2021, the group had a net cash balance, including short-term cash investments of US$4.77bn (2020: US$8.03bn). These funds are largely denominated in US dollar which is also the functional currency of the relevant group subsidiary in which the cash is held. However, there are certain money market investments held in euros by entities with US dollar functional currencies which do give rise to foreign currency risk.

### Foreign currency sensitivity analysis

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

The sensitivity analysis details the group's sensitivity to a 10% decrease (2020: 10% decrease) in the Indian rupee, South African rand, Brazilian real, Romanian lei and Russian rouble against the US dollar as well as a 10% increase of the US dollar against the euro (2020: 10% increase of the US dollar against the euro). These movements would result in a US$177.7m decrease in net profit after tax for the year (2020: US$67.9m decrease). Total equity would increase by US$295.2m (2020: US$59.7m increase).

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 40. Financial risk management continued

### 40.1 Foreign exchange risk continued

#### Foreign exchange rates

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

| | 31 March | | 31 March | |
|---|---|---|---|---|
| | **Average rate 2021** | **Closing rate 2021** | Average rate 2020 | Closing rate 2020 |
| **Currency (1FC = US$)** | | | | |
| South African rand (ZAR) | **0.0614** | **0.0677** | 0.0667 | 0.0560 |
| Euro (EUR) | **1.1691** | **1.1730** | 1.1103 | 1.1031 |
| Chinese yuan renminbi (CNY) | **0.1479** | **0.1526** | 0.1433 | 0.1412 |
| Brazilian real (BRL) | **0.1830** | **0.1775** | 0.2398 | 0.1921 |
| Indian rupee (INR) | **0.0135** | **0.0137** | 0.0141 | 0.0133 |
| Polish zloty (PLN) | **0.2593** | **0.2533** | 0.2569 | 0.2420 |
| Russian rouble (RUB) | **0.0134** | **0.0132** | 0.0152 | 0.0127 |
| Romanian lei (RON) | **0.2405** | **0.2384** | 0.2330 | 0.2282 |
| British pound sterling (GBP) | **1.3152** | **1.3782** | 1.2702 | 1.2419 |

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

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

| | 31 March 2021 | | 31 March 2020 | |
|---|---|---|---|---|
| | **Currency amount of liabilities 'm** | **US$'m** | Currency amount of liabilities 'm | US$'m |
| **Uncovered liabilities** | | | | |
| Euro | **1 738** | **2 039** | 6 | 6 |
| South African rand | **694** | **46** | 84 | 6 |
| US dollar | **11** | **11** | 9 | 9 |
| British pound | **1** | **1** | 9 | 13 |
| Other | **–** | **2** | – | 7 |

#### Derivative financial instruments

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

| | 31 March 2021 | | 31 March 2020 | |
|---|---|---|---|---|
| | **Assets US$'m** | **Liabilities US$'m** | Assets US$'m | Liabilities US$'m |
| **Current portion** | | | | |
| Forward exchange contracts | **3** | **2** | – | 38 |
| Derivatives contained in acquisition agreements | **15** | **–** | – | – |
| | **18** | **2** | – | 38 |
| **Non-current portion** | | | | |
| Derivatives contained in lease agreements | **9** | **2** | 6 | 2 |
| Cross-currency interest rate swap | **–** | **30** | 49 | – |
| | **9** | **32** | 55 | 2 |
| **Total** | **27** | **34** | 55 | 40 |

The group's forward exchange contracts and cross-currency interest rate swap are subject to master netting arrangements that allow for offsetting of asset and liability positions with the same counterparty in the event of default. None of the group's forward exchange contracts and cross-currency interest rate swap agreement have been offset in the statement of financial position. At 31 March 2021 and 2020 there were no contracts that could be offset under the master netting arrangement.

### 40.2 Credit risk

The group is exposed to credit risk relating to the following financial assets measured at amortised cost:

#### Trade receivables and accrued income balances

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

The group's trade receivables arise mainly in its etail, classifieds and online content businesses. Average payment terms vary considerably between the group's businesses, given the diverse nature of their operations. Average payment terms, however, generally do not exceed 60 days from date of invoice.

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

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 40. Financial risk management continued

### 40.2 Credit risk continued

#### Trade receivables and accrued income balances continued

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

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

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

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

Forward-looking information considered in measuring lifetime expected credit losses include macroeconomic factors, with the most significant factors considered being inflation and unemployment rate increases as these are considered to most significantly affect the future ability of the group's customers to settle their accounts as they fall due for payment. All forward-looking information considered is specific to the economy that most significantly affects the underlying customer's ability to repay the relevant amount due. These significant factors further took into account the impact of the Covid-19 pandemic; however, due to the recoverability of debt owing, the adverse effects of the pandemic on credit losses were not material. Due to the group's diverse operations, the forward-looking information considered and the values assigned to forward-looking information when calculating impairment allowances vary by business type and country in which the customer is located.

#### Related party loans and receivables

Related party loans and receivables consist primarily of balances with a number of entities under the common control of Naspers, the group's ultimate controlling parent, as well as with certain associates and joint ventures of the group. The measurement of the impairment loss allowance on these loans and receivables is based on the assessment of whether there has been a significant increase in credit risk. Management has assessed that the credit risk of these loans and receivables is based on the creditworthiness of the borrowers and their ability to repay the amounts owing. There has been no significant increase in the credit risk of the borrowers during the financial year. Consequently, the impairment loss allowance is based on a 12-month expected credit loss model. As the amounts owing are due by group companies, the impairment assessment takes into account the default of the Naspers group on external debt (being the ultimate holding company able to repay debt on behalf of group companies), the credit rating/probability of default of equity-accounted investments and letters of support by Naspers group companies.

The assessment also reviews actual performance against budgets and forecasts of group companies as a result of the Covid-19 pandemic's impact on operations. Budget forecasts considers the businesses of these group companies and equity-accounted investments remaining operational amidst the pandemic. In addition, these related parties have sufficient liquid assets and will therefore be able to settle their debt. As at 31 March 2021 and 2020, impairment allowances on related party loans and receivables were not material.

#### Other receivables

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

*Accrued income*

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

*Merchant and bank receivables*

Merchant and bank receivables balances relate to transactions, primarily in the group's Payments and Fintech, Etail and Food Delivery segments, where the group facilitates the payment process between the end consumer and the provider of goods and services (i.e. the merchant).

Impairment allowances are established on merchant and bank receivables by considering the group's historical loss experience/rates as well as forward-looking information which also considered the impact of the Covid-19 pandemic. The group also considers whether the underlying counterparty is a new or recurring customer. The credit risk inherent in merchant and bank receivables is also reduced by the group's right to offset amounts receivable from counterparties against the corresponding amounts payable to banks and other merchants (refer to note 24) in the event of default. An average payment term of 30 days generally apply to merchant and bank receivables. Merchant receivables are generally recovered in the month subsequent to the financial year-end, as a result, impairment allowances are not significant.

As at 31 March 2021, an impairment allowance of US$2.7m (2020: US$6.6m) has been recognised with respect to merchant and bank receivables.

*Disposal proceeds receivable*

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

The group assesses, on a continuing basis, whether a significant increase in credit risk has taken place with respect to the relevant underlying counterparty. At 31 March 2021, impairment allowances related to disposal proceeds receivable were not significant.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 40. Financial risk management continued

### 40.2 Credit risk continued

Other receivables continued

*Loan receivables*

Loan receivables are amounts owing to various third parties of the group, including external service providers. The group assesses, on a continuing basis, whether a significant increase in credit risk has taken place with respect to the relevant underlying counterparty. At 31 March 2021, impairment allowances related to loan receivables amounted to US$2.1m (31 March 2020: US$nil).

Cash and cash equivalents, short-term investments, derivative assets and investments at fair value through profit and loss

The group is exposed to certain concentrations of credit risk relating to its cash and cash equivalents, short-term investments, derivative assets and investments at fair value through profit and loss. There are no significant concentrations of credit risk relating to derivative financial assets. The group places these instruments mainly with major banking groups and high-quality institutions that have high credit ratings. The group's treasury policy is designed to limit exposure to any one institution and to invest excess cash in low-risk investment accounts. As at 31 March 2021, the group held the majority of its cash and cash equivalents, short-term investments and derivative assets with local and international banks with a 'Baa1' credit rating or higher. The majority of the group's short-term investments are placed with international banks with an 'A1' credit rating (Moody's International's long-term deposit rating). The credit standings of counterparties that are used by the group are evaluated on a continuous basis.

Total impairment losses on financial assets at amortised cost

Total impairment losses (net of reversals) recorded on financial assets measured at amortised cost amounted to US$7.9m as at 31 March 2021 (2020: US$8.9m). This expected credit loss assessment takes into account the impact of the Covid-19 pandemic. The assessment includes all reasonable and supportable information about the likelihood that counterparties would breach their agreed payment terms and any deterioration of their credit ratings. Where relevant, additional expected credit losses were accounted for when deemed necessary. As at 31 March 2021, the impact of Covid-19 on the group's impairment allowances was not significant.

### 40.3 Liquidity risk

Prudent liquidity risk management implies, among other aspects, maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The facilities expiring within one year are subject to renewal at various dates during the next year. The group had the following unutilised banking facilities as at 31 March 2021 and 2020:

| | 31 March | |
|---|---|---|
| | **2021 US$'m** | 2020 US$'m |
| On call | **78** | 29 |
| Expiring within one year | **15** | 41 |
| Expiring beyond one year | **2 500** | 2 500 |
| | **2 593** | 2 570 |

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

| | 31 March 2021 | | | | |
|---|---|---|---|---|---|
| | Carrying value US$'m | Contractual cash flows US$'m | 0 – 12 months US$'m | 1 – 5 years US$'m | 5 years + US$'m |
| **Non-derivative financial liabilities** | | | | | |
| Interest bearing: Capitalised lease liabilities | **(227)** | **(250)** | **(56)** | **(140)** | **(54)** |
| Interest bearing: Loans and other liabilities | **(7 890)** | **(12 117)** | **(244)** | **(2 584)** | **(9 289)** |
| Non-interest bearing: Loans and other liabilities | **(66)** | **(66)** | **(15)** | **(48)** | **(3)** |
| Other non-current liabilities | **(60)** | **(60)** | **–** | **(60)** | **–** |
| Trade payables | **(344)** | **(344)** | **(344)** | **–** | **–** |
| Accrued expenses and other current liabilities[1] | **(2 250)** | **(2 250)** | **(2 250)** | **–** | **–** |
| Related party loans and payables | **(10)** | **(10)** | **(8)** | **(2)** | **–** |
| Bank overdrafts | **(9)** | **(9)** | **(9)** | **–** | **–** |
| **Derivative financial assets/(liabilities)** | | | | | |
| Forward exchange contracts – inflow | **3** | **3** | **3** | **–** | **–** |
| Forward exchange contracts – outflow | **(2)** | **(2)** | **(2)** | **–** | **–** |
| Derivatives contained in acquisition agreements – inflow | **15** | **15** | **15** | **–** | **–** |
| Derivatives contained in lease agreements – inflow | **9** | **9** | **–** | **9** | **–** |
| Derivatives contained in lease agreements – outflow | **(2)** | **(2)** | **–** | **(2)** | **–** |
| Cross-currency interest rate swap – inflow | | **977** | **43** | **934** | **–** |
| Cross-currency interest rate swap – outflow | **(30)** | **(1 011)** | **(30)** | **(981)** | **–** |

(1) Includes written put option liabilities. Refer to note 22.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 40. Financial risk management continued

### 40.3 Liquidity risk continued

| | 31 March 2020 | | | | |
|---|---|---|---|---|---|
| | Carrying value US$'m | Contractual cash flows US$'m | 0 – 12 months US$'m | 1 – 5 years US$'m | 5 years + US$'m |
| **Non-derivative financial liabilities** | | | | | |
| Interest bearing: Capitalised finance leases | (226) | (257) | (49) | (142) | (66) |
| Interest bearing: Loans and other liabilities | (3 515) | (4 723) | (168) | (683) | (3 872) |
| Non-interest bearing: Loans and other liabilities | (34) | (34) | (14) | (18) | (2) |
| Other non-current liabilities | (160) | (160) | – | (160) | – |
| Trade payables | (291) | (291) | (291) | – | – |
| Accrued expenses and other current liabilities[1] | (1 297) | (1 297) | (1 297) | – | – |
| Related party loans and payables | (16) | (16) | (13) | (3) | – |
| Bank overdrafts | (32) | (32) | (32) | – | – |
| **Derivative financial assets/(liabilities)** | | | | | |
| Forward exchange contracts – inflow | – | 1 105 | 1 105 | – | – |
| Forward exchange contracts – outflow | (38) | (1 138) | (1 138) | – | – |
| Derivatives contained in lease agreements – inflow | 6 | 6 | – | 6 | – |
| Derivatives contained in lease agreements – outflow | (2) | (2) | – | (2) | – |
| Cross-currency interest rate swap – inflow | 49 | 1 021 | 43 | 173 | 805 |
| Cross-currency interest rate swap – outflow | – | (976) | (29) | (114) | (833) |

[1] Includes written put option liabilities. Refer to note 22.

### 40.4 Interest rate risk

As part of the process of managing the group's fixed and floating borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Where appropriate, the group uses derivative financial instruments, such as interest rate swap agreements, purely for hedging purposes. The fair value of these instruments will not change significantly as a result of changes in interest rates due to their short-term nature and floating interest rates.

Refer to note 21 for the interest rate profiles and repayment terms of long-term liabilities as at 31 March 2021 and 2020.

#### Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the statement of financial position date (after taking into account the effect of hedge accounting) and the stipulated change taking place at the beginning of the next financial year and held constant throughout the reporting period in the case of instruments that have floating rates. The group is mainly exposed to interest rate fluctuations of the American, European and London repo rates. Management's best estimate of the possible change in these interest rates is an increase of 100 basis points (2020: 100 basis points).

If interest rates changed as stipulated above and all other variables were held constant, specifically foreign exchange rates, the group's net profit after tax and total equity for the year ended 31 March 2021 would increase by US$6.9m (2020: increase on net profit (and equity) by US$69.9m).

### 40.5 Price risk

#### Price risk sensitivity analysis

The group has various listed investments measured at fair value through other comprehensive income. The group's sensitivity to a 10% decrease in the share price of these investments will result in a US$398.5m decrease in other comprehensive income (2020: US$70.4m). Refer to note 11 for details of the group's listed investments.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 41. Fair value of financial instruments

The carrying values, net gains and losses recognised in profit or loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

| | 31 March 2021 | | | |
|---|---|---|---|---|
| | Carrying value US$'m | Net gains/ (losses) recognised in profit or loss US$'m | Total interest income US$'m | Impairment US$'m |
| **Assets** | | | | |
| Other investments | 5 391 | – | – | – |
| Financial assets at fair value through profit or loss | 1 258 | – | – | – |
| Financial assets at fair value through other comprehensive income[2] | 4 122 | | | |
| Other loans and investments[3] | 11 | – | – | – |
| Receivables and loans[3] | 928 | 46 | 24 | 15 |
| Trade receivables | 150 | 2 | – | 10 |
| Other receivables | 378 | | 21 | 5 |
| Foreign currency intergroup receivables | – | 44 | – | – |
| Related party receivables | 400 | – | 3 | – |
| Derivative financial instruments[1] | 27 | 191 | – | – |
| Forward exchange contracts | 3 | – | – | – |
| Derivatives contained in acquisition agreements | 15 | 189 | – | – |
| Derivatives contained in lease agreements | 9 | 2 | – | – |
| Short-term investments[3] | 1 211 | (5) | 21 | – |
| Cash and cash equivalents[1, 3] | 3 571 | 26 | 38 | – |
| **Total** | 11 128 | 258 | 83 | 15 |

[1] Measured at fair value through profit or loss. Cash and cash equivalents include money market funds which are part of cash and cash equivalents.
[2] During the year gains of US$669.0m (2020: gains of US$282.0m) was recognised in other comprehensive income with respect to the group's financial assets at fair value through other comprehensive income.
[3] Measured at amortised cost.

| | 31 March 2021 | | |
|---|---|---|---|
| | Carrying value US$'m | Net gains/ (losses) recognised in profit or loss US$'m | Total interest expense US$'m |
| **Liabilities** | | | |
| Long-term liabilities[1] | 8 143 | (2) | 244 |
| Interest bearing: Capitalised lease liabilities | 173 | – | 8 |
| Interest bearing: Loans and other liabilities | 7 860 | (2) | 233 |
| Non-interest bearing: Loans and other liabilities | 48 | – | 3 |
| Other non-current liabilities | 60 | – | – |
| Related party loans and payables | 2 | – | – |
| Short-term payables and loans[1] | 2 704 | (30) | 14 |
| Interest bearing: Capitalised lease liabilities | 54 | (1) | 2 |
| Interest bearing: Loans and other liabilities | 30 | (2) | 2 |
| Non-interest bearing: Loans and other liabilities | 18 | (1) | – |
| Trade payables | 344 | (2) | – |
| Accrued expenses and other current liabilities[2] | 2 250 | 4 | 10 |
| Related party loans and payables | 8 | – | – |
| Foreign currency intergroup payables | – | (28) | – |
| Derivative financial instruments[3] | 34 | (69) | – |
| Forward exchange contracts | 2 | (38) | – |
| Derivatives contained in lease agreements | 2 | – | – |
| Cross-currency interest rate swap | 30 | (31) | – |
| Bank overdrafts[1] | 9 | – | 4 |
| **Total** | 10 890 | (101) | 262 |

[1] Measured at amortised cost except for earn-out obligations included in non-interest-bearing loans and other liabilities.
[2] Includes written put option liabilities. Refer to note 22.
[3] Measured at fair value through profit or loss.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 41. Fair value of financial instruments continued

The carrying values of all financial instruments, apart from those disclosed below, are considered to be a reasonable approximation of their fair values. The carrying values of these financial instruments are considered to be a reasonable approximation of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

The fair value of the group's publicly traded bonds are detailed below:

| Financial liabilities | Carrying value US$'m | Fair value US$'m | Level 1 US$'m | Level 2 US$'m | Level 3 US$'m |
|---|---|---|---|---|---|
| **31 March 2021** | | | | | |
| Publicly traded bonds | **7 827** | **7 935** | **–** | **7 935** | **–** |
| **31 March 2020** | | | | | |
| Publicly traded bonds | 3 450 | 3 183 | – | 3 183 | – |

The fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments as at the end of the reporting period. The fair value of the publicly traded bonds are level 2 financial instruments. The publicly traded bonds are listed on the Irish Stock Exchange (Euronext Dublin).

| | 31 March 2020 | | | |
|---|---|---|---|---|
| | Carrying value US$'m | Net gains/(losses) recognised in profit or loss US$'m | Total interest income US$'m | Impairment US$'m |
| **Assets** | | | | |
| Other investments | 805 | – | – | – |
| Financial assets at fair value through profit or loss[(1)] | 13 | – | – | – |
| Financial assets at fair value through other comprehensive income | 792 | – | – | – |
| Receivables and loans[(2)] | 537 | 17 | 6 | 16 |
| Trade receivables | 111 | – | – | 9 |
| Other receivables | 236 | (1) | 6 | 7 |
| Foreign currency intergroup receivables | – | 18 | – | – |
| Related party receivables | 190 | – | – | – |
| Derivative financial instruments[(1)] | 55 | 75 | – | – |
| Cross-currency interest rate swap | 49 | 69 | – | – |
| Derivatives contained in lease agreements | 6 | 6 | – | – |
| Short-term investments[(2)] | 3 873 | 7 | 34 | – |
| Cash and cash equivalents[(1), (2)] | 4 181 | 1 | 161 | – |
| **Total** | 9 451 | 100 | 201 | 16 |

(1) Measured at fair value through profit or loss. Cash and cash equivalents include money market funds which are part of cash and cash equivalents.
(2) Measured at amortised cost.

| | 31 March 2020 | | |
|---|---|---|---|
| | Carrying value US$'m | Net gains/(losses) recognised in profit or loss US$'m | Total interest expense US$'m |
| **Liabilities** | | | |
| Long-term liabilities[(1)] | 3 875 | – | 205 |
| Interest bearing: Capitalised finance leases | 184 | – | 6 |
| Interest bearing: Loans and other liabilities | 3 508 | – | 199 |
| Non-interest bearing: Loans and other liabilities | 20 | – | – |
| Other non-current liabilities | 160 | – | – |
| Related party loans and payables | 3 | – | – |
| Short-term payables and loans[(1)] | 1 664 | 3 | 11 |
| Interest bearing: Capitalised finance leases | 42 | (1) | 2 |
| Interest bearing: Loans and other liabilities | 7 | (1) | 2 |
| Non-interest bearing: Loans and other liabilities | 14 | – | – |
| Trade payables | 291 | (13) | – |
| Accrued expenses and other current liabilities*[(2)] | 1 297 | 38 | 7 |
| Related party loans and payables | 13 | – | – |
| Foreign currency intergroup payables | – | (20) | – |
| Derivative financial instruments[(3)] | 40 | (42) | – |
| Forward exchange contracts | 38 | (40) | – |
| Cross-currency interest rate swap | 2 | (2) | – |
| Bank overdrafts[(1)] | 32 | – | 7 |
| **Total** | 5 611 | (39) | 223 |

* Net gains/(losses) was restated to exclude remeasurements of written put option liabilities previously recognised in the income statement. Refer to note 2(w) for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.
(1) Measured at amortised cost except for earn-out obligations included in non-interest-bearing loans and other liabilities.
(2) Includes written put option liabilities. Refer to note 22.
(3) Measured at fair value through profit or loss.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 41. Fair value of financial instruments continued

The group categorises fair-value measurements into levels 1 to 3 of the fair value hierarchy based on the degree to which the inputs used in measuring fair value are observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in active markets (for example, derivatives such as interest rate swaps, forward exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in level 2.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### Valuation techniques and key inputs used to measure significant level 2 and level 3 fair values

#### Level 2 fair value measurements

- *Forward exchange contracts* – in measuring the fair value of forward exchange contracts, the group makes use of market observable quotes of forward foreign exchange rates on instruments that have a maturity similar to the maturity profile of the group's forward exchange contracts. Key inputs used in measuring the fair value of forward exchange contracts include: current spot exchange rates, market forward exchange rates and the term of the group's forward exchange contracts.
- *Cross-currency interest rate swap* – the fair value of the group's interest rate and cross-currency swaps are determined through the use of discounted cash flow techniques using only market observable information. Key inputs used in measuring the fair value of interest rate and cross-currency swaps include: spot market interest rates, contractually fixed interest rates, foreign exchange rates, counterparty credit spreads, notional amounts on which interest rate swaps are based, payment intervals, risk-free interest rates as well as the duration of the relevant interest rate and cross-currency swap arrangement.
- *Cash and cash equivalents* – relate to short-term bank deposits which are money market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised ratings agencies. The fair value of these deposits is determined by the amounts deposited and the gains or losses generated by the funds as detailed in the statements provided by these Institutions. The gains/losses are recognised in the income statement.
- *Financial assets at fair-value* – relates to a contractual right to receive shares or cash. The fair-value is based on a listed share price on the date the transaction was entered into.

#### Level 3 fair value measurements

- *Financial assets at fair value* – relate predominantly to unlisted equity investments. The fair value of these investments is based on the most recent funding transactions for these investments.
- *Derivatives contained in lease agreements* – relate to foreign currency forwards embedded in lease contracts. The fair value of the derivatives is based on forward foreign exchange rates that have a maturity similar to the lease contracts and the contractually specified lease payments.
- *Earn-out obligations* – relate to amounts that are payable to the former owners of businesses now controlled by the group provided that contractually stipulated post-combination performance criteria are met. These are remeasured to fair value at the end of each reporting period. Key inputs used in measuring fair value include: current forecasts of the extent to which management believe performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments.

#### Instruments not measured at fair value for which fair value is disclosed

- *Level 2* – the fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments at the reporting date. As the instruments are not actively traded, this is a level 2 disclosure.
- *Level 3* – the fair values of all level 3 disclosures have been determined through the use of discounted cash flow analyses. Key inputs include current market interest rates as well as contractual cash flows.

The fair values of the group's financial instruments that are measured at fair value at each reporting period are categorised as follows:

| | 31 March 2021 | | | |
|---|---|---|---|---|
| | Fair value US$'m | Level 1 US$'m | Level 2 US$'m | Level 3 US$'m |
| **Assets** | | | | |
| Financial assets at fair value through other comprehensive income | 4 122 | 3 985 | 4 | 133 |
| Financial assets at fair value through profit or loss | 1 258 | – | 1 242 | 16 |
| Forward exchange contracts | 3 | – | 3 | – |
| Derivatives contained in lease agreements | 9 | – | – | 9 |
| Derivatives contained in acquisition contracts | 15 | 15 | – | – |
| Cash and cash equivalents[(1)] | 996 | – | 996 | – |
| **Total** | 6 403 | 4 000 | 2 245 | 158 |
| **Liabilities** | | | | |
| Forward exchange contracts | 2 | – | 2 | – |
| Derivatives contained in lease agreements | 2 | – | – | 2 |
| Earn-out obligations | 13 | – | – | 13 |
| Cross-currency interest rate swap | 30 | – | 30 | – |
| **Total** | 47 | – | 32 | 15 |

(1) Relates to short-term bank deposits which are money market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 41. Fair value of financial instruments continued

| | 31 March 2020 | | | |
|---|---|---|---|---|
| | Fair value US$'m | Level 1 US$'m | Level 2 US$'m | Level 3 US$'m |
| **Assets** | | | | |
| Financial assets at fair value through other comprehensive income | 792 | 704 | 3 | 85 |
| Financial assets at fair value through profit or loss | 13 | – | – | 13 |
| Derivatives contained in lease agreements | 6 | – | – | 6 |
| Cash and cash equivalents[1] | 650 | – | 650 | – |
| Cross-currency interest rate swap | 49 | – | 49 | – |
| **Total** | 1 510 | 704 | 702 | 104 |
| **Liabilities** | | | | |
| Forward exchange contracts | 38 | – | 38 | – |
| Derivatives contained in lease agreements | 2 | – | – | 2 |
| Earn-out obligations | 22 | – | – | 22 |
| **Total** | 62 | – | 38 | 24 |

(1) Relates to short-term bank deposits which are money market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies.

The following table shows a reconciliation of the group's level 3 financial instruments:

| | **31 March 2021** | | | |
|---|---|---|---|---|
| | **Earn-out obligations US$'m** | **Financial assets at FVOCI[1] US$'m** | **Derivatives embedded in leases US$'m** | **Financial assets at FVPL[2] US$'m** |
| **Balance at 1 April 2020** | **(22)** | **85** | **4** | **13** |
| Additions | **(1)** | **76** | **3** | **3** |
| Total losses recognised in the income statement | **(10)** | **–** | **–** | **–** |
| Total gains recognised in other comprehensive income | **–** | **23** | **–** | **–** |
| Settlements/disposals | **20** | **(51)** | **–** | **–** |
| **Total** | **(13)** | **133** | **7** | **16** |

(1) Financial assets at fair value through other comprehensive income.
(2) Financial assets at fair value through profit or loss.

| | 31 March 2020 | | | |
|---|---|---|---|---|
| | Earn-out obligations US$'m | Financial assets at FVOCI[1] US$'m | Derivatives embedded in leases US$'m | Financial assets at FVPL[2] US$'m |
| **Balance at 1 April 2019** | (6) | 44 | 1 | – |
| Additions | (20) | 76 | 3 | 13 |
| Total losses recognised in other comprehensive income | – | (14) | – | – |
| Settlements/disposals | 5 | (21) | – | – |
| Foreign currency translation effects | (1) | – | – | – |
| **Total** | (22) | 85 | 4 | 13 |

(1) Financial assets at fair value through other comprehensive income.
(2) Financial assets at fair value through profit or loss.

There were no transfers between level 1 and level 2 during any period presented.

## 42. Equity-compensation benefits

The Naspers group had various equity-compensation plans (the plans) in operation during the financial year. The employees of the Prosus group participate in awards granted under the Naspers group plans. These include share options, restricted stock units (RSUs), performance share units (PSUs) or share appreciation rights (SARs).

All awards are granted subject to the completion of a requisite service (vesting) period by employees, ranging from one year to five years. Unvested awards are subject to forfeiture on termination of employment. Generally, vesting takes place in tranches depending on the duration of the total vesting period.

All share options and SARS are granted with an exercise price of not less than 100% of the market value or fair value of the respective company's shares on the date of the grant. RSUs/PSUs are granted with an exercise price of zero.

### Naspers group share trusts

The Naspers group share trusts hold Naspers shares and Prosus shares (as shareholders) to settle Naspers share options, RSUs and PSUs held by employees of the Naspers and Prosus group. These share trusts were founded by Naspers and Prosus to administer the Naspers group share schemes for all employees. These share trusts are controlled by Naspers and not Prosus because the Naspers board (the board) approves the granting of the equity-compensation plans and therefore controls the relevant activities of the trusts. Accordingly, Prosus cannot make decisions over these equity-compensation plans unilaterally and has no obligation to settle these plans. On the listing of Prosus, these trusts received either Naspers or Prosus shares (the shares) via the capitalisation issue of Naspers M ordinary shares that converted into Prosus N ordinary shares on listing date. These shares are linked to the respective Naspers shares and accordingly on settlement of the awards employees will receive the Naspers shares as stipulated on grant date and the linked Prosus/Naspers shares granted upon listing of the group. There was no adjustment to the original strike price. For these share schemes, the settlement is in Naspers shares with linked Prosus shares as a result of listing.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 42. Equity-compensation benefits continued

### Naspers group share trusts continued

In September 2020, the Naspers board approved the establishment of the Prosus RSU share scheme administered by the new Prosus RSU trust. Similar to the other share trusts, the board controls the operational activity of both the Naspers and Prosus group and via the remuneration committee approves the share scheme rules and the granting of awards. The settlement of this share scheme will be in Prosus shares and have been granted to both Naspers and Prosus group employees. Naspers, as the ultimate parent has the ultimate decision-making power regarding equity compensation benefit plans and number of shares granted. These decision-making rights have not been specifically ceded to Prosus.

Accordingly, all share trusts discussed above (including the Prosus RSU share trust) are controlled and consolidated by Naspers because the trust's relevant activities are governed by the remuneration committee as mandated by the board and is used to administer the share schemes of the Naspers group as a whole. In addition, Naspers being the ultimate parent of the group controls the decisions of the trusts.

### Classification of equity-compensation plans for the Prosus group

In respect of the share options and SARs on exercise date, following completion of the vesting period, awards are settled with employees in the equity instruments of subsidiaries of the Prosus group for equity-settled plans and in cash or other assets (including shares of the Naspers group) for cash-settled plans, where applicable.

Prosus group entities issue share options and SARs to employees of the group. Certain of the share option plans are settled in equity instruments of subsidiaries of the Prosus group and are classified as equity settled. All of the SARs and the remaining share option plans are settled by the Prosus group in cash or other assets (including shares of the Naspers group) and are classified as cash-settled plans.

The share schemes that are settled in Naspers shares are classified as cash settled when the Prosus group has the obligation to make settlement, and equity settled when the Naspers group trusts (i.e. Naspers) has the obligation to make settlement.

### Classification of Naspers equity-compensation plans for the Prosus group

In respect of RSUs and PSUs, awards are automatically settled in Naspers and/or Prosus equity instruments on the vesting date by the relevant Naspers group share trust.

Naspers share-based compensation plans in which the group's employees participate, awards are settled with employees by the relevant Naspers group share trust and the Prosus group does not have any obligation to settle these awards with employees. Such awards are classified as equity settled. The equity-settled share-based compensation plans administered by the Naspers group trusts relate to Naspers and Prosus RSUs, Naspers PSU schemes and share option schemes. The share options, RSUs and PSUs are classified as equity settled as the group does not have an obligation to make settlement. Naspers has the obligation to make settlement.

### Related party transactions

Prosus provides funding to the trust to settle share options of the Prosus group employees via loan account. Please refer to note 17 for details of related party balances with the trusts.

Although the group has various equity compensation plans in operation, disclosure is provided only for those plans that had the most significant impact on the group's statement of financial position during the current year.

The following share option and RSU plans were in operation during the financial year:

| Share option plan/RSU plan | Maximum awards permissible(1) | Vesting period(2) | Period to expiry from date of offer | IFRS 2 classification |
|---|---|---|---|---|
| **Naspers group** | | | | |
| Naspers Share Incentive Trust (Naspers) | Note 3 | a(3) | 10 years | Equity-settled |
| MIH Holdings Share Trust (MIH Holdings) | Note 3 | a(3) | 10 years | Equity-settled |
| MIH Internet Holdings B.V. Share trust (MIH Internet) | Note 3 | a(3) | 10 years | Equity-settled |
| Naspers Restricted Stock Plan Trust (Naspers RSU/PSU)(4) | Note 3, 4 | a | Note 5 | Equity-settled |
| Prosus N.V. Share Award Plan (Prosus RSU/PSU) | Note 7 | a | Note 5 | Equity-settled |
| **Social and Internet Platforms** | | | | |
| MIH Russia Internet B.V. Share Trust | 10% | c | 10 years | Equity-settled |
| **Ecommerce** | | | | |
| Frontier Car Group (FCG) Share Trust Option Scheme | 15% | e | 10 years | Cash-settled |
| iFood.com Share Option Scheme | 12.5% | a(8) | 10 years | Equity-settled |
| Movile International Holdings B.V. and Movile Mobile Commerce Holdings S.L. Joint Stock Option Plan and Movile International Holdings B.V. Share Option Plan | 15% | a(6) | 10 years | Cash-settled |
| Dante International S.A. (eMAG) Share Option Scheme | 15% | a(6) | 10 years | Cash-settled |
| MMC PlayKids Holding B.V. Share Option Scheme | 15% | a(6) | 10 years | Equity-settled |
| Red Dot Payment Pte Ltd Options Scheme | 20% | a | 10 years | Cash-settled |

The group provides detailed disclosure for those share option and RSU plans that are considered significant to the financial statements.

### Notes in relation to the group's share option and RSU plans:

(1) The percentage reflected in this column is the maximum percentage of the respective companies' issued share capital that is available for the plan. Where applicable, the above percentage also includes the percentage of the underlying asset value allocated to other group schemes, including the Global schemes (also see note 4 in relation to the group's share appreciation rights plans).

(2) Vesting period:
- a One quarter vests after years one, two, three and four.
- b One third vests after years three, four and five.
- c One fifth vests after years one, two, three, four and five.
- d One third vests after years one, two and three.
- e One quarter vests after year one and monthly thereafter over three years.

(3) At the Naspers annual general meeting held on 25 August 2017 a resolution was adopted by shareholders whereby the vesting period for options granted after 25 August 2017 would be one quarter vesting after years one, two, three and four. Options granted before 25 August 2017 vest over three, four and five years respectively. In addition at the Naspers annual general meeting in August 2020 shareholders approved that up to 5% of the issued capital of Naspers may be granted in the Naspers RSU.

(4) The Naspers Restricted Stock Plan Trust may issue no more than 200 000 RSU awards in aggregate during any one financial year. The number of PSUs that may be offered is at the discretion of the board.

(5) Awards are automatically settled with participants on the vesting date.

(6) For these schemes all offers made from 1 April 2018 vest over one, two, three and four years. All offers preceding this date vest over one, two, three, four and five years.

(7) No more than 5% of the issued capital of Prosus N.V. may be granted in the Prosus RSU.

(8) Prior to September 2020 all options granted, one fifth vests after years one, two, three, four and five.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 42. Equity-compensation benefits continued

The following share appreciation rights plans were in operation during the financial year:

| Share appreciation rights plans | Maximum awards permissible[1] | Vesting period[2] | Period to expiry from date of offer | IFRS 2 classification |
|---|---|---|---|---|
| **Social and Internet Platforms** | | | | |
| MIH China/MIH TC 2008 SAR Scheme | 10% | b[3] | 5 years and 14 days | Cash settled |
| **Ecommerce** | | | | |
| MIH Food Holdings B.V. SAR Scheme (Delivery Hero) | 7.5% | b | 10 years | Cash settled |
| MIH India Food Holdings B.V. SAR Scheme (Swiggy) | 10% | b | 10 years | Cash settled |
| Avito AB SAR Scheme | 15% | b | 10 years | Cash settled |
| CEE Classifieds SAR Scheme | 10% | c | 10 years | Cash settled |
| Tokobagus Exploitatie B.V. SAR Scheme | 15% | c | 10 years | Cash settled |
| PayU Global B.V. SAR Scheme | 15% | b[3] | 10 years | Cash settled |
| PayU Credit B.V. SAR Scheme | 15% | b | 10 years | Cash settled |
| Naspers Global Classifieds SAR Scheme (Naspers Global Classifieds) | Note 4 | b[3] | 10 years | Cash settled |
| Naspers Global Ecommerce SAR Scheme (Naspers Global Ecommerce) | Note 4 | b[3] | 10 years | Cash settled |
| MIH Fintech Holdings B.V. SAR Scheme (Naspers Global Payments) | Note 4 | b | 10 years | Cash settled |
| Naspers Ventures B.V. SAR Scheme | 15% | d | 10 years | Cash settled |
| MIH Ventures B.V. SAR Scheme | 10% | b | 10 years | Cash settled |
| Red Dot Payment Pte Ltd SAR Scheme | 20% | b | 10 years | Cash settled |
| SimilarWeb Limited SAR Scheme | 5% | c | 10 years | Cash settled |
| Property24 SAR Scheme | 15% | b[3] | 10 years | Cash settled |
| Takealot Online Proprietary Limited SAR Scheme | 15% | b | 10 years | Cash settled |
| Movile International Holdings B.V. SAR Scheme | 15% | b | 10 years | Cash settled |
| Dante International S.A. (eMAG) SAR Scheme | 15% | b | 10 years | Cash settled |

The group provides detailed disclosure for those share appreciation rights plans that are considered significant to the financial statements.

### Notes in relation to the group's share appreciation rights plans:

(1) The percentage reflected in this column is the maximum percentage of the respective companies issued/notional share capital that is available for the plan. Where applicable, the above percentage also includes the percentage of the underlying asset value allocated to other group schemes, including the Global schemes (also see note 4).

(2) Vesting period:
- a One third vests after years three, four and five.
- b One quarter vests after years one, two, three and four.
- c One fifth vests after years one, two, three, four and five.
- d One quarter vests after years two, three, four and five.

(3) For these schemes all offers made from 1 April 2018 vest over one, two, three and four years. All offers preceding this date vest over one, two, three, four and five years.

(4) 2.5% of the value of each of the relevant underlying assets, as is contributed to the relevant Global schemes, is available for issuance in the Global schemes.

Movements in terms of the group's significant share option and RSU plans are as follows:

| | 31 March 2021 | | | | | |
|---|---|---|---|---|---|---|
| **Shares** | **Naspers RSU** | **Prosus RSU (Euro)** | **MIH Internet** | **Dante International** | **iFood** | **Movile Joint Scheme** |
| Outstanding at 1 April | 114 055 | – | 1 946 833 | 66 641 | 104 298 | 634 328 |
| Granted | – | 696 940 | 108 228 | 22 475 | 27 272 | – |
| Exercised | (31 895) | (93) | (137 362) | (4 181) | – | (84 983) |
| Forfeited | (21 161) | (28 979) | (8 628) | (4 511) | (8 021) | (8 055) |
| Cancelled | – | (249) | – | – | – | – |
| Outstanding at 31 March | 60 999 | 667 619 | 1 909 071 | 80 424 | 123 549 | 541 290 |
| Available to be implemented by the trust at 31 March | – | | 1 436 252 | 33 477 | 41 240 | 300 869 |
| **Weighted average exercise price** | **(SA rand)** | **(Euro)** | **(SA rand)** | **(US$)** | **(BRL)** | **(BRL)** |
| Outstanding at 1 April | – | – | 1 795.00 | 684.47 | 3 229.46 | 340.49 |
| Granted | – | – | 2 882.65 | 1 043.32 | 7 177.42 | – |
| Exercised | – | – | 1 637.25 | 597.06 | – | 207.84 |
| Forfeited | – | – | 2 834.24 | 738.48 | 2 974.06 | 467.23 |
| Outstanding at 31 March | – | – | 1 863.45 | 786.26 | 4 117.50 | 359.43 |
| Available to be implemented by the trust at 31 March | – | – | 1 522.47 | 612.53 | 2 289.88 | 273.61 |
| **Weighted average share price of options taken up during the year** | **(SA rand)** | **(Euro)** | **(SA rand)** | **(US$)** | **(BRL)** | **(BRL)** |
| Shares | 31 895 | 93 | 137 362 | 4 181 | – | 84 983 |
| Weighted average share price | 3 210.87 | 90.71 | 3 277.14 | 1 043.32 | – | 780.74 |

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 42. Equity-compensation benefits continued

Movements in terms of the group's significant share option and RSU plans are as follows:

| | 31 March 2020 | | | | | |
|---|---|---|---|---|---|---|
| **Shares** | Naspers RSU | Prosus RSU (Euro) | MIH Internet | Dante International | iFood | Movile Joint Scheme |
| Outstanding at 1 April | 100 520 | – | 2 276 571 | 63 933 | 71 832 | 449 934 |
| Movements between Naspers and Prosus group companies | (6 039) | – | (356 985) | – | – | – |
| Granted | 84 240 | – | 140 172 | 11 733 | 56 060 | 239 709 |
| Exercised | (30 165) | – | (100 379) | (6 659) | (8 891) | (15 800) |
| Forfeited | (34 501) | – | (12 546) | (2 366) | (14 703) | (39 515) |
| Outstanding at 31 March | 114 055 | – | 1 946 833 | 66 641 | 104 298 | 634 328 |
| Available to be implemented by the trust at 31 March | – | | 1 311 314 | 24 107 | 26 423 | 254 816 |
| **Weighted average exercise price** | (SA rand) | (Euro) | (SA rand) | (US$) | (BRL) | (BRL) |
| Outstanding at 1 April | – | – | 1 671.38 | 630.85 | 2 055.31 | 248.11 |
| Granted | – | – | 2 930.80 | 882.28 | 4 270.68 | 497.00 |
| Exercised | – | – | 3 326.50 | 503.83 | 398.56 | 155.01 |
| Forfeited | – | – | 1 363.23 | 725.13 | 3 174.97 | 312.22 |
| Expired | – | – | 2 778.38 | – | – | – |
| Outstanding at 31 March | – | – | 1 795.00 | 684.47 | 3 229.46 | 340.49 |
| Available to be implemented by the trust at 31 March | – | – | 1 316.95 | 546.97 | 1 282.16 | 172.15 |
| **Weighted average share price of options taken up during the year** | (SA rand) | (Euro) | (SA rand) | (US$) | (BRL) | (BRL) |
| Shares | 30 165 | – | 100 379 | 6 659 | 8 891 | 15 800 |
| Weighted average share price | 2 973.97 | – | 2 783.17 | 882.28 | 682.87 | 497.00 |

Movements in terms of the group's significant share appreciation rights plans are as follows:

| | 31 March 2021 | | | | |
|---|---|---|---|---|---|
| **SARs** | **Avito** | **MIH China** | **Naspers Global Classifieds** | **Naspers Global Ecommerce** | **PayU Global** |
| Outstanding at 1 April | **1 069 438** | **461 548** | **21 797 387** | **9 508 178** | **1 207 454** |
| Movements between Naspers and Prosus group companies | **–** | **(19 004)** | **280 854** | **695** | **–** |
| Granted | **293 355** | **64 808** | **7 257 671** | **1 036 180** | **–** |
| Exercised | **(94 877)** | **(205 425)** | **(3 874 164)** | **(415 511)** | **(65 715)** |
| Forfeited | **(79 762)** | **–** | **(4 157 740)** | **(32 269)** | **(62 098)** |
| Outstanding at 31 March | **1 188 154** | **301 927** | **21 304 008** | **10 097 273** | **1 079 641** |
| Available to be implemented at 31 March | **359 435** | **90 824** | **5 357 863** | **6 659 174** | **558 725** |
| **Weighted average exercise price** | **(US$)** | **(US$)** | **(US$)** | **(US$)** | **(US$)** |
| Outstanding at 1 April | **83.51** | **103.28** | **8.24** | **23.04** | **71.10** |
| Movements between Naspers and Prosus group companies | **–** | **129.86** | **8.75** | **36.76** | **–** |
| Granted | **110.53** | **213.45** | **9.05** | **42.02** | **–** |
| Exercised | **77.11** | **68.13** | **6.39** | **22.01** | **56.97** |
| Forfeited | **87.58** | **–** | **8.97** | **27.93** | **83.03** |
| Outstanding at 31 March | **90.42** | **149.17** | **8.72** | **25.01** | **71.27** |
| Available to be implemented at 31 March | **79.70** | **134.59** | **7.89** | **19.56** | **60.34** |
| **Weighted average share price of SARs taken up during the year** | **(US$)** | **(US$)** | **(US$)** | **(US$)** | **(US$)** |
| SARs | **94 877** | **205 425** | **3 874 164** | **415 511** | **65 715** |
| Weighted average share price | **110.53** | **217.47** | **9.05** | **43.10** | **106.75** |

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 42. Equity-compensation benefits continued

Movements in terms of the group's significant share appreciation rights plans are as follows:

| | 31 March 2020 | | | | |
|---|---|---|---|---|---|
| SARs | Avito | MIH China | Naspers Global Classifieds | Naspers Global Ecommerce | PayU Global |
| Outstanding at 1 April | 676 269 | 408 973 | 20 085 382 | 12 579 747 | 1 270 943 |
| Movements between Naspers and Prosus group companies | – | (16) | (305 126) | (173 796) | – |
| Granted | 618 150 | 96 266 | 10 097 093 | 1 471 174 | 472 381 |
| Exercised | (66 204) | (41 424) | (5 877 453) | (4319 623) | (345 655) |
| Forfeited | (158 777) | (2 251) | (2 202 509) | (49 324) | (176 186) |
| Cancelled | – | – | – | – | (14 029) |
| Outstanding at 31 March | 1 069 438 | 461 548 | 21 797 387 | 9 508 178 | 1 207 454 |
| Available to be implemented at 31 March | 183 001 | 185 372 | 4 103 702 | 5 809 895 | 324 649 |
| **Weighted average exercise price** | (US$) | (US$) | (US$) | (US$) | (US$) |
| Outstanding at 1 April | 75.58 | 90.35 | 6.85 | 19.22 | 53.34 |
| Movements between Naspers and Prosus group companies | – | 90.35 | 7.13 | 26.27 | – |
| Granted | 90.63 | 156.04 | 9.62 | 36.75 | 95.18 |
| Exercised | 70.23 | 60.20 | 5.98 | 16.73 | 44.25 |
| Forfeited | 83.00 | 155.78 | 8.23 | 26.04 | 58.30 |
| Cancelled | – | – | – | – | 95.18 |
| Outstanding at 31 March | 83.51 | 103.28 | 8.24 | 23.04 | 71.10 |
| Available to be implemented at 31 March | 73.78 | 82.98 | 61.90 | 17.54 | 50.97 |
| **Weighted average share price of SARs taken up during the year** | (US$) | (US$) | (US$) | (US$) | (US$) |
| SARs | 66 204 | 41 424 | 5 877 453 | 4 319 623 | 345 655 |
| Weighted average share price | 90.63 | 150.14 | 9.62 | 38.42 | 95.05 |

Share option allocations outstanding and currently available to be implemented at 31 March 2021 by exercise price for the group's significant share incentive plans:

| | Share options outstanding | | | Share options currently available | |
|---|---|---|---|---|---|
| Exercise prices | Number outstanding at 31 March 2021 | Weighted average remaining contractual life (years) | Weighted average exercise price | Exercisable at 31 March 2021 | Weighted average exercise price |
| **MIH Internet** | | | | | |
| 241.88 to 256.23 | **7 801** | 0.52 | 245.07 | **7 801** | 245.07 |
| 328.71 to 376.58 | **17 294** | 1.32 | 345.79 | **17 294** | 345.79 |
| 440.88 to 482.59 | **540** | 1.48 | 474.17 | **540** | 474.17 |
| 661.88 to 886.69 | **34 735** | 2.30 | 678.13 | **34 735** | 678.13 |
| 1 046.88 to 1 272.66 | **899 925** | 3.01 | 1 056.28 | **899 925** | 1 056.28 |
| 1 302.89 to 1 477.88 | **9 413** | 3.64 | 1 391.02 | **9 413** | 1 391.02 |
| 1 572.04 to 1 741.27 | **46 958** | 4.45 | 1 648.30 | **46 958** | 1 648.30 |
| 1 817.89 to 2 056.88 | **183 853** | 5.29 | 2 020.10 | **125 939** | 2 015.15 |
| 2 097.88 to 2 438.37 | **63 201** | 6.15 | 2 338.27 | **31 347** | 2 336.29 |
| 2 755.72 to 3 017 | **281 304** | 7.53 | 2 819.35 | **126 652** | 2 809.72 |
| 3 055 to 3 380 | **247 938** | 7.39 | 3 112.28 | **109 110** | 3 105.59 |
| 3 420.55 to 3 809 | **116 109** | 8.20 | 3 451.62 | **26 538** | 3 472.22 |
| | **1 909 071** | | | **1 436 252** | |
| **iFood (BRL)** | | | | | |
| 408.64 to 1 221.85 | **24 502** | 5.09 | 872.90 | **21 694** | 827.73 |
| 2 233.05 to 3 984.58 | **21 448** | 7.36 | 3 649.10 | **9 396** | 3 526.01 |
| 4 270.68 to 4 270.68 | **50 882** | 8.61 | 4 270.68 | **10 150** | 4 270.68 |
| 7 177.42 to 7 177.42 | **26 717** | 9.54 | 7 177.42 | **–** | – |
| | **123 549** | | | **41 240** | |
| **Movile Joint Scheme (BRL)** | | | | | |
| 48.87 to 80.1 | **79 650** | 3.86 | 76.96 | **79 650** | 76.96 |
| 149.71 to 279.9 | **63 807** | 4.80 | 163.83 | **61 035** | 158.55 |
| 285.18 to 307.38 | **85 497** | 6.23 | 297.59 | **58 469** | 296.07 |
| 468.87 to 497 | **312 336** | 8.09 | 488.35 | **101 715** | 483.72 |
| | **541 290** | | | **300 869** | |
| **Dante International (USD)** | | | | | |
| 319.02 to 414.5 | **9 072** | 4.06 | 360.08 | **9 072** | 360.08 |
| 533.7 to 678.53 | **20 992** | 5.87 | 610.99 | **13 665** | 599.68 |
| 829.21 to 882.28 | **27 885** | 7.86 | 849.69 | **10 740** | 842.12 |
| 1 043.32 | **22 475** | 9.66 | 1 043.32 | **–** | – |
| | **80 424** | | | **33 477** | |

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 42. Equity-compensation benefits continued

Share appreciation rights allocations outstanding and currently available to be implemented at 31 March 2021 by exercise price for the group's significant share incentive plans:

| | SARs outstanding | | | SARs currently available | |
|---|---|---|---|---|---|
| **Exercise prices** | **Number outstanding at 31 March 2021** | **Weighted average remaining contractual life (years)** | **Weighted average exercise price** | **Exercisable at 31 March 2021** | **Weighted average exercise price** |
| **Avito (US$)** | | | | | |
| 54.86 to 110.53 | **1 188 154** | 8.14 | 90.42 | **359 435** | 79.70 |
| **MIH China (US$)** | | | | | |
| 81.78 to 252.82 | **301 927** | 2.67 | 149.17 | **90 824** | 134.59 |
| **Naspers Global Classifieds (US$)** | | | | | |
| 3.54 to 7.64 | **3 867 383** | 5.63 | 6.58 | **2 317 814** | 6.19 |
| 8.5 to 9.62 | **17 436 625** | 8.62 | 9.19 | **3 040 049** | 9.18 |
| | **21 304 008** | | | **5 357 863** | |
| **Naspers Global Ecommerce (US$)** | | | | | |
| 15.58 to 23.61 | **5 255 196** | 3.66 | 16.12 | **5 126 791** | 16.00 |
| 27.25 to 27.6 | **1 258 661** | 6.39 | 27.32 | **685 398** | 27.33 |
| 28.2 to 33.57 | **1 102 472** | 7.27 | 33.42 | **495 692** | 33.41 |
| 33.78 to 36.76 | **1 398 428** | 8.27 | 36.72 | **339 081** | 36.71 |
| 37.08 to 45.64 | **1 082 516** | 9.44 | 41.81 | **12 212** | 37.28 |
| | **10 097 273** | | | **6 659 174** | |
| **PayU Global (US$)** | | | | | |
| 39.1 to 58.44 | **431 815** | 5.44 | 47.35 | **341 995** | 45.51 |
| 75.16 to 95.18 | **647 826** | 7.92 | 87.21 | **216 730** | 83.73 |
| | **1 079 641** | | | **558 725** | |

Share option and RSU plan grants made during the year relating to the group's significant plans:

| | **Prosus RSU (Euro)** | **MIH Internet (SA rand)** | **Dante International (US$)** | **iFood (BRL)** | **Movile Joint Scheme (BRL)** |
|---|---|---|---|---|---|
| **31 March 2021** | | | | | |
| Weighted average fair value at measurement date | **80.29** | **1 226.18** | **1 548.98** | **3 158.04** | |
| This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions: | | | | | |
| Weighted average share price | **80.29** | **2 882.65** | **2 342.31** | **7 177.42** | |
| Weighted average exercise price | **–** | **2 882.65** | **1 043.32** | **7 177.42** | |
| Weighted average expected volatility (%)* | **–** | **35.6%** | **59.3%** | **42.0%** | |
| Weighted average option life (years) | **10.00** | **10.0** | **10.0** | **10.0** | |
| Weighted average dividend yield (%) | **–** | **0.2%** | **0.0%** | **–** | |
| Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit) | **–** | **6.6%** | **1.7%** | **4.9%** | |
| Weighted average annual suboptimal rate (%) | **–** | **160%** | **160%** | **160%** | |
| Weighted average vesting period (years) | **2.5** | **2.5** | **2.5** | **2.5** | |
| **31 March 2020** | | | | | |
| Weighted average fair value at measurement date | – | 1 148.79 | 386.80 | 1 990.98 | 213.46 |
| This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions: | | | | | |
| Weighted average share price | – | 3 329.38 | 882.28 | 4 270.68 | 497.00 |
| Weighted average exercise price | – | 3 329.38 | 882.28 | 4 270.68 | 497.00 |
| Weighted average expected volatility (%)* | – | 32.9% | 52.1% | 40.5% | 37.4% |
| Weighted average option life (years) | – | 10.0 | 10.0 | 10.0 | 10.0 |
| Weighted average dividend yield (%) | – | 0.2% | – | – | – |
| Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit) | – | 8.0% | 1.9% | 5.7% | 5.9% |
| Weighted average annual suboptimal rate (%) | – | 340% | 100% | 100% | 100% |
| Weighted average vesting period (years) | – | 2.5 | 2.5 | 3.0 | 2.5 |

* The weighted average expected volatility of all share options listed above is determined using historical daily share prices.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 42. Equity-compensation benefits continued

Share appreciation rights plan grants made during the year relating to the group's significant plans:

| | Avito (US$) | MIH China (US$) | Naspers Global Classifieds (US$) | Naspers Global Ecommerce (US$) | PayU Global B.V. (US$) |
|---|---|---|---|---|---|
| **31 March 2021** | | | | | |
| Weighted average fair value at remeasurement date | **69.99** | **83.12** | **5.30** | **33.59** | |
| This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions: | | | | | |
| Weighted average share price | **155.92** | **247.12** | **12.19** | **64.46** | |
| Weighted average exercise price | **110.53** | **213.45** | **9.05** | **42.02** | |
| Weighted average expected volatility (%)* | **34.7%** | **35.3%** | **34.7%** | **47.6%** | |
| Weighted average option life (years) | **10.0** | **5.0** | **10.0** | **10.0** | |
| Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit) | **1.7%** | **0.8%** | **1.7%** | **1.7%** | |
| Weighted average annual suboptimal rate (%) | **160.0%** | **160.0%** | **160.0%** | **160.0%** | |
| Weighted average vesting period (years) | **2.5** | **2.5** | **2.5** | **2.5** | |
| Share price at measurement date | **155.92** | **247.12** | **12.19** | **64.46** | |
| **31 March 2020** | | | | | |
| Weighted average fair value at remeasurement date | 26.81 | 37.05 | 2.83 | 14.89 | 37.55 |
| This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions: | | | | | |
| Weighted average share price | 90.63 | 154.49 | 9.62 | 38.82 | 95.18 |
| Weighted average exercise price | 90.63 | 140.89 | 9.62 | 36.75 | 95.18 |
| Weighted average expected volatility (%)* | 32.5% | 31.6% | 32.5% | 42.7% | 45.4% |
| Weighted average option life (years) | 10.0 | 5.0 | 10.0 | 10.0 | 10.0 |
| Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit) | 0.8% | 0.6% | 0.8% | 0.8% | 0.8% |
| Weighted average annual suboptimal rate (%) | 100.0% | 300.0% | 100.0% | 100.0% | 100.0% |
| Weighted average vesting period (years) | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| Share price at measurement date | 90.63 | 154.49 | 9.62 | 38.82 | 95.18 |

* The weighted average expected volatility of all share options listed above is determined using historical daily share prices.

### Liabilities arising from share-based payment transactions

The following liabilities have been recognised in the statement of financial position relating to the group's cash-settled share-based payment obligations:

| | 31 March | |
|---|---|---|
| | **2021 US$'m** | 2020 US$'m |
| **Share-based payment liability** | | |
| Total carrying amount of cash-settled share-based payment liability | **1 056** | 376 |
| Current portion of share-based payment liability (refer to note 24) | **(897)** | (143) |
| **Non-current portion of share-based payment liability** | **159** | 233 |

Reconciliation of the cash-settled share-based payment liability is as follows:

| | 31 March | |
|---|---|---|
| | **2021 US$'m** | 2020 US$'m |
| Opening carrying amount of cash-settled share-based payment liability | **376** | 204 |
| SAR scheme charge per the income statement[1] | **675** | 88 |
| Employment linked put option charge per the income statement | **45** | 35 |
| Additions | **17** | 6 |
| Settlements | **(105)** | (111) |
| Modification[2] | **49** | 154 |
| Foreign currency translation effects | **(1)** | – |
| **Closing carrying amount of cash-settled share-based payment liability** | **1 056** | 376 |

(1) The increase in the expense is as a result of the growth in the fair values of the underlying businesses that increased the estimated cash settlement for the schemes.
(2) The group's equity-settled compensation plan was prospectively modified to cash-settled due to the change in settlement policy of the share option scheme.

As at 31 March 2021, 67.5% (2020: 63.5%) of the share-based payment liability relates to vested share-based compensation plans that have not been exercised. Included in the share-based payment liability is an amount of US$85.0m (2020: US$34.9m) that arose upon acquisition of FCG, Extreme Digital, PaySense, and Iyzico in the prior year (refer to note 4). The group recognised, in the income statement, a remeasurement of US$45.1m (2020: US$34.9m) included in the current year cash-settled share-based payment expense related to these subsidiaries. The share-based payment liability is recognised as a result of a written put option included in the acquisition agreement that is linked to a committed employment period for the founders of the respective subsidiaries. The value on settlement of the put options will be dependent on the completion of the respective employment period and accordingly impacts the non-controlling interest recognised for these subsidiaries.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 43. Subsequent events

The following transactions were entered into by the group subsequent to 31 March 2021 up until the date of signing these consolidated financial statements (19 June 2021):

MIH Ventures B.V. (MIH Ventures), agreed to subscribe for US$100m of newly issued common shares of Churchill Capital Corp II (Churchill), a special purpose acquisition company listed on the New York Stock Exchange. In connection to this transaction, Churchill granted MIH Ventures a 30-day option (the MIH option) to subscribe for up to an additional US$400m of newly issued common shares. At the same time, Churchill entered into agreements to acquire: (i) Software Luxembourg Holding S.A. (Skillsoft) in a transaction valued at approximately US$1.3bn (the Skillsoft merger); and (ii) Albert DE Holdings Inc. for a consideration valued at approximately US$233m.

The group announced that it exercised the MIH option to invest an additional US$400m in Churchill's planned acquisition of Skillsoft. This gives MIH Ventures newly issued common shares, representing up to 35% of the issued and outstanding Churchill common shares after giving effect to the Skillsoft acquisition. MIH Ventures also entered into a strategic support agreement to provide certain business development and investor relations support services to Churchill. The group expects to account for its interest in Churchill as an investment in an associate. The obligation of MIH Ventures to complete its subscription for shares of Churchill is conditional on receipt of certain regulatory approvals and the completion of the Skillsoft merger by Churchill. Following the closing of this transaction, the group acquired a 37.6% effective interest (approximately 31.1% fully diluted) in Churchill for a total consideration of US$500m.

The group sold 2% of Tencent Holdings Limited's (Tencent) total issued share capital. The sale reduced its stake in Tencent from approximately 31% to 29%, yielding US$14.6bn in proceeds and a dilution gain of approximately US$13bn. Prosus intends to use the proceeds of the sale to increase its financial flexibility to invest in growth, plus for general corporate purposes.

The group acquired a 14% effective (and fully diluted) interest for US$120m in Kolonial.no (Kolonial), Norway's largest online grocery business. The group will account for this investment as an equity-accounted associate on account of its significant influence on the board of directors.

The group made an additional investment amounting to US$273m, in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food-delivery marketplace in India. Following this investment, the group holds a 40% effective interest (36% fully diluted) in Swiggy. The group continues to account for its interest in Swiggy as an investment in an associate.

The group made an additional investment amounting to US$30m, in NTex Transportation Services Private Limited (ElasticRun), a software and technology platform for providing transportation and logistics services in India. Following this investment, the group holds a 24% effective interest (23% fully diluted) in ElasticRun. The group continues to account for its interest in ElasticRun as an investment in an associate.

The group made an additional investment amounting to US$62m, in Meesho Inc. (Meesho), a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalogue of goods and services to sell. Meesho also provides logistics and payment tools on their platform. Following this investment, the group holds a 14% effective interest (12% fully diluted) in Meesho. The group continues to account for its interest in Meesho as an investment in an associate on account of its significant influence on the board of directors.

The group acquired a 16% effective interest (15% fully diluted) for US$191m in API Holdings Private Limited (PharmEasy). API Holdings Private Limited owns India's largest integrated digital healthcare platforms. The group will account for this investment as an equity-accounted associate on account of its significant influence on the board of directors.

The group made an additional investment amounting to US$153m, in Think & Learn Private Limited (BYJU'S), India's largest education company and the creator of India's largest personalised learning app. Following this investment, the group holds an 11% effective interest (10% fully diluted) in BYJU'S. The group continues to account for its interest in BYJU'S as an investment in an associate on account of its significant influence on the board of directors.

The group acquired the share capital held by non-controlling shareholders of its subsidiary Frontier Car Group Inc. (FCG), for US$43.6m. Following the acquisition, the group holds a 99% effective and fully diluted interest in FCG resulting in the cancellation of the written put option liability for this subsidiary which will be derecognised. The group is assessing the impact of this transaction in equity.

The group acquired a 4% effective (and fully diluted) interest for US$84m in UrbanClap Technologies India Private Limited (Urban Company). Urban Company is one of the largest home services platform in Asia, with representation in India, UAE, Singapore and Australia. The group will account for this investment at fair value through other comprehensive income.

The group completed bilateral trades that resulted in an additional investment in Delivery Hero. The group acquired an additional investment in Delivery Hero in March 2021, which increased its shareholding by 8% to approximately 24.99%. The additional investment was acquired via the market and bilateral trades. At 31 March 2021, while legal ownership had transferred for this 8% additional interest, the access to the returns associated with the ownership had not fully transferred for 4% of this interest. Accordingly, the effective interest in Delivery Hero recognised at 31 March 2021 was 21% with the remaining 4% amounting to US$1.2bn recognised as a contractual right to receive the shares or cash. In May 2021, the bilateral trades for the remaining 4% were completed resulting in an increase in the effective shareholding of Delivery Hero to 24.99% as the access to the returns associated with the ownership for these shares have been transferred. The group paid an additional US$188.0m for the increase in share price for this interest between March and May 2021. In addition, the financial asset amounting to US$1.2bn recognised at 31 March 2021 for the right to receive this interest or cash was derecognised against carrying value of the investment.

# Notes to the consolidated financial statements continued

for the year ended 31 March 2021

## 43. Subsequent events continued

The group acquired a 62% effective interest (61% fully diluted) for US$259m in Good Investco B.V. (GoodHabitz). GoodHabitz B.V. provides educational information online, offering commercial, management, and technical training services in the Netherlands. The group will account for this investment as a subsidiary.

The group entered into an agreement to acquire a 100% effective interest for US$1.8bn in Stack Overflow. Stack Overflow is a leading knowledge sharing platform for the global community of developers and technologist. The group expects to account for this investment as a subsidiary. The transaction is subject to regulatory approval and customary closing conditions and is expected to close in the first half of the 2022 financial year.

The group acquired a 13% effective interest (12% fully diluted) for US$84m in Flink SE (Flink). Flink is a German-based instant grocery delivery company. The group will account for this investment as an equity-accounted associate on account of its significant influence on the board of directors.

The group acquired a total of 15 570 029 Naspers N ordinary shares as part of the share purchase programme announced in November 2020. A total of 10 568 947 N ordinary shares for US$ 2.4bn were acquired as at 31 March 2021 (refer to Note 18) and a further 5 001 082 Naspers N ordinary shares for US$1.1bn were acquired between April and 15 June 2021. The group expects to complete the Naspers share purchase programme by the end of June 2021 for a total purchase consideration of approximately US$3.6bn.

The group announced its intention to implement a voluntary share exchange offer to Naspers shareholders, where Naspers shareholders will be invited to tender their existing Naspers N ordinary shares for newly issued Prosus N ordinary shares at an exchange ratio of 2.27. Prosus intends to acquire 45.4% of the issued Naspers N ordinary shares in exchange for newly issued Prosus N ordinary shares, which would take its overall interest in Naspers to 49.5%, given the Naspers shares Prosus already owns. In addition, Prosus will issue newly created class B ordinary shares to Naspers which together with the N ordinary shares held will give it more than 70% of the voting rights of Prosus. Due to the resulting cross-holding, the transaction would more than double the Prosus free float's effective economic interest in the group's underlying businesses to around 60%. The proposed transaction will be subject to a minimum acceptance condition of 45.4% of the issued Naspers N Ordinary Shares. The group intends to account for this transaction primarily within equity as a transaction with shareholders.

# *Independent auditor's report*

To: the general meeting and the board of directors of Prosus N.V.

## *Report on the financial statements 2021*

### *Our opinion*

In our opinion, the financial statements of Prosus N.V. ('the Company') give a true and fair view of the financial position of the Company and the Group (the Company together with its subsidiaries) as at 31 March 2021, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

### *What we have audited*

We have audited the accompanying financial statements 2021 of Prosus N.V., Amsterdam. The financial statements include the consolidated financial statements of the Group and the company financial statements.

The financial statements comprise:

- the consolidated and company statement of financial position as at 31 March 2021;
- the following statements for the year ended 31 March 2021: the consolidated income statement, the consolidated and company statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising the significant accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

### *The basis for our opinion*

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

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

### *Independence*

We are independent of Prosus N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

## *Our audit approach*

### *Overview and context*

Prosus N.V. is a global consumer internet group that operates, invests in, and partners with internet businesses across Asia, Central and Eastern Europe, the Middle East, Americas and Africa in sectors including online classifieds, food delivery, payments and fintech, education, health, etail and social and internet platforms. The Group identifies as both being an investor (non-controlling interests in associates and other investments) and as an operator (controlled subsidiaries). The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the board of directors made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In Note 2 of the consolidated financial statements and Note 1 of the company financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Of the areas mentioned in these notes we considered the following matters as key audit matters given the significant estimation uncertainty and the related higher inherent risk of material misstatement:

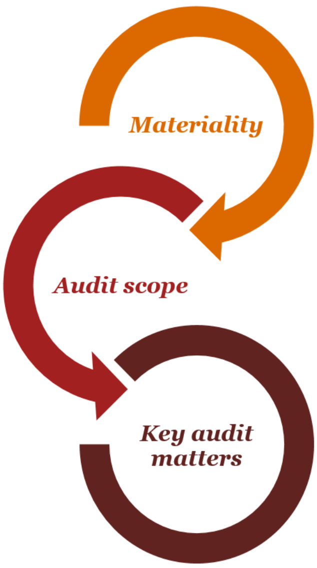
- impairment assessment of investments in subsidiaries and of goodwill and intangible assets arising from business combinations; and
- valuation of share-based compensation schemes and share-based payments.

The most significant investment is in Tencent Holdings Limited ('Tencent'). We considered the accounting for this investment as a key audit matter.

Other areas of focus, that were not considered as key audit matters, were the accounting for corporate transactions, valuation of investments in associates and joint ventures, valuation of put option liabilities as well as accuracy, occurrence and completeness of revenue recognition. In addition, we considered the impact of the Covid-19 pandemic on the financial statements including on the Group's ability to continue its operations on a going concern basis.

We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of a consumer internet company. We also included in our team specialists and experts in the areas of IT, tax, forensics, valuations, share-based payments and financial instruments.

The outline of our audit approach was as follows:




***Materiality***

- Overall consolidated materiality: US$431 million
- Overall company materiality: US$1 billion

***Audit scope***

- We conducted audit work at nine components in six countries.
- Virtual site visits were performed by the group team for the work performed by PwC teams in China (Tencent), Romania (Etail segment), Poland (Classifieds segment) and Brazil (Movile including iFood).
- Audit coverage: 100% of consolidated revenue, 98% of consolidated total assets and 95% of consolidated profit before tax.

***Key audit matters***

- Accounting for the investment in Tencent Holdings Limited.
- Impairment assessment of investments in subsidiaries and of goodwill and intangible assets arising from business combinations.
- Valuation of share-based compensation schemes and share-based payments.

## *Materiality*

The scope of our audit is influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

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

| | ***Consolidated financial statements*** | ***Company financial statements*** |
|---|---|---|
| ***Overall materiality*** | US$431 million<br>(2020: US$189.5 million). | US$1 billion<br>(2020: US$1 billion). |
| ***Basis for determining materiality*** | We used our professional judgement and our knowledge obtained of the Group to determine overall materiality. As a basis for our judgement we used 1% of net assets (2020: 5% of Profit before tax). | We used 1% of net assets as a preliminary guideline for determining overall materiality. Based on our professional judgement and our knowledge obtained of the Company, we considered US$1 billion as an appropriate measure, which is approximately 0.6% of net assets (2020: 0.6% of total assets). |

| | | |
|---|---|---|
| ***Rationale for benchmark applied*** | Based on our analysis of the common information needs of users of the consolidated financial statements we determined that an asset-based benchmark is appropriate. In prior years we used profit before tax as a benchmark. The Group's increasing capital allocation towards associates (investor role) compared to subsidiaries (operator role) made a benchmark based on profit before tax less appropriate. We believe that, given the current facts and circumstances net assets is the most suitable benchmark. | Based on our analysis of the common information needs of users of the company financial statements we determined that an asset-based benchmark is appropriate.<br><br>In the prior year we used total assets as benchmark. In view of the change in the benchmark for the consolidated financial statements, we determined it appropriate to apply the same benchmark. |
| ***Component materiality*** | To each component in our audit scope, based on our judgement, we allocate materiality that is less than our overall group materiality. The range of materiality individually allocated across components was between US$2.8 million and US$403 million. Certain components were audited to a local statutory materiality that was also less than our overall group materiality. | Not applicable. |

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the audit committee that we would report to them misstatements identified during our audit above US$21.5 million (2020: US$9.4 million) for the consolidated and US$50 million (2020: US$50 million) for the company financial statements as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## *The scope of our group audit*

Prosus N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Prosus N.V. The most significant subsidiaries and associates are disclosed in Notes 8 and 9 in the consolidated financial statements.

We tailored the scope of our audit to ensure that we, in aggregate, provide sufficient coverage of the financial statements for us to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate. In establishing the overall group audit strategy and plan, we determined the type of work required to be performed at component level by the group engagement team and by each component auditor.

In scoping our group audit we first determined the components that are individually financially significant to the Group, namely Tencent Holdings Limited, the Classifieds and Etail segments, Movile group (including iFood), as well as the parent company Prosus N.V. which includes the majority of the Group's cash, short-term investments and external debt. These components were subjected to audits of their complete financial information (full scope audit).

To achieve appropriate audit coverage over the consolidated financial statements, as well as over material line items in the financial statements, we selected three additional components (the Payment and fintech segment, Mail.ru, and one corporate entity) for audits of their complete financial information, and one corporate entity where we performed review procedures.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

| | |
|---|---|
| ***Revenue*** | 100% |
| ***Total assets*** | 98% |
| ***Profit before tax*** | 95% |

None of the remaining components represented more than 1% of total group profit before tax or 1% total group assets. For those remaining components we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

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

We issued group audit instructions to the component audit teams. These instructions included, amongst others, our risk analysis, materiality levels and our global audit approach. We had individual calls with each of the in-scope component teams before them commencing their respective audits, throughout the audit and upon conclusion of their work.

During these calls, we discussed our instructions, the significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters which could be of relevance for the financial statements.

The Covid-19 outbreak limited our ability to physically visit all the significant components during the year, hence we conducted a series of video calls and performed remote review of selected working papers of the work performed by component teams in China (Tencent), Poland (Classifieds segment), Brazil (Movile group, including iFood) and Romania (Etail segment). In terms of the execution of our audit, we considered the impact of the travel and other restrictions on our audit and on the review and supervision of our teams. Our teams globally largely worked remotely and digitally, supported by video meetings and PwC's digital tooling. We increased the frequency of communication between the Group and component teams, including additional joint meetings with Group and component management. While maintaining compliance with local health regulations, we performed sufficient physical checks of inventory and documents.

The group engagement team performed the substantial part of the audit work on the share-based compensation schemes, consolidation and financial statements preparation in South Africa, with the Group's financial reporting, consolidation and accounting department.

By performing the procedures above at components, combined with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, as a whole, to provide a basis for our opinion on the financial statements.

## *Our focus on the risk of fraud and non-compliance with laws and regulations*

The primary responsibility for the prevention and detection of fraud and non-compliance with laws and regulations lies with the board of directors with the oversight of the audit committee.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We, together with our forensic specialists, evaluated the fraud risk factors to consider whether those factors indicated a risk of material misstatement due to fraud. We also considered the risk of fraud inherent to increased remote working.

We read the internal reports provided on suspected fraud and/or potential non-compliance with laws and regulations provided to the audit committee and were present during the discussion of potential matters in the audit committee meetings. In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable for the Group. We identified provisions of those laws and regulations, generally recognised to have a direct effect on the determination of material amounts and disclosures in the financial statements such as the financial reporting framework and tax and pension laws and regulations.

As in all of our audits, we addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud. We refer to the key audit matters 'Impairment assessment of investments in subsidiaries and of goodwill and intangible assets arising from business combinations' and 'Valuation of share-based compensation schemes and share-based payments', that are examples of our approach related to areas of higher risk due to accounting estimates where management makes significant judgements.

We performed the following audit procedures to respond to the assessed risks:

- We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks.
- We performed data analysis of high-risk journal entries and evaluated key estimates and judgements for bias by Prosus N.V., including retrospective reviews of prior year's estimates. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk. These procedures also included testing of transactions back to source information.
- We made an assessment of matters reported on the Group's whistleblowing and complaints procedures with the entity and results of management's investigation of such matters if deemed applicable and discussing this with the audit committee.
- We incorporated elements of unpredictability in our audit.
- We obtained audit evidence regarding compliance with the provisions of those laws and regulations generally recognised to have a direct effect on the determination of material amounts and disclosures in the financial statements.
- As to the other laws and regulations, we inquired with the board of directors and the audit committee as to whether the entity is in compliance with such laws and regulations and inspected correspondence, if any, with relevant licensing and regulatory authorities.

## *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the audit committee. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters. Key audit matters are in line with the prior year except for the key audit matter 'Financial reporting implications of Prosus' listing on Euronext' which is no longer relevant in the current year.

We addressed the key audit matters in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide separate opinions on these matters or on specific elements of the financial statements. Any comment or observation we made on the results of our procedures should be read in this context.

| ***Key audit matter*** | ***Our audit work and observations*** |
|---|---|
| ***Accounting for equity-accounted investment in Tencent Holdings Limited***<br>*(refer to Note 2 and Note 9 of the consolidated financial statements)*<br><br>The Group holds an investment in Tencent Holdings Limited ('Tencent') which is equity accounted for in the consolidated financial statements in terms of IAS 28, 'Investments in Associates and Joint Ventures' and has a carrying amount of US$34.6 billion.<br><br>The Tencent investment has a year end (31 December) that is not coterminous with that of the Group. The Group's accounting policy is to account for an appropriate lag period adjustment in reporting on their results. Any significant transactions that occur between Tencent's year end and 31 March (the Group's year end) are taken into account in the equity-accounted results of the investment.<br><br>The accounting for the investment in Tencent was a matter of significance due to the magnitude of the carrying amount, the significant contribution of the associate investment to the consolidated results of the Group and the fact that the investment has a year end that is not coterminous with that of the Group and therefore management applies judgement in adjusting for significant transactions that occur in the lag period. Therefore, we considered the accounting for the investment in Tencent as a key audit matter. | With respect to the equity accounted results of Tencent in the consolidated financial statements, we performed the following:<br>• We obtained the equity-accounted results recorded by the Group and reconciled them to the audited 31 December 2020 financial statements of Tencent.<br>• Since Tencent's year end is not coterminous with Prosus, lag period adjustments and top-level adjustments prepared by management were recalculated based on publicly available information subsequent to 31 December 2020 and considered the input from the corresponding component team to gain comfort that material lag period adjustments were appropriately accounted for.<br>• We assessed the accounting policies of the associate to that of the Group to identify any material differences with EU-IFRS.<br><br>In respect of the audit procedures specified above, no material findings were identified. |

| Key audit matter | Our audit work and observations |
|---|---|
| **Impairment assessment of investments in subsidiaries and of goodwill and intangible assets arising from business combinations**<br>*(refer to Notes 6 and 7 of the consolidated financial statements and Note 2 of the company financial statements)*<br><br>As at 31 March 2021 the Group's consolidated goodwill and intangible assets amount to US$2.9 billion. Goodwill and related intangible assets are tested annually, at the level of relevant Cash Generating Units (CGUs), for impairment and whenever there is an impairment indicator identified by management at an intermediate reporting date.<br><br>The recoverable amounts of the CGUs were based on either the fair value estimates by reference to recent funding rounds or market transactions (where applicable) or value-in-use estimates using discounted cash flow models. In estimating the recoverable amount, management used assumptions relating to discount rates, long-term growth rates and projected revenue growth rates and projected Earnings Before Interest Depreciation and Amortisation ('EBITDA') margins and EBITDA growth rates which they model using forecast periods of up to 10 years. These forecast periods reflect the early stage in their lifecycle of many of the CGUs. Impairments amounting to US$68 million were recognised as a result of this assessment.<br><br>As described in Note 2 to the company financial statements, the carrying amount of investments in subsidiaries amount to US$153.5 billion as of 31 March 2021. During the year, the Company completed an internal restructuring such that the investment in Tencent as well as the Group's investments in other subsidiaries and associates are now held under MIH Internet Holdings B.V. As a consequence, for the company financial statements, this is now a single unit of accounting for impairment testing purposes.<br><br>Since the fair value of MIH Internet Holdings B.V.'s (in)directly held listed investments (based on the quoted share prices per balance sheet date) significantly exceeds the carrying value of the Company's investment in MIH Internet Holdings B.V., no impairment trigger was identified. | We performed procedures, with the support of our valuation specialists, which varied in depth per CGU based on our risk assessment with respect to the size and maturity of the individual businesses compared to their carrying amounts.<br><br>Our audit procedures included, amongst others:<br>• Tested the composition of future cash flow forecasts and the underlying management assumptions by evaluating (i) the current and past performance of the CGU, (ii) the consistency with external market and industry data, (iii) the corroboration of strategic initiatives with evidence obtained in other areas of the audit, and (iv) the expectations of certain equity analysts covering Prosus for a specific CGU.<br>• Assessed the reasonableness of the terminal growth rates used by management per CGU by comparing to the long-term growth rates most reflective of the underlying operations, obtained from independent external sources.<br>• Compared the inputs to the discount rates to externally obtained data such as the risk-free rates in the market, equity market risk premiums, country risk premiums, debt/equity ratios as well as the betas of comparable companies.<br>• Assessed the reasonableness of the additional risk adjustment factors included in the discount rates for certain CGUs in relation to the risk profile of the future cash flow forecasts.<br>• Recalculated the carrying amount of the (group of) CGUs with reference to underlying documentation.<br>• Evaluated external analyst report valuations and compared these to management's valuation.<br>• Tested the related financial statements disclosures against the disclosure requirements of EU-IFRS.<br><br>In addition to our procedures described above, we further challenged management's impairment test by performing our own sensitivity analyses based on independent inputs for key valuation assumptions. |

| *Key audit matter* | *Our audit work and observations* |
|---|---|
| These impairment assessments were considered as a key audit matter due to the significant judgement applied by management in determining the recoverable amounts as well as the magnitude of the balances involved. | With respect to the carrying amount of the investment in MIH Internet Holdings B.V. in the company financial statements, we tested management's assessment of potential impairment by reference to the quoted share price of Tencent and other listed investments as of the balance sheet date.<br><br>In respect of the audit procedures specified above, no material findings were identified. |
| ***Valuation of share-based compensation schemes and share-based payments***<br>*(refer to Note 2 and Note 42 of the consolidated financial statements)*<br><br>A number of share-based compensation plans are used where share options, restricted stock units (RSUs), performance share units (PSUs) or share appreciation rights (SARs) are granted to employees in the Group.<br><br>When these schemes are settled in cash or in Naspers shares, they are accounted for as cash-settled schemes by Prosus. The cash-settled liabilities amount to US$1.1 billion in the consolidated financial statements as of 31 March 2021.<br><br>The grant date fair value and the remeasured fair value of the options at each reporting period is calculated by management using an option valuation model.<br>In estimating the fair value of options management uses assumptions relating to risk free rates, volatility rates, dividend yields, forfeiture rates, listed share prices, and for schemes with unlisted shares, the share prices of the underlying businesses. All awards are granted subject to the completion of a requisite service (vesting) period by employees.<br><br>The share schemes as disclosed within Note 42 were considered to be most significant in terms of their contribution to the total share-based payment expense and cash-settled liabilities recognised in the consolidated financial statements. | We assessed if the approach adopted by management in the options valuations models is in line with the requirements of IFRS 2, 'Share-based Payment', including consideration of the terms of the share-based compensation schemes and changes to the existing plans.<br><br>With the support of our internal valuation experts we assessed the key inputs in the option valuation calculation by performing the following procedures:<br>• Agreed risk-free rates to independently obtained external data.<br>• Agreed expected volatility rates for listed companies to independently obtained external data, and for unlisted companies to volatility rates of comparable companies in the market.<br>• For schemes with listed shares, agreed the share prices to the listed share price as at the grant date for equity-settled awards.<br>• Assessed dividend yields by agreeing the share price information to independently obtained data and recalculating the average historical dividend yield.<br>• Assessed the reasonableness of forfeiture rates in terms of the history of forfeitures for each grant of the relevant share option/share appreciation right scheme.<br>• For schemes with unlisted shares, recalculated the share prices of the underlying businesses by dividing the valuations performed by management's expert by the outstanding number of shares of the relevant scheme. |

| *Key audit matter* | *Our audit work and observations* |
|---|---|
| The valuation is a 'sum-of-the-parts' of the individual schemes which are valued annually by an external management valuation expert.<br>In determining the company value and the scheme share value, the management expert uses a number of valuation methods, including, the use of comparable peer multiples, precedent transactions and DCF valuations.<br><br>Due to the volume of share-based payment transactions and the complexity surrounding the valuations, specifically the assumptions, judgements and estimates used in the option valuation models relating to each scheme, the valuation of share-based compensation schemes and share-based payments was considered a key audit matter. | We assessed the experience, objectivity and competence of management's expert utilised in performing the business valuations and assessed the reasonability of these valuations.<br><br>With the support of our internal valuation experts, we assessed the key inputs in the valuation of schemes with unlisted shares by performing the following procedures:<br>• Assessed the enterprise value as determined by the discounted cash flow model through performing procedures that were consistent with those detailed under the impairment of goodwill key audit matter above. This included assessing the future cash flow forecasts, terminal growth rates, discount rates and the mathematical accuracy of the discounted cash flow model.<br>• Obtained an understanding and assessed the reasonableness of the valuation methods applied by the management expert.<br>• Assessed the reasonableness of other market related inputs such as trading multiples and transaction multiples to independent external sources.<br><br>We evaluated whether the disclosures comply with the disclosure requirements of IFRS 2, 'Share-based Payment'.<br><br>In respect of the audit procedures specified above, no material findings were identified. |

## Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The Directors' report, as defined in the general information section of the Directors' report;
- Other parts of the annual report: Welcome, Sustainability review and Further information; and
- The other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by Part 9 of Book 2 and the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The board of directors are responsible for the preparation of the other information, including the Directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code and the remuneration report in accordance with the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

## *Report on other legal and regulatory requirements*

### *Our appointment*

We were appointed as auditors of Prosus N.V. following the passing of a resolution by the shareholders at the annual meeting held on 18 August 2020. Our appointment has been renewed annually by shareholders representing a total period of uninterrupted engagement appointment of seventeen years. Since the Company listed in September 2019, this is the second year that the Company is a public-interest entity.

### *No prohibited non-audit services*

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in Article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

### *Services rendered*

The services, in addition to the audit, that we have provided to the Company and its controlled entities, for the period to which our statutory audit relates, are disclosed in Note 27 to the consolidated financial statements.

## *Responsibilities for the financial statements and the audit*

### *Responsibilities of the board of directors and the audit committee for the financial statements*

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The audit committee is responsible for overseeing the Company's financial reporting process.

## *Our responsibilities for the audit of the financial statements*

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 19 June 2021
PricewaterhouseCoopers Accountants N.V.

Original has been signed by Fernand Izeboud RA

*The above auditor's report is the original auditor's report that was issued on 19 June 2021 with respect to the financial statements for the year ended 31 March 2021. These financial statements also contained the company financials. For purpose of the Base Prospectus the company financial statements have been omitted.*

*Furthermore, the above auditor's report refers to other information included in the annual report, being the Director's report, Welcome, Sustainability review, Further information, and the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code, which is not included in the Base Prospectus.*

## *Appendix to our auditor's report on the financial statements 2021 of Prosus N.V.*

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

### *The auditor's responsibilities for the audit of the financial statements*

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
  Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

# Condensed consolidated income statement

| | Notes | Six months ended 30 September 2021 US$'m | 2020 US$'m | Year ended 31 March 2021 US$'m |
|---|---|---|---|---|
| **Revenue from contracts with customers** | 7 | **3 065** | 2 173 | 5 116 |
| Cost of providing services and sale of goods | | **(2 070)** | (1 435) | (3 455) |
| Selling, general and administration expenses | | **(1 354)** | (921) | (2 614) |
| Other gains/(losses) – net | 9 | **55** | (24) | (87) |
| **Operating loss** | | **(304)** | (207) | (1 040) |
| Interest income | 8 | **29** | 59 | 83 |
| Interest expense | 8 | **(180)** | (108) | (262) |
| Other finance (costs)/income – net | 8 | **(171)** | (5) | 177 |
| Share of equity-accounted results[1] | | **4 074** | 2 875 | 7 095 |
| Impairment of equity-accounted investments | | **(1)** | (18) | (30) |
| Dilution gains/(losses) on equity-accounted investments | 11 | **120** | 63 | 981 |
| Gains on partial disposal of equity-accounted investments | 11 | **12 339** | 19 | 19 |
| Net (losses)/gains on acquisitions and disposals | 9 | **(18)** | 211 | 309 |
| **Profit before taxation** | | **15 888** | 2 889 | 7 332 |
| Taxation[2] | | **(69)** | 128 | 67 |
| **Profit for the period** | | **15 819** | 3 017 | 7 399 |
| **Attributable to:** | | | | |
| Equity holders of the group | | **15 891** | 3 015 | 7 449 |
| Non-controlling interests | | **(72)** | 2 | (50) |
| | | **15 819** | 3 017 | 7 399 |
| **Per share information for the period (US cents)[3]** | 6 | | | |
| Earnings per N ordinary share | | **1 007** | 186 | 459 |
| Diluted earnings per N ordinary share | | **1 002** | 183 | 450 |
| Headline earnings per N ordinary share | | **149** | 150 | 360 |
| Diluted headline earnings per N ordinary share | | **144** | 147 | 351 |

[1] *Includes equity-accounted results from associates. Refer to note 11.*
[2] *Refer to note 13 for details on the prior-year tax credit.*
[3] *Current-period earnings per share information is presented per class of shareholders of the group as a result of the share exchange offer completed in August 2021. Refer to note 3 and note 6.*

# Condensed consolidated statement of comprehensive income

| | Note | Six months ended 30 September 2021 US$'m | Six months ended 30 September 2020 US$'m | Year ended 31 March 2021 US$'m |
|---|---|---|---|---|
| **Profit for the period** | | **15 819** | 3 017 | 7 399 |
| **Total other comprehensive (loss)/income, net of tax, for the period:** | | **852** | 4 326 | 9 049 |
| **Items that may be subsequently reclassified to profit or loss** | | | | |
| Translation of foreign operations | | **483** | 1 102 | 1 985 |
| Share of equity-accounted investments' movement in other comprehensive income (OCI) | | **(264)** | 130 | (424) |
| Recognition of cash flow hedge | | **(119)** | – | – |
| Derecognition of cash flow hedge | | **119** | – | – |
| **Items that may not be subsequently reclassified to profit or loss** | | | | |
| Fair-value (losses)/gains on financial assets through OCI | | **(974)** | 233 | 669 |
| Share of equity-accounted investments' movement in OCI and NAV[1] | 11 | **1 607** | 2 861 | 6 819 |
| **Total comprehensive income for the period** | | **16 671** | 7 343 | 16 448 |
| **Attributable to:** | | | | |
| Equity holders of the group | | **16 734** | 7 325 | 16 460 |
| Non-controlling interests | | **(63)** | 18 | (12) |
| | | **16 671** | 7 343 | 16 448 |

[1] *This relates to gains from the increase in share prices of Tencent's listed investments carried at fair value through other comprehensive income and the group's share in the share-based compensation reserve of equity-accounted investments.*

# Condensed consolidated statement of financial position

| | Notes | As at 30 September 2021 US$'m | As at 30 September 2020 US$'m | As at 31 March 2021 US$'m |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | **55 879** | 34 227 | 48 583 |
| Property, plant and equipment | | **488** | 379 | 443 |
| Goodwill | 10 | **3 830** | 2 113 | 2 102 |
| Other intangible assets | 15 | **1 025** | 782 | 782 |
| Investments in associates | 11 | **47 916** | 29 638 | 40 556 |
| Investments in joint ventures | | **153** | 51 | 158 |
| Other investments and loans[1] | 12 | **2 367** | 1 244 | 4 503 |
| Other receivables | | **75** | 4 | 16 |
| Deferred taxation | | **25** | 16 | 23 |
| **Current assets** | | **14 957** | 10 973 | 7 145 |
| Inventory | | **385** | 249 | 321 |
| Trade receivables | | **174** | 116 | 150 |
| Other receivables and loans | | **717** | 575 | 621 |
| Derivative financial instruments | | **1** | 4 | 18 |
| Other investments | 12 | **27** | 11 | 1 253 |
| Short-term investments | | **7 464** | 6 287 | 1 211 |
| Cash and cash equivalents | | **6 189** | 3 664 | 3 571 |
| | | **14 957** | 10 906 | 7 145 |
| Assets classified as held for sale | | **–** | 67 | – |
| **TOTAL ASSETS** | | **70 836** | 45 200 | 55 728 |
| **EQUITY AND LIABILITIES** | | | | |
| **Capital and reserves attributable to the group's equity holders** | | **54 648** | 36 086 | 43 069 |
| Share capital and premium | | **39 192** | 613 | 612 |
| Treasury shares* | | **(3 092)** | – | (1 415) |
| Other reserves | | **(35 665)** | 2 077 | 5 818 |
| Retained earnings | | **54 213** | 33 396 | 38 054 |
| Non-controlling interests | | **20** | 212 | 117 |
| **TOTAL EQUITY** | | **54 668** | 36 298 | 43 186 |
| **Non-current liabilities** | | **11 380** | 6 232 | 8 535 |
| Capitalised lease liabilities | | **163** | 175 | 173 |
| Liabilities – interest-bearing | 16 | **10 501** | 5 660 | 7 860 |
| – non-interest-bearing | | **64** | 1 | 48 |
| Other non-current liabilities | | **223** | 130 | 100 |
| Cash-settled share-based payment liabilities | 14 | **198** | 89 | 159 |
| Deferred taxation | | **231** | 177 | 195 |
| **Current liabilities** | | **4 788** | 2 670 | 4 007 |
| Current portion of long-term debt | | **116** | 85 | 102 |
| Trade payables | | **391** | 369 | 344 |
| Accrued expenses[1] | | **1 696** | 999 | 1 448 |
| Other current liabilities[1] | | **1 123** | 561 | 1 207 |
| Cash-settled share-based payment liabilities[1] | 14 | **1 191** | 410 | 897 |
| Dividend payable | | **238** | 213 | – |
| Bank overdrafts | | **33** | 4 | 9 |
| | | **4 788** | 2 641 | 4 007 |
| Liabilities classified as held for sale | | **—** | 29 | — |
| **TOTAL EQUITY AND LIABILITIES** | | **70 836** | 45 200 | 55 728 |

* *Refer to note 3 for details of the group's reclassification of treasury shares during the current period.*

[1] *Accrued expenses, other current liabilities and cash-settled share-based payment liabilities were previously aggregated into "Accrued expenses and other current liabilities". These balances are now presented separately due to their significance. Derivative assets have been aggregated with other investments and derivative liabilities with other liabilities as a result of it being immaterial.*

# Condensed consolidated statement of changes in equity

| | Share capital and premium ordinary shares US$'m | Treasury shares US$'m | Foreign currency translation reserve US$'m |
|---|---|---|---|
| **Balance at 1 April 2020** | 606 | – | (2 647) |
| Total comprehensive income for the period | – | – | 1 215 |
| Profit for the period | – | – | – |
| Total other comprehensive loss for the period | – | – | 1 215 |
| Share-based compensation movements | – | – | – |
| Share-based compensation expense | – | – | – |
| Modification of share-based compensation benefits | – | – | – |
| Contributions made to Naspers share trusts | – | – | – |
| Transfers to retained earnings | – | – | – |
| Transactions with non-controlling shareholders[1] | – | – | – |
| Direct equity movements | 7 | – | (8) |
| Direct movements from associates | – | – | – |
| Realisation of reserves as a result of disposals | – | – | (1) |
| Other direct movements | 7 | – | (7) |
| Remeasurement of written put option liabilities | – | – | – |
| Cancellation of written put option liabilities | – | – | – |
| Other movements | – | – | – |
| Dividends declared | – | – | – |
| **Balance at 30 September 2020** | 613 | – | (1 440) |
| **Balance at 1 April 2021** | **612** | **–** | **(1 123)** |
| Reclassification of treasury shares* | **–** | **(1 415)** | **–** |
| Restated balance at the beginning of the period | **612** | **(1 415)** | **(1 123)** |
| Total comprehensive income for the period | **–** | **–** | **211** |
| Profit for the period | **–** | **–** | **–** |
| Total other comprehensive income for the period | **–** | **–** | **211** |
| Movement due to share exchange[2] | **38 517** | **–** | **–** |
| Prosus B ordinary shares issued[2] | **66** | **–** | **–** |
| Repurchase of own shares[3] | **–** | **(1 677)** | **–** |
| Share-based compensation movements | **–** | **–** | **–** |
| Share-based compensation expense | **–** | **–** | **–** |
| Contributions made to Naspers share trusts | **–** | **–** | **–** |
| Modification of share-based compensation benefits | **–** | **–** | **–** |
| Transfers to retained earnings | **–** | **–** | **–** |
| Transactions with non-controlling shareholders[1] | **–** | **–** | **–** |
| Direct equity movements | **(3)** | **–** | **46** |
| Direct movements from associates | **–** | **–** | **–** |
| Realisation of reserves as a result of partial disposal of associate | **–** | **–** | **–** |
| Realisation of reserves as a result of disposals | **–** | **–** | **43** |
| Other direct movements | **(3)** | **–** | **3** |
| Remeasurement of written put option liabilities | **–** | **–** | **–** |
| Cancellation of written put option liabilities | **–** | **–** | **–** |
| Other movements | **–** | **–** | **–** |
| Dividends declared[4] | **–** | **–** | **–** |
| **Balance at 30 September 2021** | **39 192** | **(3 092)** | **(866)** |

* *Refer to note 3 for details of the group's reclassification of treasury shares to the "Treasury shares".*
[1] *The group's various disposals and other transactions with non-controlling interest resulted in the derecognition of non-controlling interest of US$34.4m (2020: US$20.4m)*
[2] *Refer to note 3 for details of the share exchange transaction.*
[3] *Shares repurchased in the current year. Refer to note 16.*
[4] *Dividends declared consist of US$97.2m owing to Naspers and US$141.2m owing to Prosus free float shareholders. The dividend was approved on 24 August 2021 and will be paid on or after 23 November 2021.*

| | Valuation reserve US$'m | Existing control business combination reserve US$'m | Share-based compensation reserve US$'m | Retained earnings US$'m | Shareholders' funds US$'m | Non-controlling interests US$'m | Total US$'m |
|---|---|---|---|---|---|---|---|
| | 2 | (1 583) | 1 968 | 30 754 | 29 100 | 214 | 29 314 |
| | 2 841 | — | 254 | 3 015 | 7 325 | 18 | 7 343 |
| | — | — | — | 3 015 | 3 015 | 2 | 3 017 |
| | 2 841 | — | 254 | — | 4 310 | 16 | 4 326 |
| | — | — | (74) | (28) | (102) | — | (102) |
| | — | — | 19 | — | 19 | — | 19 |
| | — | — | (6) | (46) | (52) | — | (52) |
| | — | — | (69) | — | (69) | — | (69) |
| | — | — | (18) | 18 | — | — | — |
| | — | (172) | — | (4) | (176) | (20) | (196) |
| | (13) | 138 | (4) | (120) | — | — | — |
| | (15) | — | — | 15 | — | — | — |
| | 2 | 109 | (4) | (106) | — | — | — |
| | — | 29 | — | (29) | — | — | — |
| | — | 128 | — | — | 128 | — | 128 |
| | — | 32 | — | — | 32 | — | 32 |
| | — | — | — | (8) | (8) | — | (8) |
| | — | — | — | (213) | (213) | — | (213) |
| | 2 830 | (1 457) | 2 144 | 33 396 | 36 086 | 212 | 36 298 |
| | **6 707** | **(2 212)** | **2 446** | **36 639** | **43 069** | **117** | **43 186** |
| | **—** | **—** | **—** | **1 415** | **—** | **—** | **—** |
| | **6 707** | **(2 212)** | **2 446** | **38 054** | **43 069** | **117** | **43 186** |
| | **207** | **—** | **425** | **15 891** | **16 734** | **(63)** | **16 671** |
| | **—** | **—** | **—** | **15 891** | **15 891** | **(72)** | **15 819** |
| | **207** | **—** | **425** | **—** | **843** | **9** | **852** |
| | **—** | **(41 279)** | **—** | **—** | **(2 762)** | **—** | **(2 762)** |
| | **—** | **—** | **—** | **—** | **66** | **—** | **66** |
| | **—** | **—** | **—** | **—** | **(1 677)** | **—** | **(1 677)** |
| | **—** | **—** | **(145)** | **(308)** | **(453)** | **—** | **(453)** |
| | **—** | **—** | **53** | **—** | **53** | **—** | **53** |
| | **—** | **—** | **(151)** | **—** | **(151)** | **—** | **(151)** |
| | **—** | **—** | **(16)** | **(339)** | **(355)** | **—** | **(355)** |
| | **—** | **—** | **(31)** | **31** | **—** | **—** | **—** |
| | **—** | **(247)** | **—** | **87** | **(160)** | **(34)** | **(194)** |
| | **(640)** | **8** | **(160)** | **749** | **—** | **—** | **—** |
| | **(183)** | **—** | **—** | **183** | **—** | **—** | **—** |
| | **(455)** | **—** | **(160)** | **615** | **—** | **—** | **—** |
| | **(2)** | **8** | **—** | **(49)** | **—** | **—** | **—** |
| | **—** | **—** | **—** | **—** | **—** | **—** | **—** |
| | **—** | **16** | **—** | **—** | **16** | **—** | **16** |
| | **—** | **75** | **—** | **6** | **81** | **—** | **81** |
| | **—** | **—** | **—** | **(28)** | **(28)** | **—** | **(28)** |
| | **—** | **—** | **—** | **(238)** | **(238)** | **—** | **(238)** |
| | **6 274** | **(43 639)** | **2 566** | **54 213** | **54 648** | **20** | **54 668** |

# Condensed consolidated statement of cash flows

| | Notes | Six months ended 30 September 2021 US$'m | 2020 US$'m | Year ended 31 March 2021 US$'m |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Cash utilised in operating activities | | **(228)** | – | (52) |
| Interest income received | | **23** | 81 | 106 |
| Dividends received from investments and equity-accounted investments | | **571** | 458 | 458 |
| Interest costs paid | | **(245)** | (118) | (248) |
| Taxation paid | | **(107)** | (35) | (105) |
| **Net cash generated from operating activities** | | **14** | 386 | 159 |
| **Cash flows from investing activities** | | | | |
| Acquisitions and disposals of tangible and intangible assets | | **(86)** | (24) | (117) |
| Acquisitions of subsidiaries, associates and joint ventures | 15 | **(4 011)** | (359) | (1 980) |
| Disposals of subsidiaries, businesses, associates and joint ventures | 15 | **14 634** | 193 | 241 |
| Acquisition of short-term investments[1] | | **(7 462)** | (2 439) | (1 208) |
| Maturity of short-term investments[1] | | **1 211** | 3 | 3 839 |
| Loans advanced to related parties | 18 | **(23)** | (120) | (318) |
| Cash paid for other investments | 15 | **(1 096)** | – | (1 322) |
| Acquisition of Naspers shares[2] | | **(1 287)** | – | (2 350) |
| Other movement in investing activities | | **37** | (15) | (3) |
| **Net cash generated from/(utilised in) investing activities** | | **1 917** | (2 761) | (3 218) |
| **Cash flows from financing activities** | | | | |
| Repurchase of own shares | 16 | **(1 528)** | – | (1 415) |
| Proceeds from issue of share capital | 3 | **67** | – | – |
| Proceeds from long- and short-term loans raised | 16 | **4 237** | 2 192 | 4 593 |
| Repayments of long- and short-term loans | 16 | **(1 709)** | (30) | (155) |
| Additional investment in existing subsidiaries[3] | | **(115)** | (228) | (270) |
| Dividends and capital repayments paid to shareholders | | **–** | – | (214) |
| Contributions made to the Naspers share trusts | 18 | **(151)** | (69) | (79) |
| Repayments of capitalised lease liabilities | | **(27)** | (24) | (48) |
| Additional investment from non-controlling shareholders | | **65** | 51 | 53 |
| Other movements in financing activities[4] | | **(130)** | (19) | (15) |
| **Net cash generated from financing activities** | | **709** | 1 873 | 2 450 |
| **Net movement in cash and cash equivalents** | | **2 640** | (502) | (609) |
| Foreign exchange translation adjustments on cash and cash equivalents | | **(46)** | 32 | 22 |
| Cash and cash equivalents at the beginning of the period | | **3 562** | 4 149 | 4 149 |
| Cash and cash equivalents classified as held for sale | | **–** | (19) | – |
| **Cash and cash equivalents at the end of the period** | | **6 156** | 3 660 | 3 562 |

[1] *Relates to short-term cash investments with maturities of more than three months from date of acquisition.*
[2] *Relates to payments for the group's acquisition of Naspers shares included in fair value through other comprehensive income investments of US$1.29bn (31 March 2021: US$2.35bn), prior to the share exchange transaction.*
[3] *Relates to transactions with non-controlling interest resulting in changes in effective interest of existing subsidiaries.*
[4] *Includes transaction costs relating to the Prosus share exchange of US$122.4m.*

# Notes to the condensed consolidated interim financial statement

for the six months ended 30 September 2021

## 1. General information

Prosus N.V. (Prosus or the group) is a public company with limited liability (naamloze vennootschap) incorporated under Dutch law, with its registered head office located at Symphony Offices, Gustav Mahlerplein 5, 1082 MS Amsterdam, the Netherlands (registered in the Dutch commercial register under number 34099856). Prosus is a subsidiary of Naspers Limited (Naspers), a company incorporated in South Africa. Prosus is listed on the Euronext Amsterdam Stock Exchange, with a secondary listing on the JSE Limited's stock exchange and A2X Markets in South Africa.

The Prosus group is a global consumer internet group and one of the largest technology investors in the world. Operating and investing globally in markets with long-term growth potential, Prosus builds leading consumer internet companies that empower people and enrich communities. The group is focused on building meaningful businesses in the online classifieds, payments and fintech, food delivery and education technology sectors in markets including Europe, India, Russia and Brazil. Through its ventures team, Prosus actively seeks new opportunities to partner with exceptional entrepreneurs who are using technology to address big societal needs. Every day, millions of people use the products and services of companies that Prosus has invested in, acquired or built. The group operates and partners with a number of leading internet businesses across the Americas, Africa, Central and Eastern Europe, and Asia in sectors including online classifieds, food delivery, payments and fintech, edtech, health, etail and social and internet platforms.

The condensed consolidated interim financial statements for the six months ended 30 September 2021 have been authorised for issue by the board of directors on 20 November 2021.

## 2. Basis of presentation and accounting policies

**Information on the condensed consolidated interim financial statements**

The condensed consolidated interim financial statements for the six months ended 30 September 2021 have been prepared in accordance with International Financial Reporting Standard, IAS 34 *Interim Financial Reporting*, as adopted by the European Union (IFRS-EU).

The condensed consolidated interim financial statements do not include all the disclosures required for a complete set of financial statements prepared in accordance with IFRS-EU. The accounting policies in these condensed consolidated interim financial statements are consistent with those applied in the consolidated financial statements as included in the annual report for the year ended 31 March 2021.

There were no new or amended accounting pronouncements effective from 1 April 2021 that have a significant impact on the group's condensed consolidated interim financial statements.

The condensed consolidated interim financial statements presented here report earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share (collectively referred to as earnings per share) per class of ordinary shares.

The earnings per share information presented takes into account the impact of the cross-holding agreement with Naspers as a result of the Prosus share exchange (as described in note 3 "Significant changes in financial position and performance during the reporting period") and the "Prosus share repurchase" (refer to note 16) in August 2021.

All amounts disclosed are in millions of US dollars (US$'m) unless otherwise stated.

## 2. Basis of presentation and accounting policies (continued)

**Information on the condensed consolidated interim financial statements** (continued)

### Operating segments

The group's operating segments reflect the components of the group that are regularly reviewed by the chief operating decision-maker (CODM) as defined in note 39 "Segment information" in the consolidated financial statements as included in the annual report for the year ended 31 March 2021. From 1 April 2021, the group created a new educational technology (Edtech) segment. The segment includes the results of the group's investments in edtech which has increased significantly due to the acquisitions in subsidiaries and equity-accounted investments over the years. The equity-accounted investments presented in the "Other Ecommerce" segment in prior periods have been reclassified and presented as part of the new Edtech segment. The group proportionately consolidates its share of the results of its associates and joint ventures in its disclosure of segment results in note 5.

### Lag periods applied when reporting results of equity-accounted investments

Where the reporting periods of associates and joint ventures (equity-accounted investments) are not coterminous with that of the group and/or it is impracticable for the relevant equity-accounted investee to prepare financial statements as of 31 March or 30 September (for instance due to the availability of the results of the equity-accounted investee relative to the group's reporting period), the group applies an appropriate lag period of not more than three months in reporting the results of the equity-accounted investees. Significant transactions and events that occur between the non-coterminous reporting periods are adjusted for. The group exercises significant judgement when determining the transactions and events for which adjustments are made.

### Going concern

The condensed consolidated financial statements are prepared on the going-concern basis. Based on forecasts and available cash resources, the group has adequate resources to continue operations as a going concern in the foreseeable future. As at 30 September 2021, the group recorded US$3.10bn in net cash, comprising US$6.19bn of cash and cash equivalents and US$7.46bn in short-term cash investments. The group had US$10.55bn of interest-bearing debt (excluding capitalised lease liabilities) and an undrawn US$2.50bn revolving credit facility.

In assessing going concern, the impact of the Covid-19 pandemic on the group's operations and liquidity was considered in preparing the forecasts. The board is of the opinion that the group has sufficient financial flexibility given its low gearing and very strong liquidity position at 30 September 2021 to negate the potential negative effects that could result from the Covid-19 impact on the group's businesses in the year subsequent to the date of these condensed consolidated interim financial statements.

## 3. Significant changes in financial position and performance during the reporting period

**Prosus share exchange with Naspers shareholders**

In August 2021, the group completed a voluntary share exchange offer to Naspers shareholders.

This offered Naspers shareholders the opportunity to tender their existing Naspers N ordinary shares for newly issued Prosus ordinary shares N at an exchange ratio of one (1) Naspers N ordinary share for 2.27443 Prosus ordinary shares N. The share exchange offer resulted in Prosus acquiring a 45.8% fully diluted interest in Naspers in exchange for newly issued Prosus ordinary shares N. This interest, coupled with the 3.7% shareholding Prosus previously acquired in Naspers, as part of the share repurchase programme that was completed in June 2021, resulted in Prosus now holding a 49.5%[1] fully diluted interest which represents a 49.9%[2] economic interest in Naspers.

Furthermore, newly created 1 128 507 756 B ordinary shares were issued for €56.4m (US$66.3m) to Naspers which entitles Naspers to one vote per share, but only to one millionth of the amount of the distribution that a holder of a Prosus ordinary share N is entitled to. Naspers cannot list or trade these shares. These shares allowed Naspers to maintain its control as it held more than 70% of the shareholder voting rights in Prosus. Naspers therefore continues to hold the majority of the shareholder voting rights of Prosus.

[1] *Interest in Naspers based on the cross-holding arrangement formula, which was approved in the shareholder resolution.*
[2] *Interest based on distribution rights to each class of shareholders.*

## 3. Significant changes in financial position and performance during the reporting period

**Prosus share exchange with Naspers shareholders** (continued)

### Cross-holding arrangement

A distribution agreement (hereafter referred to as the cross-holding agreement) was entered into between Naspers and Prosus, which became effective at the time of closing of the voluntary share exchange. The cross-holding agreement takes into account Prosus's indirect interest in itself from holding Naspers shares and deals with how distributions between the two groups will be managed. It eliminates the need for flows back and forth between the two groups as a result of the cross-shareholding, through a waiver by Prosus of its entitlement to distributions, that originates from Prosus, on the Naspers shares that it holds, and provides clarity to both Prosus and Naspers free float shareholders of their economic interest in distributions made by Prosus.

The cross-holding agreement relates to Prosus's 49.5% fully diluted interest in Naspers and Naspers's 57% legal ownership of Prosus ordinary shares N. The principles of the cross-holding agreement are also incorporated in Prosus's articles of association, and the cross-holding agreement together with Prosus's articles of association form the cross-holding arrangements. It does not govern and has no bearing on the voting rights attached to the shares held by Naspers or Prosus shareholders.

The conclusion of the voluntary share exchange and the cross-holding arrangement increases the Prosus free float economic interest in the group to 58.9%.

The following represents the accounting of the transaction in the group's financial statements:

### Control structure of the Prosus group

Prosus is governed by a board of directors. The board of directors is appointed by shareholders of the group. The group is therefore controlled by the shareholder with the majority voting rights to appoint the board of directors.

Prior to the share exchange transaction, Naspers held a 73% effective interest in Prosus ordinary shares N, with the corresponding shareholder voting rights, and was the majority shareholder giving it control of Prosus and, in particular, appointments of the board of directors of Prosus. Post the completion of the share exchange transaction, and despite the dilution of its effective interest in Prosus ordinary shares N, Naspers continued to maintain control of Prosus through its holding of Prosus ordinary shares N and the newly issued Prosus B ordinary shares, with corresponding voting rights. As Naspers, through its shareholding, holds the majority of the voting rights in Prosus, it controls appointments to the Prosus board of directors.

Before and subsequent to the closing of the share exchange transaction, Naspers Beleggings (RF) Limited (Nasbel) and Keeromstraat 30 Beleggings (RF) Limited (Keerom) collectively hold 55.02% of the shareholder voting rights in Naspers. Nasbel and Keerom exercise their voting rights in consultation with one another in terms of a voting pool agreement and constitute the control structure of Naspers. This control structure therefore provides them with the majority voting rights needed to control appointments to the board of directors of Naspers which then controls the appointment of the board of directors of Prosus.

### Nature of Prosus's 49.5% fully diluted investment in Naspers

Prosus's 49.5% fully diluted interest in Naspers ordinary N shares entitles it to 15% of the shareholder voting rights in Naspers. This 15% shareholder voting rights do not give Prosus majority rights in Naspers that would entitle it to control appointments to the Naspers board of directors or have direct appointments rights or independent representation rights on the Naspers board of directors. Furthermore, as Prosus is part of the Naspers group pursuant to the JSE Listings Requirements, it is considered to be holding treasury shares from a Naspers group-level perspective, and the relevant regulations stipulate that the voting rights attached to these "treasury shares" held by Prosus will not be taken into account in respect of Naspers shareholder resolutions proposed pursuant to the JSE Listings Requirements. Consequently, Prosus's 49.5% fully diluted investment in Naspers does not represent control or significant influence.

## 3. Significant changes in financial position and performance during the reporting period (continued)

**Prosus share exchange with Naspers shareholders** (continued)

**Impact of the cross-holding arrangements on the accounting for the voluntary share exchange**

In August 2021, on the closing date of the share exchange transaction, Prosus recognised a FVOCI investment amounting to US$385m, representing its residual interest in the Naspers group. The corresponding entries are the issue of Prosus ordinary shares N recognised in share capital/share premium of US$38.64bn and US$38.25bn recognised in the "existing business combination reserve" representing the shareholder distribution in contemplation of a capital restructure.

The previously executed share exchange resulted in the issue of the new Prosus ordinary shares N in exchange for a 45.8% (49.5% including the share repurchase programme) fully dilutive interest in Naspers. This resulted in an increase in Prosus equity and the recognition of a financial asset because the investment does not represent a subsidiary, an associate or a joint operation. As the Naspers investment is not held for trading, the financial asset should be recognised at fair value through other comprehensive income (FVOCI) in the same manner as the Naspers shares acquired by Prosus through the share repurchase programme completed in June 2021.

Simultaneous to the share exchange programme, the cross-holding agreement between Naspers and Prosus became effective. The cross-holding agreement mandates that Prosus waives all rights to all distributions (including dividend flows) from its Naspers shares held, other than the portion attributable to the residual interest in the Naspers group (primarily Takealot, Media24 and corporate entities). Prosus is also restricted from disposing all or any portion of its Naspers shares held without the consent of Naspers. In addition, Naspers is obligated to pass on any distributions (including dividends) it receives from Prosus to its free float shareholders (as Prosus is subject to the waiver discussed above). Based on this arrangement, Prosus is eligible to the economic benefits generated by the Naspers entities outside of the Prosus group.

Almost all of the value of the Naspers shares is derived from the investments in the Prosus group. Should the 49.5% fully diluted interest in Naspers be accounted for as a financial instrument at fair value, it would result in the group effectively recognising 49.5% of its own value on the condensed consolidated statement of financial position with fair-value changes recognised in OCI and accumulated in equity.

Based on the substance of the transaction the portion of the effective interest in Naspers that relates to Prosus's underlying investments is accounted for as a shareholder distribution. This is recognised in equity in the "existing business combination reserve". This portion of the transaction is therefore treated as a transaction with shareholders in contemplation of a capital restructure. Only Prosus's residual interest in the Naspers group is recognised as a FVOCI investment on the condensed consolidated statement of financial position. The FVOCI investment relating to the 3.7% Naspers N ordinary shares acquired before the share exchange was derecognised at the date of the share exchange.

The fair value of the residual interest in the Naspers group was assessed based on the sum-of-the-parts considering the fair value of the underlying components on a marketable and controlling basis, applying a consistent valuation model. The group further applied a marketability discount (45%) to arrive at the fair value of the residual interest on a non-marketable and non-controlling basis (unit of account). A marketability discount factors in the indirect interest in the residual assets as Prosus cannot directly or indirectly dispose of any Naspers shares without Naspers's approval, and cannot direct the activities or decide on the distributions (be it dividends or the actual shares) from the residual interest in Naspers to its shareholders. A movement in the marketability discount rate of 1% will result in an increase or decrease of US$4m.

**Accounting for the issue of class B ordinary shares to Naspers**

In addition to the above transaction, Prosus issued newly created class B ordinary shares to Naspers for cash consideration of €56.4m (US$66.3m). The issue of these shares was recognised as an increase in the share capital and share premium of the group.

## 3. Significant changes in financial position and performance during the reporting period (continued)

**Reclassification of treasury shares**

The group made a decision to show the treasury shares separately in the statement of changes in equity as well as on the face of statement of financial position. The group considers that the change in presentation will provide more relevant information about the treasury shares held by Prosus subsequent to the share repurchase programme.

At 31 March 2021, the group held 11 874 493 N ordinary shares as treasury shares. These shares were acquired as part of the share repurchase programme that began in October 2020. The shares repurchased at 31 March 2021 were measured at the cost on the date of repurchase and were recognised as treasury shares in "retained earnings" on the consolidated statement of financial position.

As at 31 March 2021, the treasury shares were recognised against retained earnings, with subsequent reclassification to treasury shares within equity during the current period. The reclassification has no change on the group's overall equity, however, comparative figures on the condensed consolidated statement of financial position have been restated for the reclassification of treasury shares between "retained earnings" and "treasury shares" which is now presented separately.

Below is a summary of the impact of the reclassification of the treasury shares between "retained earnings" and "treasury shares" on the condensed consolidated statement of financial position and condensed consolidated statement of changes in equity as at 31 March 2021.

**Condensed consolidated statement of financial position and statement of changes in equity**

| | Year ended 31 March 2021 | | |
|---|---|---|---|
| | Previously reported US$'m | Reclassification[1] US$'m | Restated US$'m |
| Share capital and premium | 612 | – | 612 |
| Treasury shares | – | (1 415) | (1 415) |
| Other reserves | 5 818 | – | 5 818 |
| Retained earnings | 36 639 | 1 415 | 38 054 |
| **Capital and reserves attributable to the group's equity holders** | **43 069** | **–** | **43 069** |

[1] *Represents the impact of the reclassification of the treasury shares between "retained earnings" and "treasury shares" on the condensed consolidated statement of financial position and condensed consolidated statement of changes in equity.*

## 4. Covid-19 impact on the condensed consolidated interim financial statements

The global Covid-19 pandemic began to affect the operations of the group towards the end of March 2020. More than a year later, including the rollout of vaccines across the world, the pandemic has had limited negative impact on the group's financial position, financial performance and cash flows presented in these condensed consolidated interim financial statements for the six months ended 30 September 2021.

**Use of significant judgements and estimates**

The group has continuously monitored the significant judgements and estimates used to support the reported assets, liabilities, income and expenses for the six months ended 30 September 2021 for any possible impacts of the pandemic.

**Risk management**

The annual report for the year ended 31 March 2021 described certain risks which could have an adverse effect on the group's financial position and results. Those risks remain valid and should be read in conjunction with these condensed consolidated interim financial statements.

The group has remained resilient and performed well during the six months ended 30 September 2021. Like most companies, the group faced operational challenges particularly in countries such as India and LatAm that experienced an intense third wave of the pandemic. However, the continued migration of consumers to online platforms has had a positive impact on the group and is reflected in the financial position, financial performance and cash flows generated during the six months ended 30 September 2021.

## 5. Segmental review

| | Revenue | | | |
|---|---|---|---|---|
| | **Six months ended 30 September** | | | Year ended 31 March |
| | **2021 US$'m** | 2020 US$'m | % change | 2021 US$'m |
| *Ecommerce* | **4 171** | 2 608 | 60 | 6 230 |
| Classifieds | **1 301** | 628 | >100 | 1 599 |
| Food Delivery | **1 261** | 610 | >100 | 1 486 |
| Payments and Fintech | **359** | 252 | 42 | 577 |
| Etail | **1 029** | 965 | 7 | 2 250 |
| Edtech[1] | **120** | 51 | >100 | 115 |
| Other[1] | **101** | 102 | (1) | 203 |
| *Social and Internet Platforms* | **12 463** | 10 082 | 24 | 22 526 |
| Tencent | **12 250** | 9 912 | 24 | 22 155 |
| VK (previously Mail.ru) | **213** | 170 | 25 | 371 |
| Corporate segment | **—** | — | — | — |
| **Total economic interest** | **16 634** | 12 690 | 31 | 28 756 |
| *Less:* Equity-accounted investments | **(13 569)** | (10 517) | (29) | (23 640) |
| **Total consolidated** | **3 065** | 2 173 | 41 | 5 116 |

[1] *From 1 April 2021 the group created a new Edtech segment. The Edtech equity-accounted investments were presented in the "Other Ecommerce" segment in prior periods and have been reclassified and presented as part of the new segment.*

## 5. Segmental review (continued)

| | Adjusted EBITDA[1] | | | |
|---|---|---|---|---|
| | Six months ended 30 September | Restated[2] | | Year ended 31 March |
| | **2021 US$'m** | 2020 US$'m | % change | 2021 US$'m |
| *Ecommerce* | **(276)** | (140) | (97) | (277) |
| Classifieds | **141** | 56 | >100 | 67 |
| Food Delivery | **(281)** | (168) | (67) | (313) |
| Payments and Fintech | **(27)** | (27) | – | (59) |
| Etail | **10** | 40 | (75) | 102 |
| Edtech[3] | **(42)** | (11) | >(100) | (11) |
| Other[3, 4] | **(77)** | (30) | >(100) | (63) |
| *Social and Internet Platforms* | **4 012** | 3 464 | 16 | 7 229 |
| Tencent | **3 969** | 3 426 | 16 | 7 151 |
| VK (previously Mail.ru) | **43** | 38 | 13 | 78 |
| Corporate segment | **(75)** | (36) | >(100) | (104) |
| **Total economic interest** | **3 661** | 3 288 | 11 | 6 848 |
| *Less:* Equity-accounted investments | **(3 766)** | (3 277) | (15) | (6 901) |
| **Total consolidated** | **(105)** | 11 | >(100) | (53) |

[1] *Adjusted EBITDA is a non-IFRS measure that represents operating profit/(loss), as adjusted to exclude: depreciation; amortisation; retention option expenses linked to business combinations; other (losses)/gains – net, which includes dividends received from investments, profits and losses on sale of assets, fair-value adjustments of financial instruments, impairment losses and gains or losses on settlement of liabilities; cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and subsequent fair-value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes, as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the group has a cash cost on settlement with participants). It is considered a useful measure to analyse operational profitability.*

[2] *During the March 2021 financial year-end, the Naspers board approved a change to the group's definition to adjusted EBITDA and trading profit/(loss) related to the treatment of SAR share-based compensation benefits. These non-IFRS measures now include the impact of the group's SAR share-based compensation expenses based on the grant date fair value for cash-settled share-based compensation benefits. They therefore exclude the subsequent remeasurement of the group's cash-settled share-based compensation benefits. This resulted in the restatement of these measures for the six-month period ended 30 September 2020. Details of the restatement are explained on page 29.*

[3] *From 1 April 2021 the group created a new Edtech segment. The Edtech equity-accounted investments were presented in the "Other Ecommerce" segment in prior periods and have been reclassified and presented as part of the new segment.*

[4] *During the 31 March 2021 financial year-end, the way that corporate costs were presented to the CODM was changed. Corporate costs, previously allocated and disclosed in the "Other Ecommerce" subsegment, are now included in the "Corporate segment". This provides more clarity on the total corporate costs incurred by the group. This change had no impact on the overall group trading (loss)/profit.*

## 5. Segmental review (continued)

| | Trading (loss)/profit[1] | | | |
|---|---|---|---|---|
| | Six months ended 30 September | Restated[2] | | Year ended 31 March |
| | **2021 US$'m** | 2020 US$'m | % change | 2021 US$'m |
| *Ecommerce* | **(372)** | (214) | (74) | (429) |
| Classifieds | **108** | 29 | >100 | 9 |
| Food Delivery | **(312)** | (189) | (65) | (355) |
| Payments and Fintech | **(31)** | (31) | – | (68) |
| Etail | **(11)** | 24 | >(100) | 68 |
| Edtech[3] | **(48)** | (13) | >(100) | (14) |
| Other[3, 4] | **(78)** | (34) | >(100) | (69) |
| *Social and Internet Platforms* | **3 385** | 2 983 | 13 | 6 154 |
| Tencent | **3 373** | 2 968 | 14 | 6 126 |
| VK (previously Mail.ru) | **12** | 15 | (20) | 28 |
| Corporate segment | **(78)** | (40) | (95) | (110) |
| **Total economic interest** | **2 935** | 2 729 | 8 | 5 615 |
| *Less:* Equity-accounted investments | **(3 102)** | (2 770) | (12) | (5 778) |
| **Total consolidated** | **(167)** | (41) | >(100) | (163) |

[1] *Trading (loss)/profit is a non-IFRS measure that refers to adjusted EBITDA adjusted for depreciation, amortisation of software and interest on capitalised lease liabilities. It is considered a useful measure to analyse operational profitability.*

[2] *During the March 2021 financial year-end, the Naspers board approved a change to the group's definition to adjusted EBITDA and trading profit/(loss) related to the treatment of SAR share-based compensation benefits. These non-IFRS measures now include the impact of the group's SAR share-based compensation expenses based on the grant date fair value for cash-settled share-based compensation benefits. They therefore exclude the subsequent remeasurement of the group's cash-settled share-based compensation benefits. This resulted in the restatement of these measures for the six-month period ended 30 September 2020. Details of the restatement are explained on page 29.*

[3] *From 1 April 2021 the group created a new Edtech segment. The Edtech equity-accounted investments were presented in the "Other Ecommerce" segment in prior periods and have been reclassified and presented as part of the new segment.*

[4] *During the 31 March 2021 financial year-end, the way that corporate costs were presented to the CODM was changed. Corporate costs, previously allocated and disclosed in the "Other Ecommerce" subsegment, are now included in the "Corporate segment". This provides more clarity on the total corporate costs incurred by the group. This change had no impact on the overall group trading (loss)/profit.*

## 5. Segmental review (continued)

### Changes to the definition of adjusted EBITDA and trading profit/(loss)

From April 2020, the Naspers board (the board) approved a prospective change in the settlement mechanism for the group's share appreciation rights (SARs) plans from settlement in Naspers N ordinary shares to using cash resources for settlement. Accordingly, these plans are classified as cash-settled share-based payment expenses for both Prosus and Naspers. The change in settlement mechanism is at a Naspers group level and had no impact on the Prosus results as these plans were classified as cash-settled SARs since the formation of the Prosus group.

In October 2020, the board approved a change to the group's definition to adjusted EBITDA and trading profit/(loss) related to the treatment of SAR share-based compensation benefits. Adjusted EBITDA and trading profit/(loss) now include the impact of the group's SAR share-based compensation expenses based on the grant date fair value for cash-settled share-based compensation benefits. The non-IFRS measures therefore exclude the subsequent remeasurement of the group's cash-settled share-based compensation benefits. These non-IFRS measures are aimed to reflect a consistent measure of the group's operational profitability.

From April 2020, post the change in the settlement mechanism, the CODM reviewed these two non-IFRS measures because the volatility in the fair value of our Ecommerce portfolio may distort the operating performance of the group's segments.

The above change was included in the adjusted EBITDA and trading profit/(loss) results presented for the year ended 31 March 2021, however, this is different from what was reported for the six months ended 30 September 2020. The CODM simultaneously reviewed segment information for these non-IFRS measures without the subsequent fair-value remeasurement. Accordingly, in October 2020, subsequent to the board approval of the change to the definition of these non-IFRS measures, the September 2020 results were restated.

On an economic-interest basis, these non-IFRS measures will continue to include the group's proportionate share of its associate cash-settled share-based compensation expenses and exclude the share of its associate equity-settled share-based compensation expenses.

Below are the details of the restatement of adjusted EBITDA and trading profit/(loss) results for the six months ended 30 September 2020:

**Restatement of adjusted EBITDA and trading loss for the six months ended 30 September 2020**

| | Six months ended 30 September 2020 | | |
|---|---|---|---|
| | Previously reported US$'m | Restatement adjustment[1] US$'m | Restated US$'m |
| **Consolidated adjusted EBITDA** | (55) | 66 | 11 |
| **Consolidated trading loss** | (107) | 66 | (41) |
| **Consolidated operating loss** | (207) | – | (207) |

[1] *Represents the restatement adjustment for the remeasurement of the group's cash-settled share-based compensation liability excluded from the non-IFRS measures.*

## 5. Segmental review (continued)

**Reconciliation of consolidated adjusted EBITDA and trading loss to consolidated operating loss**

| | Six months ended 30 September | | Year ended 31 March |
|---|---|---|---|
| | | Restated* | |
| | **2021 US$'m** | 2020 US$'m | 2021 US$'m |
| **Consolidated adjusted EBITDA** | **(105)** | 11 | (53) |
| Depreciation | **(53)** | (43) | (93) |
| Amortisation of software | **(4)** | (4) | (7) |
| Interest on capitalised lease liabilities | **(5)** | (5) | (10) |
| **Consolidated trading loss** | **(167)** | (41) | (163) |
| Interest on capitalised lease liabilities | **5** | 5 | 10 |
| Amortisation of other intangible assets | **(60)** | (57) | (131) |
| Other gains/(losses) – net | **55** | (24) | (87) |
| Retention option expense | **(2)** | (11) | (62) |
| Remeasurement of cash-settled share-based incentives expenses | **(128)** | (66) | (594) |
| Share-based incentives for share options settled in Naspers Limited shares | **(7)** | (13) | (13) |
| **Consolidated operating loss** | **(304)** | (207) | (1 040) |

* *During the period ended 31 March 2021, the group changed its definition of adjusted EBITDA and trading loss to exclude the remeasurement of the cash-settlement share-based payment liability.*

## 6. Earnings per share

| | Six months ended 30 September 2021 US$'m | Six months ended 30 September 2020 US$'m | Year ended 31 March 2021 US$'m |
|---|---|---|---|
| **Earnings** | | | |
| Basic earnings attributable to shareholders | **15 891** | 3 015 | 7 449 |
| Impact of dilutive instruments of subsidiaries, associates and joint ventures | **(75)** | (39) | (139) |
| Diluted earnings attributable to shareholders | **15 816** | 2 976 | 7 310 |
| **Headline adjustments** | | | |
| *Adjustments for:* | **(13 536)** | (347) | (1 362) |
| Impairment of goodwill and other intangible assets | **–** | – | 68 |
| Gains recognised on loss of significant influence | **(25)** | – | – |
| Net loss/(gains) on acquisitions and disposals of investments | **9** | (241) | (359) |
| Gain on partial disposal of equity-accounted investments | **(12 339)** | (19) | (19) |
| Dilution gains on equity-accounted investments | **(120)** | (63) | (981) |
| Remeasurements included in equity-accounted earnings[1] | **(1 062)** | (42) | (101) |
| Impairment of equity-accounted investments | **1** | 18 | 30 |
| | **2 355** | 2 668 | 6 087 |
| Total tax effects of adjustments | **(1)** | (175) | (173) |
| Total adjustment for non-controlling interest | **–** | (64) | (74) |
| **Basic headline earnings[2]** | **2 354** | 2 429 | 5 840 |
| **Diluted headline earnings** | **2 279** | 2 390 | 5 701 |

[1] *Remeasurements included in equity-accounted earnings include US$1.1bn (2020: US$440.4m and March 2021: US$1.1bn) relating to gains arising on acquisitions and disposals by associates and US$23m relating to net impairments of assets recognised by associates (2020: US$305m and March 2021: US$932.5m).*

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

The earnings per share represent the economic interest per share taking into account the impact of the cross-holding agreement between Prosus and Naspers, which became effective at the time of the closing of the voluntary share exchange (refer to note 3). The cross-holding agreement deals with how distributions by Prosus will be attributed to its N ordinary shareholders.

Under the cross-holding agreement, Naspers has waived its entitlement to any distributions from Prosus for a calculated number of the N ordinary shares it holds in Prosus, as these represent the portion of the Prosus ordinary shares N that Prosus indirectly owns in itself, by virtue of its 49.5% fully dilutive interest in Naspers. These N ordinary shares (cross-holding N ordinary shares) are excluded from the earnings per share calculation, as they contractually do not have an economic interest in the earnings of the group.

## 6. Earnings per share (continued)

The number of shares in issue used in the earnings per share information is weighted for the period that the shares were in issue.

As a result, the N ordinary shares issued in the share exchange in August 2021, the N ordinary shares related to the cross-holding agreement, and the N ordinary shares repurchased from August 2021 (refer to note 16) are weighted for the period that they have been in issue up until 30 September 2021.

The A and B ordinary shareholders are entitled to one voting right per share. The A ordinary shareholders are entitled to one fifth of the economic rights attributable to the Prosus free float shareholders. The B ordinary shareholders are entitled to one millionth of the economic rights of the Prosus ordinary shares N.

| | **Six months ended 30 September 2021** |
|---|---|
| Earnings attributable to shareholders | **15 891** |
| Headline earnings | **2 354** |

| **Issued shares** | **Participating N ordinary shares** |
|---|---|
| Net number of shares in issue at period-end (net of treasury shares)[1] | **2 042 541 297** |
| Cross-holding N ordinary shares | **(584 373 494)** |
| Net number of shares at period-end | **1 458 167 803** |
| **Weighted average number of ordinary shares** | |
| Issued net of treasury shares at the beginning of the period | **1 612 777 577** |
| Weighting of share buyback | **(958 733)** |
| Weighting of cross-holding N ordinary shares* | **(146 891 698)** |
| Weighting of N ordinary shares issued to Naspers shareholders* | **112 861 260** |
| **Weighted average number of shares in issue during the period** | **1 577 788 406** |
| Adjusted for effect of future share-based payment transactions | **–** |
| **Diluted weighted average number of shares in issue during the period** | **1 577 788 406** |
| **Per share information for the period (US cents)*[2]** | |
| **Earnings per N ordinary share for the period** | **1 007** |
| **Diluted earnings per N ordinary share for the period** | **1 002** |
| **Headline earnings per N ordinary share for the period** | **149** |
| **Diluted headline earnings per N ordinary share for the period** | **144** |

* *Weighting applied for 46 of 183 days post the share exchange programme on 15 August 2021. Refer to note 3.*

[1] *Includes 448 991 535 N ordinary shares issued to Naspers shareholders due to the share exchange. The Prosus free float shareholders hold 862 291 285 N ordinary shares with the remaining 1 180 250 012 N ordinary shares being held by Naspers.*

[2] *Earnings per share for A ordinary shareholders amount to 89 US cents (30 September 2020: 10 US cents and 31 March 2021: 25 US cents) and B ordinary shareholders amount to nil US cents.*

## 6. Earnings per share (continued)

| | Six months ended 30 September 2020 Number of shares | Year ended 31 March 2021 Number of shares Restated* |
|---|---|---|
| Net number of N ordinary shares in issue at period-end (net of treasury shares) | 1 624 652 070 | 1 612 777 577 |
| Share-repurchase programme | – | 9 677 290 |
| Weighted average number of N ordinary shares in issue during the period | 1 624 652 070 | 1 622 454 867 |
| Adjusted for effect of future share-based payment transactions | – | – |
| Diluted weighted average number of N ordinary shares in issue during the period | 1 624 652 070 | 1 622 454 867 |
| Per share information for the period | | |
| Earnings per N ordinary share (US cents) for the period | 186 | 459 |
| Diluted earnings per N ordinary share (US cents) for the period | 183 | 450 |
| Headline earnings per N ordinary share (US cents) for the period | 150 | 360 |
| Diluted headline earnings per N ordinary share (US cents) for the period | 147 | 351 |

* *Restated to exclude Prosus A ordinary shares.*

# Notes to the condensed consolidated interim financial statement

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## 7. Revenue from contracts with customers

| | Reportable segment(s) where revenue is included | **Six months ended 30 September 2021 US$'m** | Six months ended 30 September 2020 US$'m | Year ended 31 March 2021 US$'m |
|---|---|---|---|---|
| Online sale of goods revenue | Classifieds and Etail | **1 614** | 1 147 | 2 826 |
| Classifieds listings revenue | Classifieds | **505** | 325 | 715 |
| Payment transaction commissions and fees | Payments and Fintech | **317** | 221 | 513 |
| Mobile and other content revenue | Other Ecommerce | **33** | 79 | 147 |
| Food-delivery revenue | Food Delivery | **461** | 322 | 733 |
| Advertising revenue | Various | **43** | 31 | 71 |
| Educational technology revenue | Edtech | **23** | – | – |
| Other revenue | Various | **69** | 48 | 111 |
| | | **3 065** | 2 173 | 5 116 |

Revenue is presented on an economic-interest basis (ie including the proportionate consolidation of the revenue of associates and joint ventures) in the group's segmental review and is accordingly not directly comparable to the above consolidated revenue figures.

## 8. Finance (costs)/income

| | **Six months ended 30 September 2021 US$'m** | Six months ended 30 September 2020 US$'m | Year ended 31 March 2021 US$'m |
|---|---|---|---|
| **Interest income** | **29** | 59 | 83 |
| Loans and bank accounts | **24** | 43 | 61 |
| Other[1] | **5** | 16 | 22 |
| **Interest expense** | **(180)** | (108) | (262) |
| Loans and overdrafts | **(174)** | (99) | (245) |
| Capitalised lease liabilities | **(5)** | (5) | (10) |
| Other | **(1)** | (4) | (7) |
| **Other finance (costs)/income – net** | **(171)** | (5) | 177 |
| Gains on translation of assets and liabilities | **32** | – | 55 |
| (Losses)/gains on derivative and other financial instruments[2] | **(203)** | (5) | 122 |

[1] *Includes interest received on tax in September 2020. Refer to note 13.*

[2] *The current period includes a cost of US$217m related to the early settlement of portions of the 2025 and 2027 bonds. Refer to note 16.*

## 9. Profit before taxation

In addition to the items already detailed, profit before taxation has been determined after taking into account, inter alia, the following:

| | Six months ended 30 September | | Year ended 31 March |
|---|---|---|---|
| | **2021** | 2020 | 2021 |
| | **US$'m** | US$'m | US$'m |
| **Depreciation of property, plant and equipment** | **53** | 43 | 93 |
| **Amortisation** | **64** | 61 | 138 |
| Software | **4** | 4 | 7 |
| Other intangible assets | **60** | 57 | 131 |
| **Impairment losses on financial assets measured at amortised cost** | **7** | 6 | 15 |
| **Net realisable value adjustments on inventory, net of reversals[1]** | **3** | – | – |
| **Other gains/(losses) – net** | **55** | (24) | (87) |
| Impairment of goodwill and other intangible assets | **–** | – | (68) |
| Income on business support services | **13** | – | – |
| Dividends received on investments | **39** | – | 4 |
| Fair-value adjustments on financial instruments | **4** | (1) | (4) |
| Covid-19 donation | **–** | (13) | (13) |
| Increase in provisions related to disposals | **–** | (12) | – |
| Other | **(1)** | 2 | (6) |
| **Net (losses)/gains on acquisitions and disposals** | **(18)** | 211 | 309 |
| Gains on disposal of investments – net | **(9)** | 241 | 241 |
| Gains recognised on sale of business – net | **–** | – | 118 |
| Gains recognised on loss of significant influence | **25** | – | – |
| Transaction-related costs | **(31)** | (27) | (51) |
| Other | **(3)** | (3) | 1 |

[1] *Net realisable value writedowns relate primarily to the Etail segment.*

## 10. Goodwill

Movements in the group's goodwill for the period are detailed below:

| | Note | Six months ended 30 September 2021 US$'m | Six months ended 30 September 2020 US$'m | Year ended 31 March 2021 US$'m |
|---|---|---|---|---|
| **Goodwill** | | | | |
| Cost | | **2 261** | 2 263 | 2 263 |
| Accumulated impairment | | **(159)** | (94) | (94) |
| Opening balance | | **2 102** | 2 169 | 2 169 |
| Foreign currency translation effects | | **21** | 16 | 31 |
| Acquisitions of subsidiaries and businesses | 15 | **1 707** | 4 | 42 |
| Disposals of subsidiaries and businesses | | **–** | (76) | (72) |
| Impairment | | **–** | – | (68) |
| **Closing balance** | | **3 830** | 2 113 | 2 102 |
| Cost | | **3 951** | 2 210 | 2 261 |
| Accumulated impairment | | **(121)** | (97) | (159) |

Goodwill is tested for impairment annually on 31 December or more frequently if there is a change in circumstances that indicates that it might be impaired. For the year ended March 2021, the group used its 10-year budgets and forecasts to calculate discounted cash flow valuations to identify whether there were any indicators that goodwill allocated to various cash-generating units (CGUs) was impaired. The group assessed its goodwill impairment calculations as well as the appropriateness of the recoverable amounts used to determine whether a CGU was impaired. The value-in-use amounts used were considered appropriate based on the budgets and forecasts, taking into account the impact of the Covid-19 pandemic.

Since the onset of the pandemic, the group has strived to be well placed to respond effectively to the world's increased need for online products and services. The group's businesses across online classifieds, food delivery, payments and finance technology, education technology and online retail have continued to serve and support their customers and communities. As a consequence, the group's businesses continue to grow despite the adverse effects of the pandemic and lockdown restrictions imposed by the third wave. The group recognised goodwill impairment of US$67.6m as at 31 March 2021 primarily related to Silver Indonesia JVCo B.V. and Aasaanjobs Private Limited in the Classifieds segment which had shown a decline in performance from the prior year.

For the six months ended 30 September 2021, the group assessed whether there was a change in circumstances that indicates that goodwill allocated to CGUs might be impaired, taking into consideration the ongoing impact of the pandemic on the underlying businesses during the period and the overall businesses performance. The assessment of impairment indicators for goodwill included the market capitalisation of the group (including its underlying listed investments), actual performance of the CGUs during the period against budgets and forecasts, and movements in parameters applied in discount rate build-ups. Estimating the future performance of the group's CGUs is challenging during this pandemic. No indicators of impairment were identified in any CGU. Despite the macroeconomic adverse effects of the ongoing pandemic, the group performed well across its core ecommerce segments in light of the rollout of Covid-19 vaccines globally which eased lockdown restrictions and the contingency plans implemented in response to market changes. For the six months ended 30 September 2021, the group's CGUs have performed in line with budgets and forecasts. In addition, there were no significant increases in discount rates used to value the group's unlisted investments. Based on the impairment assessment performed, no impairment loss was recognised during the period. The group will continue to monitor the performance of its businesses as circumstances change and/or information becomes available that may indicate that the goodwill may be impaired.

## 11. Investments in associates

The movement in the carrying value of the group's investments in associates is detailed in the table below.

| | Six months ended 30 September 2021 US$'m | Six months ended 30 September 2020 US$'m | Year ended 31 March 2021 US$'m |
|---|---|---|---|
| **Opening balance** | **40 556** | 22 233 | 22 233 |
| Associates acquired – gross consideration | **4 223** | 836 | 2 342 |
| Associates disposed of | **(1)** | (4) | (20) |
| Share of current-year changes in OCI and NAV | **1 607** | 2 861 | 6 819 |
| Share of equity-accounted results | **4 087** | 2 880 | 7 114 |
| Impairment | **(1)** | – | (9) |
| Dividends received | **(571)** | (458) | (458) |
| Foreign currency translation effects | **211** | 1 211 | 1 546 |
| Partial disposal of interest in associate[1] | **(2 315)** | (1) | (1) |
| Dilution gains/(losses)[2] | **120** | 80 | 990 |
| **Closing balance** | **47 916** | 29 638 | 40 556 |

[1] *At 30 September 2021, gains on partial disposal recognised in the condensed consolidated income statement relate to the 2% disposal of Tencent Holdings Limited. The group recognised a gain on partial disposal of US$12.34bn.*

[2] *The total dilution gains/(losses) presented in the income statement relates to the group's diluted effective interest in associates and the reclassification of a portion of the group's foreign currency translation reserves from other comprehensive income to the income statement following the shareholding dilutions. At 31 March 2021, the dilution gains relate primarily to the 4% dilution in the group's interest in Delivery Hero of US$834.7m as a result of a shares issue.*

# Notes to the condensed consolidated interim financial statement

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## 12. Other investments and loans

| | Six months ended 30 September 2021 US$'m | Six months ended 30 September 2020 US$'m | Year ended 31 March 2021 US$'m |
|---|---|---|---|
| Investments at fair value through OCI | **1 929** | 1 024 | 4 122 |
| Investments at fair value through profit or loss[1] | **77** | 13 | 1 258 |
| Investments at amortised cost | **12** | 11 | 11 |
| Other investments and loans | **376** | 207 | 365 |
| **Total investments and loans** | **2 394** | 1 255 | 5 756 |
| **Current portion of other investments** | **27** | 11 | 1 253 |
| Investments at fair value through profit or loss[1] | **16** | – | 1 242 |
| Investments at amortised cost | **11** | 11 | 11 |
| **Non-current portion of other investments** | **2 367** | 1 244 | 4 503 |
| **Reconciliation of investments at fair value through other comprehensive income** | | | |
| **Opening balance at 1 April 2021** | **4 122** | | |
| Fair value adjustments recognised in OCI | **(958)** | | |
| Purchases/additional contributions | **1 372** | | |
| Loss of significant influence of an investment in associate | **26** | | |
| Impact of share exchange[2] | **(2 640)** | | |
| Other | **7** | | |
| **Closing balance at 30 September 2021** | **1 929** | | |

[1] *The balance as at 31 March 2021 represents the contractual right to receive the Delivery Hero shares or cash. Refer to note 15.*
[2] *Significant movement in the current year relates to the share exchange transaction. Refer to note 3.*

## 13. Commitments and contingent liabilities

Commitments relate to amounts for which the group has contracted, but that have not yet been recognised as obligations in the statement of financial position.

| | Six months ended 30 September | | Year ended 31 March |
|---|---|---|---|
| | **2021** | 2020 | 2021 |
| | **US$'m** | US$'m | US$'m |
| **Commitments** | **137** | 136 | 92 |
| Capital expenditure | **2** | 5 | 3 |
| Other service commitments | **115** | 120 | 76 |
| Lease commitments[1] | **20** | 11 | 13 |

[1] *Lease commitments include the group's short-term lease arrangements as well as other contractual lease agreements whose commencement dates are after 30 September 2021. Short-term lease commitments relate to leasing arrangements with lease terms of 12 months or less that are not recognised in the statement of financial position.*

The group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. The group has no uncertain tax positions for the six months ended 30 September 2021. The group had an uncertain tax position of US$170.8m at 31 March 2020 related to amounts receivable from tax authorities. In September 2020, the group received this amount and recognised it in "Taxation" in the condensed consolidated income statement, where it was originally recognised. The receipt of the amount has evidenced that no taxation was payable on the transaction, and therefore this cash flow has been classified consistently with the underlying transaction in the condensed consolidated statement of cash flows.

## 14. Equity compensation benefits

**Liabilities arising from share-based payment transactions**

Reconciliation of the cash-settled share-based payment liability is as follows:

| | Six months ended 30 September 2021 US$'m | Six months ended 30 September 2020 US$'m | Year ended 31 March 2021 US$'m |
|---|---|---|---|
| **Opening carrying amount of cash-settled share-based payment liability** | **1 056** | 376 | 376 |
| SAR scheme charge per the income statement[1] | **187** | 108 | 675 |
| Employment-linked put option charge per the income statement | **10** | 8 | 45 |
| Additions | **–** | 6 | 17 |
| Settlements | **(205)** | (46) | (105) |
| Modification[2] | **356** | 46 | 49 |
| Foreign currency translation effects | **(15)** | 1 | (1) |
| **Closing carrying amount of cash-settled share-based payment liability** | **1 389** | 499 | 1 056 |
| *Less:* Current portion of share-based payment liability | **(1 191)** | (410) | (897) |
| **Non-current portion of share-based payment liability** | **198** | 89 | 159 |

[1] *The expense at 31 March 2021 is as a result of the growth in the fair values of the underlying businesses that increased the estimated cash settlement for the scheme.*

[2] *Some of the group's equity-settled compensation plans were prospectively modified to cash-settled due to the change in settlement policy of the share option schemes (refer to details below for the modification of the iFood share-option scheme).*

As at 31 March 2021, the iFood share option scheme (the scheme) was equity-settled as these options were settled in iFood Holdings B.V. shares. In June 2021, the Naspers and iFood Holdings B.V. boards approved a prospective change in the settlement of these options by providing liquidity to employees of the scheme which will be settled in cash going forward. All other features of the awards, including strike price, vesting and expiry periods remain unchanged.

The fair value of the iFood scheme recognised as a share-based payment liability on the effective date of the amendment was US$302.1m. The share-based payment reserve related to this scheme was US$16.3m. The change in settlement is accounted for as a modification, with the difference between the existing share-based reserve and the share-based liability of US$285.9m being recognised through retained earnings in equity. This increase in the liability compared to the grant date fair value is as a result of the growth in the fair values of the underlying businesses that increased the estimated cash settlement for the scheme. Following this change, the iFood scheme is accounted for in terms of the group's accounting policy as cash-settled share-based payments.

## 15. Business combinations, other acquisitions and disposals

The following relates to the group's significant transactions related to business combinations and equity-accounted investments for the six months ended 30 September 2021:

| | Company | Classification | Amount invested<br>Net cash paid/ (received) US$'m | <br>Non-cash consi-deration US$'m | <br>Cash in entity acquired US$'m | <br>Total consi-deration US$'m |
|---|---|---|---|---|---|---|
| | **Acquisitions** | | | | | |
| (a) | Good Bidco B.V. (GoodHabitz) | Subsidiary | 252 | – | 6 | 258 |
| (b) | Stack Overflow | Subsidiary | 1 645 | – | 97 | 1 742 |
| | | | 1 897 | – | 103 | 2 000 |
| (c) | Oda | Associate | 116 | – | – | 116 |
| (d) | Bundl Technologies Private Limited (Swiggy) | Associate | 274 | – | – | 274 |
| (e) | NTex Transportation Services Private Limited (ElasticRun) | Associate | 30 | – | – | 30 |
| (f) | Think & Learn Private Limited (BYJU'S) | Associate | 153 | – | – | 153 |
| (g) | Delivery Hero SE (Delivery Hero) | Associate | 298 | 1 242 | – | 1 540 |
| (h) | API Holdings Private Limited (PharmEasy) | Associate | 220 | – | – | 220 |
| (i) | Churchill Capital Corp II (Skillsoft) | Associate | 500 | 35 | – | 535 |
| (j) | Flink SE (Flink) | Associate | 84 | – | – | 84 |
| (k) | Eruditus Learning Solutions Limited (Eruditus) | Associate | 127 | – | – | 127 |
| (l) | Meesho Inc. (Meesho) | Associate | 134 | – | – | 134 |
| | | | 1 936 | 1 277 | – | 3 213 |
| (m) | UrbanClap Technologies India Private Limited (Urban Company) | FVOCI | 84 | – | – | 84 |
| (g) | Delivery Hero[1] | FVPL | 936 | – | – | 936 |
| | | | 1 020 | – | – | 1 020 |
| | **Disposals** | | | | | |
| (n) | Tencent Holdings Limited (Tencent) | Associate | (14 609) | – | – | (14 609) |
| | | | (14 609) | – | – | (14 609) |

[1] *Relates to the Delivery Hero shares bought in August 2021 and September 2021 before competition commission approval was obtained.*

## 15. Business combinations, other acquisitions and disposals (continued)

**Acquisition of subsidiaries**

**a.** In June 2021, the group acquired a 62% effective interest (61% fully diluted) for US$258m in GoodHabitz. GoodHabitz provides educational information online, offering commercial, management, and technical training services in the Netherlands. The group accounted for this investment as a subsidiary.

The group has a put option arrangement with the non-controlling interest exercisable at specified future dates. The settlement of the put option arrangement is in cash or shares at the group's discretion. At acquisition, the group recognised a put option liability amounting to US$144.1m, representing the expected redemption amount payable to non-controlling shareholders upon settlement of their ownership interest in the entity, included in "Other non-current liabilities" on the statement of financial position.

In addition, the group has a call option arrangement with the non-controlling shareholder that is linked to employment. It is exercisable at specified future dates upon termination of employment of the non-controlling shareholder due to specified circumstances. The group has the right to settle this call option in cash at the fair value of shareholders' interest. The non-controlling shareholder currently has all the economic benefits associated with ownership of the shares, as a result, the group's obligation to settle this interest is included in the put option liability mentioned above.

The main intangible assets recognised in the business combination were customer relationships, trademarks and technology. The main factor contributing to the goodwill recognised in the acquisition is GoodHabitz's market presence, product development capabilities and engineering capabilities.

**b.** In August 2021, the group acquired a 100% effective and dilutive interest for US$1.7bn in Stack Overflow. Stack Overflow is a leading knowledge-sharing platform for the global community of developers and technologists. The group accounted for this investment as a subsidiary.

The main intangible assets recognised in the business combination were trade names and technology. The main factor contributing to the goodwill recognised in the acquisition is Stack Overflow's market presence and engineering capabilities.

The purchase price allocation is yet to be finalised, therefore the table below summarises the preliminary acquisition date fair values of each major class of identifiable assets and liabilities recognised for the above two acquisitions in the Edtech segment.

Since the acquisition dates of the above business combinations, revenue of US$23m and net losses of US$13m have been included in the group's income statement. The impact on revenue and net losses from the above transactions, had the acquisitions taken place on 1 April 2021, was US$55m and US$19m respectively.

**Preliminary acquisition date fair values of each major class of identifiable assets and liabilities recognised**

| | GoodHabitz June 2021 US$'m | Stack Overflow August 2021 US$'m |
|---|---|---|
| **Cash paid** | **258** | **1 742** |
| | **26** | **267** |
| Intangible assets | **62** | **227** |
| Property plant and equipment | **1** | **2** |
| Cash and deposits | **6** | **97** |
| Other receivables | **8** | **37** |
| Other liabilities | **(21)** | **(35)** |
| Deferred tax liabilities | **(14)** | **(61)** |
| Non-controlling interest[1] | **(16)** | **–** |
| **Goodwill** | **232** | **1 475** |

[1] *Non-controlling interest is measured at its proportionate share of the identifiable net assets of GoodHabitz at the acquisition date.*

## 15. Business combinations, other acquisitions and disposals (continued)

**Acquisition of equity-accounted investments**

**c.** In April 2021, the group acquired a 13% effective (12% fully diluted) interest for US$116m in Oda, Norway's largest online grocery business. The group accounted for this investment as an equity-accounted associate on account of its significant influence on the board of directors.

**d.** In April 2021, the group made an additional investment amounting to US$274m in Swiggy, the operator of a first-party food-delivery marketplace in India. At 31 March 2021, the group held a 41% effective interest. As we did not participate equally in the funding round our effective interest is 36% (33% fully diluted) in Swiggy. The group continues to account for its interest in Swiggy as an investment in an associate.

**e.** In April 2021, the group made an additional investment amounting to US$30m in ElasticRun, a software and technology platform for providing transportation and logistics services in India. At 31 March 2021, the group held a 20% effective interest. Following this investment, the group holds a 24% effective interest (23% fully diluted) in ElasticRun. The group continues to account for its interest in ElasticRun as an investment in an associate.

**f.** In April 2021, the group made an additional investment amounting to US$153m in BYJU'S, India's largest education company and the creator of India's largest personalised learning app. At 31 March 2021, the group held an 11% effective interest. Following this investment, the group retained its 11% effective interest (10% fully diluted) in BYJU'S. The group continues to account for its interest in BYJU'S as an investment in an associate on account of its significant influence on the board of directors.

**g.** In May 2021, the group completed bilateral trades that resulted in an additional investment in Delivery Hero. The group acquired an additional investment in Delivery Hero in March 2021, which increased its shareholding by 8% to 24.99%. The additional investment was acquired via the market and bilateral trades. At 31 March 2021, while legal ownership had transferred for this 8% additional interest, the access to the returns associated with the ownership had not fully transferred for 4% of this interest. Accordingly, the effective interest in Delivery Hero recognised at 31 March 2021 was 21% with the remaining 4% amounting to US$1.2bn recognised as a contractual right to receive the shares or cash. In May 2021, the bilateral trades for the remaining 4% were completed, resulting in an increase in the effective shareholding of Delivery Hero to 24.99% as the access to the returns associated with the ownership for these shares have been transferred. The group paid an additional US$188m for the increase in share price for this interest between March and May 2021. In addition, the financial asset amounting to US$1.2bn recognised at 31 March 2021 for the right to receive this interest or cash was derecognised against the carrying value of the investment.

Furthermore, in August 2021 the group announced its intention to acquire an additional 2.5% stake in Delivery Hero, subject to Austrian competition regulatory approval, through its subsidiary, MIH Food Delivery Holdings B.V. The competition approval was granted in September and accordingly the group acquired an additional investment in Delivery Hero. The group increased its shareholding in Delivery Hero by 2.5% to 27% from 25%.

The additional investment was acquired initially as a call option to acquire the shares subject to competition approval, which was considered highly probable. The call option was acquired at the fair value of the shares amounting to US$936m and recognised as a financial instrument measured at fair value through profit or loss. In addition, the group applied cash flow hedge accounting to the highly probable forecast acquisition of this additional investment, hedging the exposure to future share price increases in Delivery Hero shares between the date the call option was acquired, and the date approval was granted to acquire the additional shares. The additional investment in Delivery Hero was based on the fair value of the call option on the date that the approval was granted (US$817m) and the accumulated losses in the cash flow hedge reserve (US$119m). The accumulated losses within the cash flow hedge reserve were included in the cost of the investment, as based on the group's judgement the investment in associate is a non-financial asset. The resulting additional investment in Delivery Hero recognised after the basis adjustment was US$936m.

## 15. Business combinations, other acquisitions and disposals (continued)

**Acquisition of equity-accounted investments** (continued)

**h.** In May 2021, the group acquired a 16% effective interest (15% fully diluted) for US$191m in PharmEasy. PharmEasy owns India's largest integrated digital healthcare platforms. The group accounted for this investment as an equity-accounted associate on account of its significant influence on the board of directors.

Subsequent to this initial investment, the group made an additional investment amounting to US$29m. As we did not participate equally in the funding round, our effective interest is 14% (12% fully diluted) in PharmEasy. The group continues to account for its interest in PharmEasy as an investment in an associate on account of its significant influence on the board of directors.

**i.** In June 2021, the group acquired a 38% effective interest (34% fully diluted) for US$500m in Churchill Capital Corp II (Churchill). Churchill is a special-purpose acquisition company that provides cloud-based learning, training and talent management solutions through its acquisition of Skillsoft and Global knowledge. Skillsoft Corp (NYSE: SKIL) (Skillsoft), a global leader in corporate digital learning, commenced trading on the New York Stock Exchange (NYSE) under the ticker symbol "SKIL". This follows the completion of Software Luxembourg Holding S.A.'s merger with Churchill Capital Corp II and combination with Global Knowledge Training LLC (Global Knowledge) in June 2021, with the combined company now operating as Skillsoft. The group accounted for this investment as an equity-accounted associate. The cost of the investment in associate includes the fair value of a derivative financial asset amounting to US$38m at the date of closing that arose because the purchase price for this investment was fixed in October 2020 on the signing date of this transaction.

In addition to the associate investment in Skillsoft, the group received 16 666 667 issued public warrants amounting to US$41m in exchange for corporate support services to be provided to the company. The public warrants give the group the right to purchase Skillsoft common stock at an exercise price of US$11.50 per share or are subject to a compulsory cash redemption on specified future dates and is contingent on the Skillsoft share price. The group accounts for these warrants as financial assets at fair value through profit or loss and recognised deferred income for the support services to be provided over a specified period.

**j.** In July 2021, the group acquired a 12% effective interest (12% fully diluted) for US$84m in Flink. Flink is a German-based instant grocery-delivery company. The group will account for this investment as an equity-accounted associate on account of its significant influence on the board of directors. The agreement includes an arrangement with the founder shareholders in which their shareholding may be repurchased by Flink upon termination of employment at specified values. This share-based payment arrangement will be settled in cash. The founders' legal shareholding at acquisition is therefore accounted for as a compound financial instrument and not as a shareholder ownership interest. This increased the group's economic interest for equity-accounting in the associate to 20% as a result of this arrangement.

**k.** In August 2021, the group made additional investments amounting to US$127m during the period, in Eruditus, an online platform using technology and curriculum innovation to offer professional education courses in collaboration with top-ranked universities globally. At 31 March 2021, the group held a 9% effective interest. Following these investments, the group holds a 13% effective interest (11% fully diluted) in Eruditus. The group continues to account for its interest in Eruditus as an investment in an associate on account of its significant influence on the board of directors.

**l.** In September 2021, the group made additional investments during the period, amounting to US$134m, in Meesho, a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalogue of goods and services to sell. Meesho also provides logistics and payment tools on its platform. At 31 March 2021, the group held a 12% effective interest. Following these investments, the group holds a 13% effective interest (12% fully diluted) in Meesho. The group continues to account for its interest in Meesho as an investment in an associate on account of its significant influence on the board of directors.

## 15. Business combinations, other acquisitions and disposals (continued)

### Other investments

**m.** In April 2021, the group acquired a 4% effective (and fully diluted) interest for US$84m in Urban Company. Urban Company is one of the largest home services platforms in Asia, with representation in India, UAE, Singapore and Australia. The investment is not held for trading, therefore the group accounts for this as an investment at fair value through other comprehensive income.

### Disposal of equity-accounted investments

**n.** In April 2021, the group sold 2% of Tencent's total issued share capital. The sale reduced its stake in Tencent from approximately 31% to 29%, yielding US$14.6bn in proceeds and a gain on partial disposal of US$12.34bn. The group reclassified US$41m of the foreign currency translation reserve to the condensed consolidated income statement related to this partial disposal. Proceeds from this disposal are included in short-term investments on the condensed consolidated statement of financial position.

### Transactions with non-controlling interest

In April 2021, the group acquired the share capital held by non-controlling shareholders of its subsidiary Frontier Car Group Inc. (FCG), for US$43.6m. At 31 March 2021, the group held a 91% effective interest. Following the acquisition, the group holds a 99% effective interest (98% fully diluted interest) in FCG. This resulted in the cancellation of the US$66.4m written put option liability and the US$16.6m employment-linked cash-settled share-based payment liability related to the non-controlling shareholders which was derecognised. The cancellation of the written put option liability was recognised in equity in the "existing business combination reserve" and the cancellation of the cash-settled share-based payment liability was recognised in the condensed consolidated income statement. The group recognised US$61.2m in the "existing business combination reserve" in equity representing the gain from the change in ownership interest in the entity.

## 16. Significant financing transactions

### Issuance and redemption of bond notes

In July 2021 the group issued US dollars and euro notes in an aggregate principal amount totalling US$4.0bn equivalent under its global medium-term note programme. These issuances consist of US$1.85bn 3.061% notes due in 2031, €1.0bn 1.288% notes due in 2029 and €850m 1.985% notes due in 2033 (the bonds).

The favourable market backdrop enabled Prosus to extend its debt maturity profile as part of a refinancing of its existing debt.

The purpose of the offerings was to raise proceeds for general corporate purposes, including debt refinancing, which took the form of a tender offer made in relation to its bonds maturing in 2025 and 2027.

Part of the proceeds from the bond issuance was used to partly settle these two bonds. The 2025 bond consisted of US$1.2bn 5.5% notes and the 2027 bond consisted of US$1bn 4.85% notes. The early settlement of these bonds consisted of repayments of principal, accrued interest and present value of the related future interest coupon payments at the date of settlement. The group settled US$975m bond notes due in 2025 and US$386m bond notes due in 2027 for a total combined consideration of US$1.6bn. The difference between the market value of the future contractual payments and the carrying value of the note at amortised cost, of US$217m (representing the market value premium) was recognised in "Other finance (costs)/income – net" in the income statement and as part of "Interest cost paid" in the statement of cash flows.

## 16. Significant financing transactions (continued)

**Issuance and redemption of bond notes** (continued)

Part of the notes due in 2025 was linked to a cross-currency interest rate swap. The group designated the spot element of the cross-currency interest rate swap as a hedge of its net investment in Delivery Hero.

Due to the part settlement of the 2025 bond notes, the group partly settled the cross-currency interest rate swap (the swap) related to the portion of the bond notes that were settled. The group therefore discontinued the hedge for the portion of the swap that was settled. The group continued the hedge relationship for the remaining portion of the swap as the hedge of the net investment in Delivery Hero. The repayment of the swap amounted to US$20m in July 2021, representing the fair value of the portion settled at that date.

The hedge ratio remained 1:1 and the risk strategy for this hedge relationship remained unchanged from that which was disclosed at 31 March 2021. The accumulated amount recognised for this hedge relationship in the foreign currency translation reserve was not reclassified following this partial settlement. The amount will only be reclassified if the investment in Delivery Hero is disposed. Ineffectiveness may arise from credit risk on the cross-currency interest rate swap. Ineffectiveness remains negligible post this partial settlement as all critical terms on the hedging instrument and hedged item match in relation to the portion of the debt that is outstanding.

**Share repurchase programme**

**Purchase of Naspers N ordinary shares**

Prosus acquired a total of 15 992 042 Naspers N ordinary shares as part of the share purchase programme announced in October 2020. A total of 10 568 947 N ordinary shares for US$2.4bn were acquired as at 31 March 2021 and a further 5 423 095 Naspers N ordinary shares for US$1.2bn were acquired between April and June 2021. The total purchase consideration for the repurchase programme was US$3.6bn. The shares are held by Prosus and are included in the 49.5% fully diluted investment in Naspers.

**Repurchase of Prosus ordinary shares N**

In August 2021, Prosus commenced an on-market share repurchase programme of Prosus's ordinary shares N for a total consideration of up to US$5bn from its free float shareholders in support of delivering the overall benefits of the Prosus voluntary share exchange offer to Naspers Limited N ordinary shareholders, completed on 16 August 2021. The total consideration includes costs and related taxes. Prosus intends to cancel the ordinary shares N repurchased under the repurchase programme in due course, so as to reduce its issued share capital. 19 227 815 Prosus ordinary shares N were repurchased and at 30 September 2021, US$1.68bn was recognised in treasury shares of which US$1.53bn was paid.

## 17. Financial instruments

The group's activities expose it to a variety of financial risks such as market risk (including currency risk, fair-value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures as required in the annual consolidated financial statements and should be read in conjunction with the group's risk management information disclosed in note 40 of the consolidated financial statements, published in the annual report of Prosus for the year ended 31 March 2021. There have been no material changes in the group's credit, liquidity, market risks or key inputs used in measuring fair value since 31 March 2021.

The fair values of the group's financial instruments that are measured at fair value at each reporting period, are categorised as follows:

| | | Fair-value measurements at 30 September 2021 using: | | |
|---|---|---|---|---|
| | Carrying value US$'m | Quoted prices in active markets for identical assets or liabilities (level 1) US$'m | Significant other observable inputs (level 2) US$'m | Significant unobservable inputs (level 3) US$'m |
| **Assets** | | | | |
| Financial assets at fair value through other comprehensive income | **1 929** | **1 215** | **4** | **710** |
| Financial assets at fair value through profit or loss | **77** | **61** | **–** | **16** |
| Forward exchange contracts | **1** | **–** | **1** | **–** |
| Derivatives contained in lease agreements | **8** | **–** | **–** | **8** |
| Cash and cash equivalents[1] | **934** | **–** | **934** | **–** |
| **Liabilities** | | | | |
| Forward exchange contracts | **11** | **–** | **11** | **–** |
| Earn-out obligations | **15** | **–** | **–** | **15** |
| Derivatives contained in lease agreements | **2** | **–** | **–** | **2** |
| Cross-currency interest rate swap | **4** | **–** | **4** | **–** |

[1] *Relates to short-term bank deposits which are money market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies.*

## 17. Financial instruments (continued)

| | Fair-value measurements at 31 March 2021 using: | | | |
|---|---|---|---|---|
| | Carrying value US$'m | Quoted prices in active markets for identical assets or liabilities (level 1) US$'m | Significant other observable inputs (level 2) US$'m | Significant unobservable inputs (level 3) US$'m |
| **Assets** | | | | |
| Financial assets at fair value through other comprehensive income | 4 122 | 3 985 | 4 | 133 |
| Financial assets at fair value through profit or loss | 1 258 | – | 1 242 | 16 |
| Forward exchange contracts | 3 | – | 3 | – |
| Derivatives contained in lease agreements | 9 | – | – | 9 |
| Derivatives contained in acquisition agreements | 15 | 15 | – | – |
| Cash and cash equivalents[1] | 996 | – | 996 | – |
| **Liabilities** | | | | |
| Forward exchange contracts | 2 | – | 2 | – |
| Earn-out obligations | 13 | – | – | 13 |
| Derivatives contained in lease agreements | 2 | – | – | 2 |
| Cross-currency interest rate swap | 30 | – | 30 | – |

[1] *Relates to short-term bank deposits which are money market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies.*

There have been no transfers between levels 1, 2 or 3 during the reporting period, nor were there any significant changes to the valuation techniques and inputs used in measuring fair value.

## 17. Financial instruments (continued)

Valuation techniques and key inputs used to measure significant level 2 and level 3 fair values are as follows:

**Level 2 fair-value measurement**

Forward exchange contracts – in measuring the fair value of forward exchange contracts, the group makes use of market observable quotes of forward foreign exchange rates on instruments that have a maturity similar to the maturity profile of the group's forward exchange contracts. Key inputs used in measuring the fair value of forward exchange contracts include: current spot exchange rates, market forward exchange rates and the term of the group's forward exchange contracts.

Cross-currency interest rate swap – the fair value of the group's interest rate and cross-currency swaps is determined through the use of discounted cash flow techniques using only market observable information. Key inputs used in measuring the fair value of interest rate and cross-currency swaps include: spot market interest rates, contractually fixed interest rates, foreign exchange rates, counterparty credit spreads, notional amounts on which interest rate swaps are based, payment intervals, risk-free interest rates as well as the duration of the relevant interest rate and cross-currency swap arrangement.

Cash and cash equivalents – relate to short-term bank deposits which are money market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies. The fair value of these deposits is determined by the amounts deposited and the gains or losses generated by the funds as detailed in the statements provided by these institutions. The gains/losses are recognised in the income statement.

Financial assets at fair value – relate to a contractual right to receive shares or cash. The fair value is based on a listed share price on the date the transaction was entered into.

**Level 3 fair-value measurements**

Financial assets at fair value – relate predominantly to unlisted equity investments. The fair value of these investments is based on the most recent funding transactions for these investments as well as the use of discounted cash flow techniques using both market observable and unobservable information for applicable investments.

Derivatives contained in lease agreements – relate to foreign currency forwards embedded in lease contracts. The fair value of the derivatives is based on forward foreign exchange rates that have a maturity similar to the lease contracts and the contractually specified lease payments.

Earn-out obligations – relate to amounts that are payable to the former owners of businesses now controlled by the group, provided that contractually stipulated post-combination performance criteria are met. These are remeasured to fair value at the end of each reporting period. Key inputs used in measuring fair value include: current forecasts of the extent to which management believe performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments.

## 17. Financial instruments (continued)

**Level 3 fair-value measurement** (continued)

The following table shows a reconciliation of the group's level 3 financial instruments:

| | 30 September 2021 | | | |
|---|---|---|---|---|
| | **Financial assets at FVOCI[1] US$'m** | **Financial assets at FVPL[2] US$'m** | **Earn-out obligations US$'m** | **Derivatives embedded in leases US$'m** |
| **Balance at 1 April 2021** | **133** | **16** | **(13)** | **7** |
| Additions[3] | **533** | **–** | **–** | **–** |
| Total gains recognised in other comprehensive income | **19** | **–** | **–** | **(1)** |
| Total losses recognised in the income statement | **–** | **–** | **(3)** | **–** |
| Settlements/disposals | **(1)** | **–** | **1** | **–** |
| Total gains on loss of significant influence of an investment in associate | **26** | **–** | **–** | **–** |
| **Total** | **710** | **16** | **(15)** | **6** |

| | 31 March 2021 | | | |
|---|---|---|---|---|
| | Financial assets at FVOCI[1] US$'m | Financial assets at FVPL[2] US$'m | Earn-out obligations US$'m | Derivatives embedded in leases US$'m |
| Balance at 1 April 2020 | 85 | 13 | (22) | 4 |
| Additions | 76 | 3 | (1) | 3 |
| Total losses recognised in the income statement | – | – | (10) | – |
| Total gains recognised in other comprehensive income | 23 | – | – | – |
| Settlements/disposals | (51) | – | 20 | – |
| **Total** | 133 | 16 | (13) | 7 |

[1] *Financial assets at fair value through other comprehensive income.*
[2] *Financial assets at fair value through profit or loss.*
[3] *Relates to the recognition of the residual interest Prosus holds in the Naspers group due to the share exchange. Refer to note 3 for the share exchange transaction.*

The carrying value of financial instruments is a reasonable approximation of their fair value, except for the publicly traded bonds detailed below:

| | **30 September 2021** | | 31 March 2021 | |
|---|---|---|---|---|
| | **Carrying value US$'m** | **Fair value US$'m** | Carrying value US$'m | Fair value US$'m |
| **Financial liabilities** | | | | |
| Publicly traded bonds | **10 435** | **10 363** | 7 827 | 7 935 |

The fair value of the publicly traded bonds has been determined with reference to the listed prices of the instruments as at the end of the reporting period. The fair value of the publicly traded bonds is level 2 financial instruments. The publicly traded bonds are listed on the Irish Stock Exchange (Euronext Dublin).

## 18. Related party transactions and balances

The group entered into various related party transactions in the ordinary course of business with a number of related parties, including associates, joint ventures and entities under common control. Transactions that are eliminated on consolidation are not included.

| | **Six months ended 30 September 2021 US$'m** | Year ended 31 March 2021 US$'m |
|---|---|---|
| **Sale of goods and services to related parties**[1] | | |
| Skillsoft Corp | **13** | – |
| EMPG Holdings Limited | **9** | 18 |
| MIH Holdings Proprietary Limited | **8** | 15 |
| Bom Negócio Atividades de Internet Limitida (OLX Brasil) | **3** | 3 |
| Various other related parties | **1** | 1 |
| | **34** | 37 |

[1] *The group receives revenue from a number of its related parties in connection with service agreements. The nature of these related party relationships is that of Naspers group subsidiaries, group associates and joint ventures.*

| | **Six months ended 30 September 2021 US$'m** | Year ended 31 March 2021 US$'m |
|---|---|---|
| **Services received from related parties**[1] | | |
| MIH Holdings Proprietary Limited | **5** | 11 |
| Various related parties | **–** | – |
| | **5** | 11 |

[1] *The group receives corporate and other services rendered by a number of its related parties. The nature of these related party relationships is that of entities under the common control of the group's ultimate controlling parent, Naspers Limited.*

| | **Six months ended 30 September 2021 US$'m** | Year ended 31 March 2021 US$'m |
|---|---|---|
| **Dividends paid to holding company** | | |
| Naspers Limited | **–** | 155 |
| | **–** | 155 |

## 18. Related party transactions and balances (continued)

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

| | Six months ended 30 September 2021 US$'m | Year ended 31 March 2021 US$'m |
|---|---|---|
| **Loans and receivables**[1] | | |
| MIH Treasury Services Limited | **14** | 7 |
| Myriad/MIH (Malta) Limited | **4** | 4 |
| MIH Holdings Proprietary Limited | **45** | 35 |
| Bom Negócio Atividades de Internet Limitada (OLX Brasil)[2] | **180** | 171 |
| MIH Internet Holdings B.V. Share Trust[3] | **155** | 169 |
| Inversiones CMR S A S | **9** | – |
| Other | **10** | 14 |
| *Less:* Allowance for impairment of loans and receivables[4] | **–** | – |
| **Total related party receivables** | **417** | 400 |
| *Less:* Non-current portion of related party receivables | **(367)** | (356) |
| **Current portion of related party receivables** | **50** | 44 |
| **Payables** | | |
| MIH Holdings Proprietary Limited | **3** | 7 |
| Myriad/MIH (Malta) Limited | **–** | 1 |
| Mail.ru Group Limited | **2** | 2 |
| Other | **2** | – |
| **Total related party payables** | **7** | 10 |
| *Less:* Non-current portion of related party payables | **(2)** | (2) |
| **Current portion of related party payables** | **5** | 8 |
| **Dividend payable** | | |
| Naspers Limited | **98** | – |
| **Total dividend payable included in current liabilities** | **98** | – |

[1] *The group provides services and loan funding to a number of its related parties.*

[2] *OLX Brasil acquired an interest in Grupo ZAP during the 31 March 2021 financial year. The acquisition was partially funded via a contribution and loan funding from the group. The loan is repayable by October 2035 and interest free until April 2022. Subsequently, interest is charged annually at SELIC+2%.*

[3] *Relates to related party loan funding provided to Naspers group share trust for equity compensation plans. The loan is interest free and repayable in 2031, or upon winding up of the trust if earlier. Cash flows for this transaction are disclosed as investing activities on the summarised consolidated statement of cash flows.*

[4] *Impairment allowance for non-current receivables from related parties is based on a 12-month expected credit loss model and was not material.*

## 18. Related party transactions and balances (continued)

### Terms of significant related party current receivables and payables

These above current receivables and payables relate primarily to cost recharges to/by entities under the common control of Naspers Limited, the group's ultimate controlling parent. These current receivables and payables are interest free.

### Shares held in holding company

The group acquired US$3.6bn shares in Naspers as part of the share repurchase programme announced in October 2020 and completed in June 2021. These shares were classified as fair value through other comprehensive income (OCI) investments up until the closing date of the voluntary share exchange in August 2021. The group recognised a fair value loss in OCI for the 3.7% Naspers investment amounting to US$724.6m during the period from April to August 2021. This interest Prosus had in Naspers from the share repurchase programme represented 3.7% of the effective interest in Naspers and approximately 1% of the voting rights.

In August 2021, the group completed a voluntary share exchange offer to Naspers shareholders and issued newly created class B ordinary shares to Naspers. The voluntary share exchange offered Naspers shareholders to tender their existing Naspers N ordinary shares for newly issued Prosus ordinary shares N at an exchange ratio of 1 (one) Naspers N ordinary share for 2.27443 Prosus ordinary shares N. This interest, coupled with the 3.7% shareholding Prosus previously acquired in Naspers, as part of the share repurchase programme that was completed in June 2021, resulted in Prosus now holding a 49.5% fully dilutive interest in Naspers.

Prosus recognised a FVOCI investment amounting to US$385m, representing its indirect interest in the residual interest in the Naspers group. In addition, the newly created class B ordinary shares were issued to Naspers for a consideration of €56.4m (US$66.3m).

Refer to note 3 for details of the accounting treatment for the above transaction.

### Group contributions to Naspers share trusts

The group made contributions to Naspers share trusts amounting to US$151.3m (September 2020: US$69m and 31 March 2021: US$78.8m) during the current period.

## 19. Events after the reporting period

The group entered into an agreement with the shareholders of the Indian digital payments provider IndiaIdeas.com Limited (BillDesk) to acquire 100% of the equity in BillDesk for a consideration of approximately US$4.7bn (INR345.0bn). The acquisition is structured as an all-cash transaction with the purchase price payable at closing, subject to the approval of the competition commission of India. The group will account for the investment in BillDesk as a subsidiary.

# Independent auditor's review report on the condensed consolidated interim financial statements

## Review report

### To: the board of directors of Prosus N.V.

**Introduction**

We have reviewed the accompanying condensed consolidated interim financial statements for the six months ended 30 September 2021 of Prosus N.V., Amsterdam, which comprise the condensed consolidated statement of financial position as at 30 September 2021, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows for the six months then ended and the notes to the condensed consolidated interim financial statements. The directors are responsible for the preparation, and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

**Scope**

We conducted our review in accordance with Dutch law including standard 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements for the six months ended 30 September 2021 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

Amsterdam, 20 November 2021

### PricewaterhouseCoopers Accountants N.V.

**Original has been signed by Fernand Izeboud RA**

# Other information to the condensed consolidated interim financial statements

for the six months ended 30 September 2021

## A. Non-IFRS financial measures and alternative performance measures

### A.1 Core headline earnings

Core headline earnings, a non-IFRS performance measure, represent headline earnings for the period, excluding certain non-operating items. Specifically, headline earnings are adjusted for the following items to derive core headline earnings: (i) equity-settled share-based payment expenses on transactions where there is no cash cost to us. These include those relating to share-based incentive awards settled by issuing treasury shares, as well as certain share-based payment expenses that are deemed to arise on shareholder transactions; (ii) subsequent fair-value remeasurement of cash-settled share-based incentive expenses; (iii) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; (iv) deferred taxation income recognised on the first-time recognition of deferred tax assets as this generally relates to multiple prior periods and distorts current-period performance; (v) fair-value adjustments on financial and unrealised currency translation differences, as these items obscure our underlying operating performance; (vi) once-off gains and losses (including acquisition-related costs) resulting from acquisitions and disposals of businesses as these items relate to changes in our composition and are not reflective of our underlying operating performance; (vii) the amortisation of intangible assets recognised in business combinations and acquisitions; and (viii) the donations due to Covid-19, as these expenses are not considered operational in nature. These adjustments are made to the earnings of businesses controlled by us, as well as our share of earnings of associates and joint ventures, to the extent that the information is available

#### Impact of share-based compensation expenses on core headline earnings

Effective April 2020, the group changed the definition of core headline earnings related to the treatment of the group's SAR share-based compensation benefits. Core headline earnings include the impact of the group's SAR share-based compensation expenses based on the grant date fair value for cash-settled share-based compensation benefits. The CODM reviews core headline earnings to include the impact of share-based compensation expenses based on the grant date fair value for all of the group's SAR share-based compensation benefits. The non-IFRS measure therefore excludes the remeasurement portion of the group's cash-settled share-based compensation benefits. Including only the grant date, fair value of the group's cash-settled share-based compensation benefits is consistent with how the CODM reviewed these measures prior to the modification of the SARs to a cash-settled scheme. The above change was included in the adjusted EBITDA and trading profit/(loss) results presented for the year ended 31 March 2021, however, this is different from what was reported for the six months ended 30 September 2020. Accordingly, in October 2020, subsequent to board approval of the change to the definition of these non-IFRS measures, the September 2020 results were restated.

On an economic-interest basis, these non-IFRS measures will continue to include the group's proportionate share of its associate cash-settled share-based compensation expenses and exclude the share of its associate equity-settled share-based compensation expenses.

# Other information to the condensed consolidated interim financial statements continued

for the six months ended 30 September 2021

## A. Non-IFRS financial measures and alternative performance measures (continued)

### A.1 Core headline earnings (continued)

**Reconciliation of core headline earnings**

| | Six months ended 30 September 2021 US$'m | 2020 US$'m | Year ended 31 March 2021 US$'m |
|---|---|---|---|
| **Headline earnings (refer to note 6)** | **2 354** | 2 429 | 5 840 |
| Adjusted for: | | | |
| – Equity-settled share-based payment expenses | **591** | 352 | 746 |
| – Remeasurement of cash-settled share-based incentive expenses* | **123** | 66 | 594 |
| – (Recognition)/reversal of deferred tax assets | **–** | – | 6 |
| – Amortisation of other intangible assets | **337** | 189 | 440 |
| – Fair-value adjustments and currency translation differences | **(1 103)** | (843) | (2 896) |
| – Retention option expense | **2** | 10 | 62 |
| – Transaction-related costs | **34** | 26 | 47 |
| – Covid-19 donations | **–** | 13 | 13 |
| – Other[1] | **–** | 10 | 7 |
| **Core headline earnings** | **2 338** | 2 252 | 4 859 |
| **Per share information for the period** | | | |
| Core headline earnings per N ordinary share (US cents) | **148** | 139 | 299 |
| Diluted core headline earnings per N ordinary share (US cents)[2] | **143** | 136 | 291 |

* *During 31 March 2021, the group changed its definition of adjusted EBITDA and trading loss to exclude the remeasurement of the cash-settled share-based payment liability.*

[1] *Other adjustments relate mainly to the increase in provisions related to disposals.*

[2] *The diluted core headline earnings per share include a decrease of US$75m (2020: US$39m and 31 March: US$139m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.*

## A. Non-IFRS financial measures and alternative performance measures (continued)

### A.1 Core headline earnings (continued)

#### Equity-accounted results

The group's equity-accounted investments contributed to the condensed consolidated interim financial statements as follows:

| | Six months ended 30 September | | Year ended 31 March |
|---|---|---|---|
| | **2021 US$'m** | 2020 US$'m | 2021 US$'m |
| **Share of equity-accounted results** | **4 074** | 2 875 | 7 095 |
| – Gains on acquisitions and disposals | **(1 089)** | (440) | (1 132) |
| – Impairment of investments | **26** | 305 | 933 |
| **Contribution to headline earnings** | **3 011** | 2 740 | 6 896 |
| – Amortisation of other intangible assets | **299** | 155 | 355 |
| – Equity-settled share-based payment expenses | **583** | 340 | 735 |
| – Fair-value adjustments and currency translation differences | **(1 269)** | (851) | (2 734) |
| **Contribution to core headline earnings** | **2 624** | 2 384 | 5 252 |
| Tencent | **2 977** | 2 617 | 5 721 |
| VK (previously Mail.ru) | **(25)** | (8) | (34) |
| Delivery Hero | **(190)** | (111) | (230) |
| Other | **(138)** | (114) | (205) |

The group applies an appropriate lag period of not more than three months in reporting the results of equity-accounted investments.

# Other information to the condensed consolidated interim financial statements continued

for the six months ended 30 September 2021

## A. Non-IFRS financial measures and alternative performance measures (continued)

### A.2 Growth in local currency, excluding acquisitions and disposals

The group applies certain adjustments to segmental revenue and trading profit reported in the condensed consolidated interim financial statements to present the growth in such metrics in local currency, excluding the effects of changes in the composition of the group. Such underlying adjustments provide a view of the company's underlying financial performance that management believes is more comparable between periods by removing the impact of changes in foreign exchange rates and changes in the composition of the group on its results. Such adjustments are referred to herein as "growth in local currency, excluding acquisitions and disposals". The group applies the following methodology in calculating growth in local currency, excluding acquisitions and disposals:

- Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted is calculated as the constant currency results, arrived at using the methodology outlined above, compared to the prior period's actual IFRS results. The relevant average exchange rates (relative to the US dollar) used for the group's most significant functional currencies, were:

| | Six months ended 30 September | |
|---|---|---|
| **Currency (1FC = US$)** | **2021** | 2020 |
| South African rand | **0.0692** | 0.0576 |
| Euro | **1.1891** | 1.1441 |
| Chinese yuan renminbi | **0.1552** | 0.1433 |
| Brazilian real | **0.1909** | 0.1839 |
| Indian rupee | **0.0136** | 0.0134 |
| Polish zloty | **0.2617** | 0.2563 |
| Russian rouble | **0.0136** | 0.0136 |
| United Kingdom pound | **1.3828** | 1.2775 |
| Turkish lira | **0.1173** | 0.1405 |
| Hungarian forint | **0.0034** | 0.0032 |

- Adjustments made for changes in the composition of the group relate to acquisitions, mergers and disposals of subsidiaries and equity-accounted investments, as well as to changes in the group's shareholding in its equity-accounted investments. For acquisitions, adjustments are made to remove the revenue and trading profit/(loss) of the acquired entity from the current reporting period and, in subsequent reporting periods, to ensure that the current reporting period and the comparative reporting period contain revenue and trading profit/(loss) information relating to the same number of months. For mergers, adjustments are made to include a portion of the prior period's revenue and trading profit/(loss) of the entity acquired as a result of a merger. For disposals, adjustments are made to remove the revenue and trading profit/(loss) of the disposed entity from the previous reporting period to the extent that there is no comparable revenue or trading profit/(loss) information in the current period and, in subsequent reporting periods, to ensure that the previous reporting period does not contain revenue and trading profit/(loss) information relating to the disposed business.

## A. Non-IFRS financial measures and alternative performance measures (continued)

### A.2 Growth in local currency, excluding acquisitions and disposals (continued)

The following significant changes in the composition of the group during the respective reporting periods have been adjusted for in arriving at the pro forma financial information:

**For the 12 months 1 October 2020 to 30 September 2021**

| Transaction | Basis of accounting | Reportable segment | Acquisition/ Disposal |
|---|---|---|---|
| Dilution of the group's interest in Tencent | Associate | Social and Internet Platforms | Disposal |
| Dilution of the group's interest in VK (previously Mail.ru) | Associate | Social and Internet Platforms | Disposal |
| Acquisition of the group's interest in Encuentra | Associate | Ecommerce | Acquisition |
| Acquisition of the group's interest in Grupo ZAP | Joint venture | Ecommerce | Acquisition |
| Acquisition of the group's interest in P24 | Subsidiary | Ecommerce | Acquisition |
| Acquisition of the group's interest in Carsmile | Associate | Ecommerce | Acquisition |
| Acquisition of the group's interest in KIWI Finance | Associate | Ecommerce | Acquisition |
| Acquisition of the group's interest in Obido | Associate | Ecommerce | Acquisition |
| Acquisition of the group's interest in EMPG | Associate | Ecommerce | Acquisition |
| Disposal of the group's interest in letgo | Subsidiary | Ecommerce | Disposal |
| Acquisition of the group's interest in OfferUp | Associate | Ecommerce | Acquisition |
| Disposal of the group's interest in iFood Columbia | Subsidiary | Ecommerce | Disposal |
| Disposal of the group's interest in iFood Mexico | Subsidiary | Ecommerce | Disposals |
| Acquisition of the group's interest in Kolonial | Associate | Ecommerce | Acquisition |
| Increase in the group's interest in Delivery Hero | Associate | Ecommerce | Acquisition |
| Disposal of the group's interest in Luno | Associate | Ecommerce | Disposal |
| Dilution of the group's interest in Zest | Associate | Ecommerce | Disposal |
| Increase of the group's interest in Remitly | Associate | Ecommerce | Acquisition |
| Acquisition of the group's interest in Shipper | Associate | Ecommerce | Acquisition |
| Increase of the group's interest in BYJU'S | Associate | Ecommerce | Acquisition |
| Acquisition of the group's interest in Eruditus | Associate | Ecommerce | Acquisition |
| Acquisition of the group's interest in GoodHabitz | Subsidiary | Ecommerce | Acquisition |
| Acquisition of the group's interest in Stack Overflow | Subsidiary | Ecommerce | Acquisition |
| Disposal of the group's interest in Wavy | Subsidiary | Ecommerce | Disposal |
| Step up of the group's interest in Zoop | Subsidiary | Ecommerce | Disposal/ Acquisition |
| Acquisition of the group's interest in PharmEasy | Associate | Ecommerce | Acquisition |
| Acquisition of the group's interest in DeHaat | Associate | Ecommerce | Acquisition |
| Acquisition of the group's interest in Klar | Associate | Ecommerce | Acquisition |
| Dilution of the group's interest in SimilarWeb | Associate | Ecommerce | Disposal |

The net adjustment made for all acquisitions and disposals on continuing operations that took place during the period ended 30 September 2021 amounted to a negative adjustment of US$521m on revenue and a negative adjustment of US$241m on trading profit.

# Other information to the condensed consolidated interim financial statements continued

for the six months ended 30 September 2021

## A. Non-IFRS financial measures and alternative performance measures (continued)

### A.2 Growth in local currency, excluding acquisitions and disposals (continued)

The adjustments to the amounts, reported in terms of IFRS, that have been made in arriving at the pro forma financial information are presented in the table below:

| | Twelve months ended 30 September | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 |
| | A | B | C | D | E | F[2] | G[3] | H[4] |
| | IFRS[1] US$'m | Group composition disposal adjustment US$'m | Group composition acquisition adjustment US$'m | Foreign currency adjustment US$'m | Local currency growth US$'m | IFRS[1] US$'m | Local currency growth % change | IFRS % change |
| **Revenue** | | | | | | | | |
| *Ecommerce* | 2 608 | (73) | 240 | 40 | 1 356 | 4 171 | **53** | **60** |
| Classifieds | 628 | (7) | 66 | (11) | 625 | 1 301 | **>100** | **>100** |
| Food Delivery | 610 | (2) | 98 | 31 | 524 | 1 261 | **86** | **>100** |
| Payments and Fintech | 252 | (5) | 7 | (4) | 109 | 359 | **44** | **42** |
| Etail | 965 | (1) | – | 27 | 38 | 1 029 | **4** | **7** |
| Edtech | 51 | 6 | 33 | 1 | 29 | 120 | **51** | **>100** |
| Other | 102 | (64) | 36 | (4) | 31 | 101 | **82** | **(1)** |
| *Social and Internet Platforms* | 10 082 | (688) | – | 931 | 2 138 | 12 463 | **23** | **24** |
| Tencent | 9 912 | (684) | – | 931 | 2 091 | 12 250 | **23** | **24** |
| VK (previously Mail.ru) | 170 | (4) | – | – | 47 | 213 | **28** | **25** |
| Corporate segment | – | – | – | – | – | – | **–** | **–** |
| **Group economic interest** | 12 690 | (761) | 240 | 971 | 3 494 | 16 634 | **29** | **31** |

[1] *Figures presented on an economic-interest basis as per the segmental review.*
[2] *A + B + C + D + E.*
[3] *[E/(A + B)] x 100.*
[4] *[(F/A) – 1] x 100.*

## A. Non-IFRS financial measures and alternative performance measures (continued)

### A.2 Growth in local currency, excluding acquisitions and disposals (continued)

The adjustments to the amounts, reported in terms of IFRS, that have been made in arriving at the pro forma financial information are presented in the table below:

| | Twelve months ended 30 September | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | **2021** | **2021** | **2021** | **2021** | **2021** | **2021** | **2021** |
| | A | **B** | **C** | **D** | **E** | **F[2]** | **G[3]** | **H[4]** |
| | IFRS[1] Restated* US$'m | **Group composition disposal adjustment US$'m** | **Group composition acquisition adjustment US$'m** | **Foreign currency adjustment US$'m** | **Local currency growth US$'m** | **IFRS[1] US$'m** | **Local currency growth % change** | **IFRS % change** |
| **Trading profit** | | | | | | | | |
| *Ecommerce* | (214) | 26 | (62) | (11) | (111) | (372) | **(59)** | **(74)** |
| Classifieds | 29 | 12 | 7 | 3 | 57 | 108 | **>100** | **>100** |
| Food Delivery | (189) | 15 | (31) | (11) | (96) | (312) | **(55)** | **(65)** |
| Payments and Fintech | (31) | 3 | (1) | (2) | – | (31) | **–** | **–** |
| Etail | 24 | – | – | 1 | (36) | (11) | **>(100)** | **>(100)** |
| Edtech | (13) | 1 | (19) | (1) | (16) | (48) | **>(100)** | **>(100)** |
| Other | (34) | (5) | (18) | (1) | (20) | (78) | **(51)** | **>(100)** |
| *Social and Internet Platforms* | 2 983 | (205) | – | 259 | 348 | 3 385 | **13** | **13** |
| Tencent | 2 968 | (205) | – | 259 | 351 | 3 373 | **13** | **14** |
| VK (previously Mail.ru) | 15 | – | – | – | (3) | 12 | **(20)** | **(20)** |
| Corporate segment | (40) | – | – | – | (38) | (78) | **(95)** | **(95)** |
| **Group economic interest** | 2 729 | (179) | (62) | 248 | 199 | 2 935 | **8** | **8** |

* *During the 31 March 2021 financial year-end, the way that corporate costs were presented to the CODM was changed. Corporate costs, previously allocated and disclosed in the "Other Ecommerce" subsegment, are now included in the "Corporate segment". This provides more clarity on the total corporate costs incurred by the group. This change had no impact on the overall group trading (loss)/profit.*

[1] *Figures presented on an economic-interest basis as per the segmental review.*

[2] *A + B + C + D + E.*

[3] *[E/(A + B)] x 100.*

[4] *[(F/A) – 1] x 100.*

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