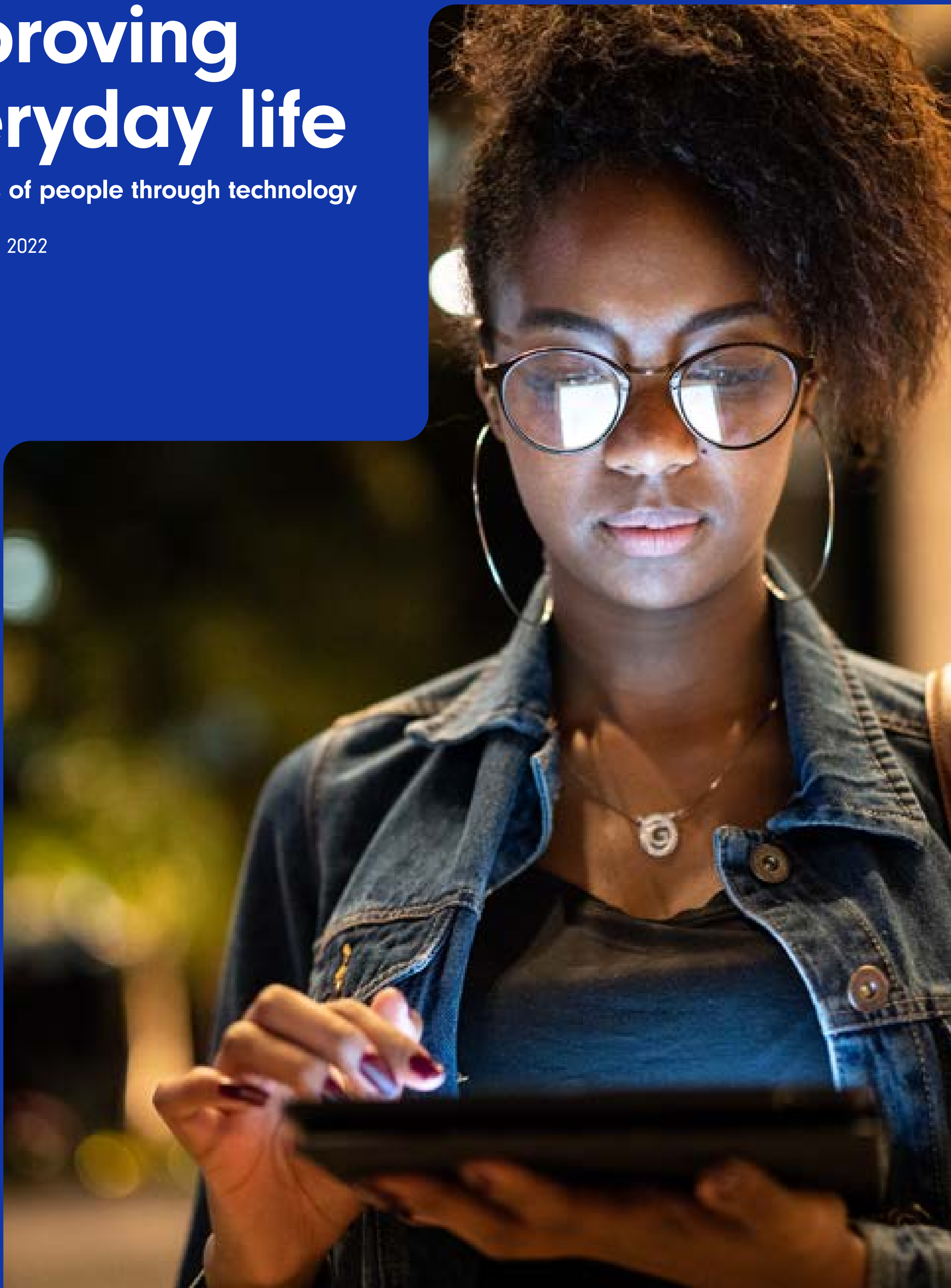
prosus

Improving everyday life

for billions of people through technology

Annual report 2022



Contents

Forward-looking statements
This report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995 concerning our financial condition, results of operations and businesses. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control and all of which are based on our current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes' or 'anticipates', or associated negative, or other variations or comparable terminology, or by discussions of strategy that involve risks and uncertainties. These forward-looking statements and other statements contained in this report on matters that are not historical facts involve predictions.

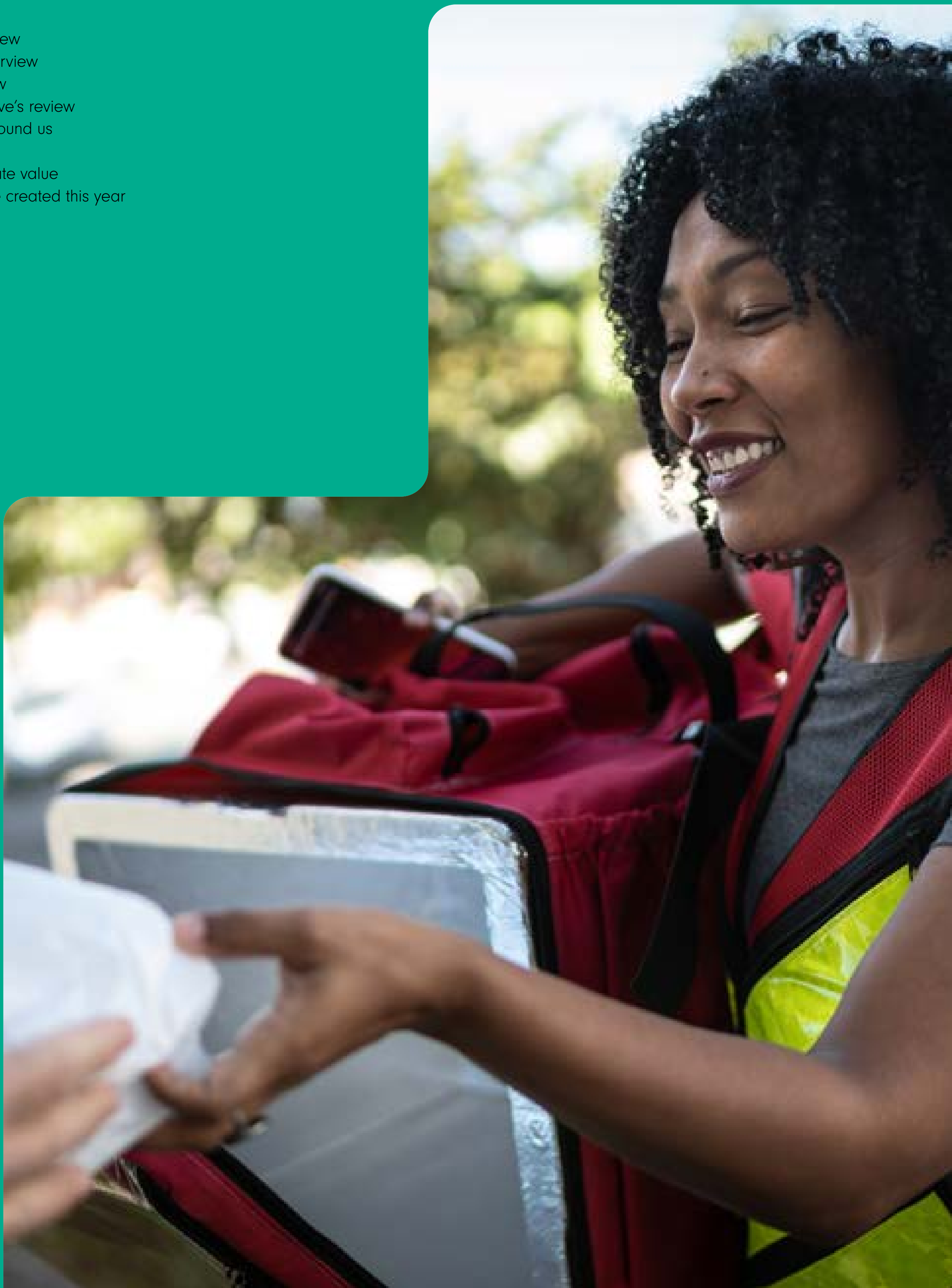
No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties implied in such forward-looking statements.

A number of factors could affect our future operations and could cause those results to differ materially from those expressed in the forward-looking statements, including (without limitation): (a) changes to IFRS and associated interpretations, applications and practices as they apply to past, present and future periods; (b) ongoing and future acquisitions, changes to domestic and international business and market conditions such as exchange rate and interest rate movements; (c) changes in domestic and international regulatory and legislative environments; (d) changes to domestic and international operational, social, economic and political conditions; (e) labour disruptions and industrial action; and (f) the effects of both current and future litigation. The forward-looking statements contained in this report apply only as of the date of the report. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements to reflect events or circumstances after the date of the report or to reflect the occurrence of unanticipated events. We cannot give any assurance that forward-looking statements will prove correct and investors are cautioned not to place undue reliance on any forward-looking statements.

Statement on European Single Electronic Format (ESEF)
This document is the PDF/printed version of the 2022 annual report of Prosus N.V. The 2022 annual report was made publicly available pursuant to section 5:25c of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), and was filed with the Netherlands Authority for the Financial Markets in European single electronic reporting format (the ESEF package).

The ESEF package is available on the company's website at www.prosus.com and includes a human-readable XHTML version of the 2022 annual report. In any case of discrepancies between this PDF version and the ESEF package, the latter prevails. The independent auditor's report included in this PDF/printed version relates only to the ESEF package.

Group overview



We are a global consumer internet group and one of the larger technology investors in the world

Our purpose

Improving everyday life for billions of people through technology.

What we do

We build leading companies that empower people and enrich communities.

We bring food and more to people's doors...

and more customers to restaurants' kitchens

We put the power to make fast, secure payments in people's hands...

and give them credit options too, often for the first time

We enable people and businesses to buy and sell things quickly, conveniently and safely...

and boost the circular economy by giving items multiple lives

We open up a world of learning...

helping millions of people learn where, when and how they want

As a group, we build useful products for more than two billion customers and help their communities thrive. We empower our teams to develop their skills and build meaningful careers. We create long-term value for our shareholders and our many other stakeholders.

How we do it

Our values underpin our culture.

We build
At heart, we're entrepreneurs. We build leading companies that empower people and enrich communities, improving the daily lives of billions of people. We back local entrepreneurs and teams and we operate and invest in businesses in many of the most exciting markets in the world. Our focus on long-term value creation means that our group is a great place for people to build their careers. We work hard to connect, learn and grow to be the best we can be.

We deliver
We push for excellence in everything we do. We move fast, adapting quickly to seize opportunities. We agree on clear and ambitious goals and regularly discuss how to beat them. Our reward is hardwired to performance, and depends not just on what we deliver, but also on how we deliver it. Pushing for excellence is good for growth – growth in our business, growth in our skills, experience and career, and growth for our many stakeholders. It keeps us moving forward.

We're responsible
We matter to the customers and communities that we serve. We strive to maximise our positive impact on society and the planet. Wherever we operate, we hold ourselves to the highest standards, which we set out in our code of business ethics and conduct. We're all responsible for the impact we deliver.

We value each other
We believe diversity in our teams and in our thinking delivers better outcomes for all. We work hard to build a culture where everyone's welcome and encouraged to contribute. We create supportive and flexible environments so we can perform at our best. Our views and ideas are considered, and our professional growth is supported. We're empowered to make decisions about our work because we're trusted to do a great job.

Group overview

We are a global consumer internet group operating across a variety of platforms and geographies; and are also one of the larger technology investors in the world.

Our group includes some of the best-loved, local consumer internet companies in around 100 countries around the world, spanning the Americas to Asia, Europe to South Africa.

We pursue growth by building leading companies that empower people and enrich communities, across our four core segments of Classifieds, Food Delivery, Payments and Fintech, and Edtech – plus other online businesses including Etail. From Food Delivery to Classifieds, we invest in and build online platforms where small and medium-sized businesses can reach their customers online, often for the first time.

In addition, our Ventures team continually searches for new waves of growth for the group, backing entrepreneurs who are finding new ways to improve lives through technology. We are also a long-term investor in Tencent, one of the world's leading social and internet companies.

We think global and act local

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, Central and Eastern Europe, North America, Latin America, Southeast Asia, Africa and the Middle East. We have developed strong brands in these markets. We 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, labour laws, data protection and security regulations, online content and platform regulations, intellectual property (IP) 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.

During FY22, we had exposure to Russia through our minority interest in VK and our subsidiary Avito. We announced on 20 May 2022 our decision to exit the Russian 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 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.

Concentrating on customers, on thinking about their lives and how best to meet their needs, is a central part of what we do – our purpose to improve everyday lives of billions of people through technology. Across our portfolio, we are building ecosystems with multiple customer touchpoints to improve our customers' experience and retain their loyalty. We align technology and data with key customer needs such as convenience, ease of use, reliability and safety. As with many other key aspects of our business, this is a long-term game. It takes ongoing investment to build the end-to-end capabilities that enable closer, stronger relationships with customers across the ecosystems of our core segments. But in turn, it delivers long-term gain – not least, customer loyalty and more lasting value creation.

The leaders of our businesses are compensated directly on the performance of their divisions, 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 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 prominent internet businesses such as in one of our largest markets, China, through our investment in Tencent.

Currently, the adoption curve for our consumer internet businesses is generally lower in the growth markets (when compared to mature markets). This creates an opportunity for us. 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.

Growth opportunities

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 increase in demand for our products and services will be driven by several underlying trends, including growth in the following: gross domestic product (GDP); the population growth in the younger demographics and 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.

Segment overview

We focus on high-growth markets and business models that we know well.

Classifieds

Our brand OLX, including 15 other brands, are successful players in more than 20 core markets and make it easy to connect people to buy, sell or exchange used goods and services.

Read more on page 55

Revenue[1,2]	Trading profit[1,2]	Employees[2]
US$3.0bn	US$25m	11 375
up 86% (93%)	up >100% (down 59%	

OLX	99.00%
Avito	99.00%
OfferUp	39.04%
EMPG	39.85%

Food Delivery

Our portfolio of food delivery businesses includes iFood, Delivery Hero and Swiggy, allowing customers to place orders for their favourite food both online and via apps to be conveniently delivered wherever they are.

Read more on page 59

Revenue[1]	Trading loss[1]	Employees
US$3.0bn	US$724m	5 468
up 100% (77%)	down >100% (84%)	

iFood	62.54%
Delivery Hero	27.28%
Swiggy	32.72%

Payments and Fintech

PayU is one of the largest online payment services platforms in the world 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.

Read more on page 62

Revenue[1]	Trading loss[1]	Employees
US$796m	US$60m	3 246
up 38% (45%)	down 12% (13%)	

PayU	100%
Iyzico	91.13%
ZOOZ	100%
Remitly	22.75%
PaySense	82.60%
rdp	74.09%
wibmo	100%

Edtech

We reach 90% of the Fortune 100 companies across our corporate learning companies, including Stack Overflow, Skillsoft, GoodHabitz, Udemy and Codecademy. In addition, we have built a strong presence in K–12 (kindergarten to grade 12), with brands including Brainly and BYJU'S.

Read more on page 66

Revenue[1]	Trading loss[1]	Employees
US$425m	US$117m	663
up >100% (55%)	down >100% (>100%)	

Skillsoft	37.55%
BYJU'S	9.81%
Stack Overflow	100%
Udemy	12.27%
GoodHabitz	62.30%
SimilarWeb	14.93%
Eruditus	13.18%
SoloLearn	18.46%
Brainly	42.13%

Etail

eMAG is an ecommerce leader in Central and Eastern Europe.

Read more on page 69

Revenue[1]	Trading loss[1]	Employees
US$2.3bn	US$34m	8 230
up 0% (3%)	down >100% (>100%)	

eMAG	79.57%

Other Ecommerce

Included is our Ventures arm which partners with entrepreneurs to build prominent technology companies, with the ambition to fuel the next wave of growth for the group.

Read more on page 72

Revenue[1]	Trading loss[1]	Employees
US$378m	US$200m	1 244
up 86% (>100%)	down <100% (<100%)	

honor	13.71%
movile	94.03%
meesho	13.83%
elasticrun	22.63%

Social and Internet Platforms

Prosus also holds an investment in Tencent, China's largest and most-used internet services platform.

Read more on page 77

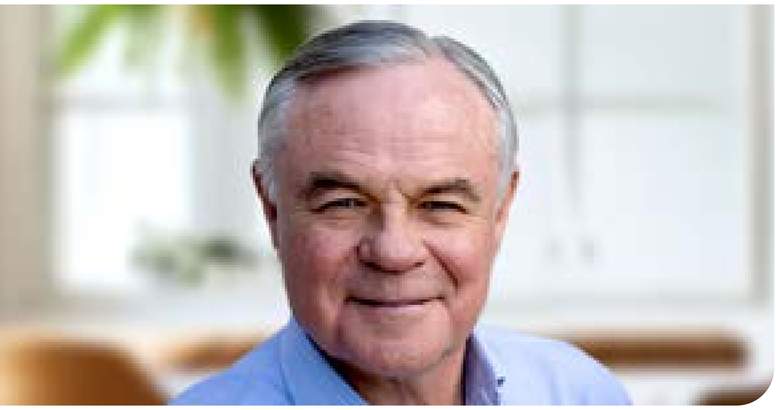
Revenue[1]	Trading profit[1]
US$25.8bn	US$6.3bn
up 15% (16%)	up 3% (4%)

Tencent	28.81%

1 Presented on an economic-interest basis.
2 Includes Avito.

Chair's review

In a world of change and challenge, we want to improve the everyday lives of billions of people through technology. We also hope to create long-term value for our stakeholders.



Koos Bekker
Chair

Creating value in a world of change

Two years after the start of the Covid-19 pandemic, the world looks different.

Digitisation has advanced further, and a larger part of our lives is lived online. Technological advances are accelerating this transition.

As a consumer internet group and one of the larger technology investors in the world, we are helping to bring the benefits of a digital world to our customers. This happens particularly in our core segments of Classifieds, Food Delivery, Payments and Fintech, and Edtech, where we hope to build useful ecosystems.

At the same time, uncertainty abounds: rising inflation and supply chain disruptions; pressures on natural resources; mounting geopolitical tensions; and conflicts like the war in Ukraine.

Focusing on sustainability

We aspire to be a sustainable business. One that invests in tech-led ventures in many countries, building them into successful enterprises that contribute to local job creation and prosperity. Sometimes these services create more environmentally friendly alternatives to traditional bricks-and-mortar solutions. They can be socially transformative, too.

During FY22, we built on the materiality assessment carried out last year to sharpen our focus. We identified 11 issues as most material: financial performance; business culture, ethics and integrity; responsible investing; data privacy; human capital; cyber-resilience; innovation; community investment; digital inclusion; climate action; and artificial intelligence. We will implement improvement programmes, measure performance and communicate our progress.

Doing the right things in the right way

Our values are reflected in the updated code of business ethics and conduct. Also, see the Governance section on page 92.

At an extraordinary shareholders' meeting in July 2021, shareholders approved a share exchange offer through which Naspers shareholders could tender their shares for Prosus shares. We appreciate the support received from shareholders.

Our annual general meeting on 24 August 2021 was again held virtually as a result of measures related to the Covid-19 pandemic. The annual general meeting approved, among others, the appointment of Angelien Kemna, a financially experienced business leader. Her understanding of the investment industry and corporate governance practices strengthens our board.

We are nominating Sharmistha (Shar) Dubey as a new independent non-executive director. Shar brings in-depth knowledge of information technology and digital service businesses. Her competencies will be of great value to our board. Emilie Choi stepped down from the board with effect from 26 August 2021. Ben van der Ross retired from the board on 1 April 2022, having served the group in varied and valued capacities for more than 23 years. We thank them both for their extensive contributions.

Dividend

The board recommends that shareholders receive a gross payment in the form of a capital repayment, of 14 euro cents per listed ordinary share N. Holders of ordinary shares B will receive 0.000014 euro cents per share. Holders of ordinary shares A1 will receive an amount per share equal to the outcome of the formula set forth in article 30.4 of the articles of association. Furthermore, the board recommends that those holders of N ordinary shares as at 2 September 2022 (the Dividend Record Date) who do not wish to receive a capital repayment, can choose to receive a dividend instead. A choice for one option implies an opt-out from the other.

If confirmed by shareholders at our annual general meeting on 24 August 2022, elections to receive a dividend instead of a capital repayment will need to be made by holders of N ordinary shares by 19 September 2022.

Capital repayments and dividends will be payable to shareholders recorded in our books on the Dividend Record Date and paid on 27 September 2022. 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. However, if holders of ordinary shares N instead elect to receive a dividend from retained earnings, dividends will be subject to the Dutch dividend tax rate of 15%.

Chair's review continued

Dividends payable to holders of ordinary shares N who elect to receive a dividend and who hold their listed N ordinary share through the listing of the company on the JSE will, in addition to the Dutch dividend withholding tax, be subject to South African dividend tax at a rate of up to 20%. The amount of additional South African dividend tax will be calculated by deducting from the 20% such tax otherwise due, a rebate equal to the Dutch dividends tax paid in respect of the dividend (without 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% dividend tax.

At 25 June 2022, the issued ordinary share capital was 2 003 817 745 ordinary shares N, 4 456 650 ordinary shares A1, and 1 128 507 756 ordinary shares B. Distributions to Naspers are regulated by the cross-holding agreement between Naspers and Prosus. In turn, Prosus waives its right to distributions by Naspers that originate from Prosus, on the Naspers shares that Prosus holds.

Looking ahead

In the financial year ahead, we will no doubt face challenges. We will navigate these as best we can. Hopefully, new opportunities will also open up.

On behalf of the board, I thank all contributors. We look forward to continued growth and success as a global consumer internet company dedicated to improving people's lives around the world.

Koos Bekker
Chair

25 June 2022

'We have a history of rapidly adapting to change. Also some resilience. These qualities will be required again.'

Chief executive's review

Prosus is at the heart of exciting change in the world – change that is driven by the power of technology.

Bob van Dijk
Chief executive

Using technology to improve everyday life for billions of people creates sustainable value for the customers and communities we serve, our group, and our many stakeholders. This is something we have dedicated ourselves to in recent years, and we are building companies that today serve more than 2 billion customers. We believe there is much more to come.

Improving everyday life

Our approach is rooted in our multi-generation track record of innovation, adaptation, and reinvention. We understand the opportunity and importance of solving everyday problems for customers, and that local entrepreneurs are often best placed to do this. That's why we continually search for and back innovative and ambitious local entrepreneurs. We believe in nurturing and supporting the companies we invest in, because in our experience this is the best way to build sustainable businesses that stand the test of time. It is this long-term approach, together with access to our operating experience and global scale, that entrepreneurs find attractive – offering more than funding is important in today's fast-moving and competitive world.

We typically progressively grow our capital commitments as we learn and scale, which ensures a disciplined approach to capital allocation, intrinsically linked to future returns.

Progress this year

Despite the turbulence in the past 12 months, we have made good progress on strategy to build valuable businesses across the group.

By aligning technology and data with key customer needs, we are able to increase convenience, frequency of use, reliability and safety. This is a long-term game. It takes ongoing investment to build the end-to-end capabilities that enable closer and stronger relationships with customers across the ecosystems of our core segments. We believe that our patience will pay off, and we are encouraged by the accelerated growth we are delivering through our investments.

To help fuel our growth ambitions, in April 2021, we sold 6.48% of our shareholding in Tencent (being 2% of the issued share capital), improving our financial flexibility and reinforcing our balance sheet. The sale generated proceeds of US$14.6bn and reduced our holding to 28.9%. We have been investors in Tencent for over 20 years, with the only prior disposal being 2% in 2018.

Performance

We detail our performance on pages 51 to 78.

In summary, group revenue grew 24% to US$35.6bn (on an economic-interest basis). Group trading profit reduced by 10% (6%) to US$5bn on an economic-interest basis, reflecting investment to expand the market opportunity for each segment. We have achieved scale in several markets, and this brings potential to grow further, faster.

Classifieds emerged from the pandemic stronger, with healthy growth at its core. We are amplifying that by playing a larger role in customer transactions. For example, OLX Autos is merging online and offline car-buying and financing with the ambition to build the most trusted one-stop shop for transacting in cars.

Food Delivery's performance remained strong. The scale achieved over the past two years has expanded the opportunity beyond delivering food from restaurants to include convenience and grocery delivery. We participated in further funding rounds in Swiggy and iFood, stepped up our investment in Delivery Hero, and invested in Flink and Oda, two young, growing European e-grocery (online grocery orders) businesses.

In Payments and Fintech, we recently announced our intended acquisition of BillDesk in India. Subject to regulatory approval, the integration of BillDesk and PayU will substantially increase our scale in India, one of the fastest-growing consumer internet markets, and create a top-10 online payments company globally by total payment volume. The combined business would create a platform to expand our digital banking capabilities.

Edtech, our newest segment, grew well. The portfolio expanded with the acquisition of a minority stake in Skillsoft and its simultaneous listing, and the acquisitions of Stack Overflow and GoodHabitz. Our Edtech investments currently reach more than 500 million users and we see great potential ahead. We have established a solid foothold in a sector being transformed by digital.

Etail delivered a robust performance. In Central and Eastern Europe, eMAG is building its presence, developing an ecosystem that includes offering repair services for products and food delivery.

Our Ventures arm had a strong year, investing more capital than before and cultivating a healthy pipeline of prospects for the coming year. Ventures is our engine for growing into new segments and markets. This year, our Edtech segment graduated from Ventures, and before that, so did our Food Delivery segment.

Chief executive's review continued

We remain committed to creating sustainable value by implementing strategies that improve material efficiency, driving a systemic transition to a circular economy and low-carbon growth.

Though the nature of material environmental impacts, and how to define them, varies between our businesses, we have established a groupwide climate transition plan. As an important first step, our group companies achieved carbon-neutrality this year, and developed a thorough practice of carbon measurement and reporting, which is an important step to defining their net-zero pathway.

We are committed to setting groupwide, multiyear greenhouse gas emissions reduction targets that will drive our climate transition plan.

Responding to the crisis in Ukraine

The appalling war in Ukraine is first and foremost a human tragedy. Ahead of the invasion, our OLX business prepared for a worsening situation, setting up accommodation for our teams and their families in the west of the country, advancing wages, and putting in place regular contact with everyone. When the invasion came, we offered relocation to safer areas in the country and also outside of Ukraine. Some employees and their families were relocated. The war has brought the OLX business in Ukraine to a standstill.

We hold a minority, non-controlling stake in VK, a social and internet platform in Russia. Following international sanctions placed on the CEO and indirect shareholders of VK Group, we asked our own directors on the VK board to resign their positions. VK shares on the London Stock Exchange have ceased trading and we have written down the full carrying value of the VK asset.

Our OLX Group also ceased all involvement in Avito, its Russian operation. Shortly thereafter, work began to decouple Avito from OLX Group, which now operates independently within an overall governance framework that applies to all our subsidiaries and is an independent Russian entity run by a local management team and governed by its own board of directors.

Following completion of this operational separation, Prosus has now decided to exit the Russian business. We have started the search for an appropriate buyer for our shares in Avito.

In addition to the support already in place for our employees and customers, we are contributing US$10m to assist humanitarian aid efforts in Ukraine. Our Ukrainian and Polish employees are involved in the selection of suitable registered and established charities to receive this support. At the onset of the war, we also made a US$350 000 donation to the International Committee of the Red Cross.

'Our businesses delivered solid growth. Our progress is reflected in our Ecommerce portfolio and, to capture the significant opportunity ahead, we stepped up investments in our asset-light, low-carbon segments. We continue to build innovative products that make a difference in people's lives.'

Looking forward

We always remember that we are here to create value. We aim to increase value over the coming years on the back of the fast-growing businesses we are building. We have big ambitions and are clear on what we need to do to achieve them.

The board continues to work hard at executing measures that will reduce the consolidated discount to NAV and to grow the NAV per share of the group through actions like the share exchange in August 2021 and the repurchase of US$10bn in shares over the past two years. With the significant volatility currently affecting the global capital markets, there are many factors that have led to an increase in the discount. Some of these factors are within the control of the group while others are not.

We acknowledge that the discount has risen to an unacceptable level and that taking action to reduce it while still executing the group's strategy, should be a top priority. To that end, we are committed to taking action on controllable uses across three areas of focus. Firstly, we will explore ways to further improve the structure of the group by leveraging the benefits of the Prosus listing and subsequent share exchange. Secondly, we will identify options for value crystallisation in our Ecommerce portfolio to better evidence, in a systematic and repeatable way, the significant value that has been created through our investments and operations over a sustained period of time. Thirdly, we will endeavour to drive increased understanding of our strategy through greater transparency and disclosure. We believe that these three steps are the right approach and will generate tremendous value for our shareholders over a sustained period of time. We remain committed and incentivised to continue on this journey for the long-term value creation of the group.

Given the potential we have identified, we are investing to keep growing and to expand our reach and impact. We will continue to invest in our platforms and ecosystems, particularly in autos transactions, credit and digital banking, as well as food and grocery delivery. At the same time, we are driving profitability and cash generation in more mature businesses. And through our Ventures arm, we continue to focus on the next wave of business models – potential segments of the future.

Bob van Dijk
Chief executive

25 June 2022

The world around us

We believe that technology has the power to transform how people live their lives in every corner of the world, creating significant value for all.

We have identified the key trends relevant to our business across the macro environment, technology and society, and investor landscape. Despite the risks and uncertainties of recent times, we believe these key trends are broadly favourable for our business. Their implications have been distilled into three strategic priorities for the group (covered in 'Our strategy' on the following pages).

Macro environment

We see a world recovering from Covid-19 that must now face new and rising risks, not least from Russia's invasion of Ukraine. The outlook is uncertain, and the implications of the war across the world are likely to be uneven.

China and India look to be particularly strong prospects for the long term and, as the world's two largest internet audiences, are both markets in which we have good exposure.

A fast, but fragile, V-shaped economic recovery, with new risks and uncertainties

The Covid-19 pandemic profoundly disrupted the world and everyone's lives. Its impacts continue to loom large, albeit in a world where innovative life-changing tech in the form of rapid vaccine development has created a way forward. As the vaccines rolled out, economies restarted and the recovery was fast, but uneven.

Inequality in the world has worsened since the pandemic. From 1990 until 2020, there was a consistent and fairly rapid decline in extreme poverty, but with Covid-19, this trend reversed. Increasing poverty combined with rising business prosperity points to greater inequality in the world – undermining social cohesion, happiness and stability.

The key characteristics throughout much of FY22 were a recovery in consumer confidence and spending, the continued availability of low-cost debt capital and strong corporate performance.

However, in the final quarter of FY22, we entered a new phase of uncertainty marked by rapidly increasing inflation, rising interest rates, tightening credit, continued supply-chain problems, tempered growth projections and the shortage of tech talent.

Russia's invasion of Ukraine has caused an additional shock to the global economic system – driving inflation even higher, prompting commercial loss for businesses in the region and disrupting financial flows. The human toll and social impact of mass migration of Ukrainians across Europe are also significant.

Unsurprisingly, we have also seen a significant market correction, with a sharp decline in the prices of public equities around the world. The decline has been particularly pronounced in the technology sector, and our core segments have all been affected.

Our world is changing rapidly and we have a role to play

7+ billion people and increasing
Our footprint is in high-growth markets.

Global developments
Climate change and rising inequalities are shared global challenges that demand action from all sections of society.

Increased pressure on natural resources
High-growth markets have the largest vulnerable populations and resource disparities.

Future of business
Growth and profit are not enough – ever-increasing public scrutiny for corporates to demonstrate value beyond financials.

Rapid digitisation
As a digital technology investor and operator we have both opportunity and a responsibility.

Changes in capital markets
Investors are demanding and integrating environmental and social data into investment decisions. ESG-based investing is no longer an exception but the norm.

The world around us continued

Diverging prospects across countries – China and India remain strong

Post-pandemic prospects differ markedly between countries across the globe. While China continues to grapple with the effects of the pandemic, long-term China is becoming increasingly dominant on the world stage. This is set to continue, with China increasingly dominant on the world stage. While in 2000, the US was the most important trading partner for the vast majority of the world, by 2020 it was replaced by China.

In terms of tech and innovation, the centre of gravity has shifted, too. India and China now have five times the number of smartphone users as the US. In addition, the volume of venture funding in the rest of the world now exceeds the US, with India playing a big part in this switch. India is rapidly becoming the third-largest country in the world for large tech start-ups. In 2021 alone, India saw the birth of more than 20 unicorns (start-up companies rapidly reaching a valuation of US$1bn).

Tech and society

The pandemic has changed people's lives forever – accelerating the use of tech and the growth in tech titans, and in turn leading to a countertrend of anti-tech sentiment and rising regulation. As a responsible tech operator and investor, we are well positioned to navigate our changing world – contributing to it and creating value for our stakeholders.

Pandemic patterns persist: We are changed forever

Covid-19 has had a lasting impact on people. People have redefined how they work, interact, shop and play, moving much of this everyday activity online. Throughout the pandemic, ecommerce sales rose swiftly and digital communication took over. At the same time, with mounting evidence of the climate crisis, sustainability became a bigger concern. As well as moving online, people are also going green and they increasingly expect companies to play their part.

The rise of a tech-enabled world

Technology is at the heart of this transformation and, with it, the tech titans, which surged in value throughout the pandemic. While recent macroeconomic effects have suppressed the rise in tech stock market valuations, the changes that we've seen are foundational and are expected to outlast the pandemic. The way we live our lives, the way companies operate and market their products – people and businesses have become more reliant on technology. Even amid one of the most punishing economic downturns on record, spending surged on computers, video games, online retail, cloud-computing services and digital advertising.

A worldwide crackdown on big-tech

While the technology sector has significant further growth potential, there are challenges. The world's view on the tech sector is increasingly critical, political and, in some cases, hostile. Correspondingly, regulation around this is on the increase. This is not unexpected, as historically all new sectors have typically seen increased oversight as they grow. Sweeping technological advancements pose significant challenges for regulators who strive to maintain a balance between fostering innovation, protecting consumers, and addressing the unintended consequences of digital disruption at scale. Regulators must balance their responsibility to protect citizens with encouraging innovation in new technologies and businesses. Inherent is the risk of overregulation.

Investor landscape

Tech investment activity and valuations hit all-time highs in 2021 and significant global capital was placed extremely quickly on a broad range of investments. While we have seen a drop-off from this level at the end of FY22, we believe that our long-held focus remains true. We are confident that disciplined investment in exceptional entrepreneurs with outstanding tech-led businesses stands us in good stead to create long-term value.

A new high for tech investing

Supported by Covid-19 tailwinds, global venture capital funding hit an all-time high in 2021. According to PitchBook, global venture investment was on track to reach US$580bn by the end of the year – nearly 50% more than was invested in 2020, and about 20 times that in 2002.

Moreover, tech investing has taken a rapid swing towards later-stage funding. Fewer early-stage deals are happening, while the share of growth deals (larger than US$30m) is accelerating. US$100m deals now represent over half of all venture capital investments in the US. The type of tech investor has also changed dramatically, with hybrid private equity/venture capital investors being the most active in FY22.

We intend to remain disciplined technology investors, creating sustainable value in our own distinctive way.

Responding to the trends

In the past two years, powerful macro, geopolitical, technology, regulatory and investor forces have shaped the world and created a broadly positive environment for businesses such as ours that are focused on improving lives through technology. However, towards the end of FY22, the world shifted to a new era of broad-based inflation, rising interest rates, falling asset prices, and the shocks from the war in Ukraine.

Despite the challenges, we remain well positioned to capitalise on opportunities that arise in this time of dislocation. We are thoughtful, focused, and have an 'operator's edge' in assessing and optimising investments. Our global network is strong and our differentiation as patient, company-building capital is distinctive. We have several well-established businesses in our portfolio and also several assets that can deliver meaningful capital as we need it.

Now, as ever, we are determined to create increased sustainable value for our shareholders and stakeholders. To this end, and given the trends outlined here, we have set three key strategic priorities for the group (refer to page 13).

Our strategy

Our strategy for building long-term value continues to be relevant and differentiated.

Our core strategy

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 companies with a strong market presence.

Active, focused, long term, disciplined

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 money. We are focused. We invest where we can make a difference, based on deep industry insights in areas that we know. We think long term. 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 – acting like owners and doing the right thing for the long term, for all our stakeholders.

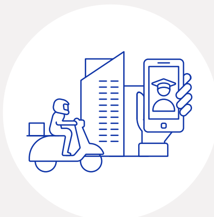
How we add value through our strategy

We pursue growth by building leading companies that empower people and enrich communities.

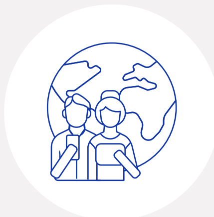
Our focus areas

Build global technology leaders to...

...address big societal needs...



...in high-growth markets...



...where we can build sustainable leading positions.

We do this through a rigorous process: test, invest, scale

Our operating model

Global outlook | **Local entrepreneurs**

Investor | **Operator**

Our core and sustainable approach

Active	**Focused**	**Long-term focus**	**Disciplined**	**Responsible**
Bring more than money	Invest in a targeted way	Build sustainable businesses	Play to win, progressively	Do the right thing

Read more about how we operate responsibly on pages 17 to 19

- We are building four core segments:
  - Classifieds
  - Food Delivery
  - Payments and Fintech, and
  - Edtech
- In FY22, the bulk of our investment has gone into these core segments.
- In Etail, we will continue to build strong local ecommerce ecosystems with eMAG.
- We will continue to explore new opportunities through Ventures and potential new segments over time.
- We will strive for returns well above our cost of capital.
- We are both an operator and active investor.

Our strategy continued

Global and local; investor and operator

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 operate and invest as we seek to create the greatest long-term value. As an investor, we take a disciplined and systematic approach to capital allocation and we have a responsible, long-term approach to operating. Our aim is to help, support and encourage entrepreneurs and businesses.

Our three strategic priorities

Building on our core strategy and the implications of key trends in the world around us, we have set three strategic priorities for the group:

1. Drive organic growth in our core businesses.
2. Expand local ecosystems.
3. Be a force for good for our stakeholders.

Priority 1: Drive organic growth in our core businesses

We see tremendous opportunity in technology globally. At the same time, we know that certain markets will thrive more than others.

Backing winning segments

We will continue to focus on our core segments and drive organic growth in these. While tech has done well across the board, we have invested in some of the biggest and best-performing segments and we believe there is plenty of room for more growth in these sectors.

Targeting high-growth markets around the world

We will also continue to focus on high-growth markets.

While regulatory change has recently curbed investor enthusiasm in China, we believe China remains one of the most attractive internet markets in the world, and Tencent is well positioned here. We also believe that regulation is ultimately healthy for any industry or market – in time, businesses will adjust and investor appetite will return.

India is a top priority, and we are strengthening our teams and investments there. Our proposed acquisition of BillDesk would be our biggest deal to date, taking us to the next level in Payments and Fintech. We have also stepped up investment in Meesho, which is focused on social commerce, and in healthtech platform PharmEasy. We will focus on backing local entrepreneurs to make sure we align well with India's domestic priorities.

We want to invest more in Southeast Asia. We see opportunity there – growth is strong and smartphone adoption is rising rapidly. We have made several smaller investments and have a good pipeline ahead.

In Brazil, we see strong opportunity for iFood. Again, we are focused on organic growth, particularly in fintech and convenience retail, which we believe will strengthen iFood's ecosystem and deliver substantial incremental value.

We will continue to monitor Western markets for opportunities and be selective in our approach, prioritising the biggest opportunities.

Priority 2: Expand local ecosystems

Within our segments, our businesses are building ecosystems with a strong local presence.

As an example, in Classifieds, our OLX Autos business now offers a full end-to-end sales process, building beyond what used to be merely facilitating car transactions. In FY22, OLX Autos scaled volumes across key markets, and increased revenue by 158% (173%). Our plan is to grow OLX Autos in size and to build ecosystems, providing our customers with large offline components and significant financing and insurance activities.

Similarly, our Food Delivery businesses are building on their sizeable delivery operations to extend into adjacent delivery verticals, such as convenience and grocery. These moves create more value for customers and more value for our businesses. Expanding into convenience and grocery is key – bringing a major offline component into the businesses, providing a much broader set of products for customers.

We are also expanding our Payments and Fintech platform in India to create a broader ecosystem. We launched a credit-led digital-banking offering in India and aim to scale it.

We are also building valuable local ecosystems around local market heroes, such as eMAG in Central and Eastern Europe. eMAG is growing food delivery rapidly and challenging incumbents, building Romania's largest last-mile delivery platform and expanding into grocery.

Priority 3: Be a force for good for our stakeholders

Expectations of companies are growing. Shareholders, regulators and many other stakeholders are increasingly interested in how seriously we take our responsibilities as a global technology group: how well we look after our people and our customers; the kind of role we play in society; and of course, the impact of our businesses on the planet.

We have a strong heritage of acting responsibly as a group. But much of this good work has been implicit – a natural, unspoken consequence of fundamentals such as being disciplined about long-term value creation, backing entrepreneurs who share our values, and focusing on improving people's everyday lives through technology. We believe it has now become essential that we do business with the stated goal of being a positive force for the world around us. We will, therefore, ensure we are all clear on our role in the world, and on the expectations we have of each other.

To this end, we are increasing our focus on sustainable investment themes, such as agtech (agriculture technology) and healthtech, which are both on the radar of our Ventures arm.

We have also formalised and articulated our approach to responsible investing. You can find out more on pages 17 to 19.

We are all united by our shared purpose – to improve everyday life for billions of people through technology – and our shared values.

How we create value

We are driven by our purpose

To improve everyday lives for billions of people through technology

We prioritise our approach based on the material matters for our stakeholders

- Financial performance
- Responsible investments
- People
- Digital inclusion
- Innovation
- AI
- Cyber-resilience
- Data privacy
- Business culture, ethics and integrity
- Community investment
- Climate action

The resources we need

Financial
Financial funds and assets used to invest and develop our operations.

Human
Skills owned by our employees.

Manufactured
All investments in facilities and technologies across the group.

Intellectual
Ideas, source code, domains, know-how and knowledge we create, own and protect.

Social
Trust we build in the communities where we operate.

Natural
We use natural resources in every aspect of our business and operations, including both downstream and upstream in our value chain.

How we add value through our strategy

We pursue growth by building leading companies that empower people and enrich communities.

Our focus areas


Build global technology leaders to...


...address big societal needs...


...in high-growth markets...


...where we can build sustainable leadership positions.

We do this through a rigorous process: test, invest, scale

Our operating model

Global outlook ⇄ **Local entrepreneurs**

Investor ⇄ **Operator**

Our core and sustainable approach

Active	**Focused**	**Long-term focus**	**Disciplined**	**Responsible**
Bring more than just money	Invest in a targeted way	Build sustainable businesses	Play to win, progressively	Do the right thing

Read more about how we operate responsibly on pages 17 to 19

The value we create

Financial
We deliver long-term shareholder value through disciplined capital allocation and robust financial performance.

Human
We create workplaces with a fair and inclusive culture. Development opportunities.

Manufactured
We provide innovative platforms and services to customers globally.

Intellectual
Through our intellectual property, we drive change and innovation within the industry.

Social
We treat our partners fairly and drive high social value in our operations.

Natural
We seek to protect natural resources through our operations and the low-carbon, asset-light business models.

How we measure the value we create

- Achieve revenue target (on an economic-interest basis and excluding M&A).
- Achieve core headline earnings at target, including Tencent.
- Achieve core headline earnings at target, excluding Tencent.
- Achieve free cash outflow at target.
- Meaningful IRR ahead of cost of capital.

- Increase focus on diversity and inclusion throughout the group, measured through employee engagement survey.
- Extend access to digital products and services, promote digital literacy and support information technology infrastructure.

- Continue to build our AI capabilities by increasing the number of ML (machine learning) modules in production.
- Apply strict discipline to capital allocation, and act with integrity to promote ethical business principles.

- Throughout the investment life cycle, we strive to ensure that the scientific and technical standards informing design and research in AI products and services are sound, robust and of high quality. We assess this on an ongoing basis.

- Number of people impacted within the Naspers Inclusive Development Framework.
- Number of beneficiaries supported through community investment programmes.
- Targets to cascade human rights statement across subsidiaries.

- Increase ESG performance and implement a climate transition plan.

The value we created this year

Investing behind Ecommerce growth

US$6.3bn

- US$6.3bn invested to further accelerate growth: Food Delivery, Edtech, Payments and Fintech, and Classifieds.

Share repurchase programme of Prosus ordinary shares N

US$5bn

- Capital structure change, completing the voluntary share exchange offer.

Strong revenue[1] growth with profitability at the core of each business

US$35.6bn

- +50% Ecommerce revenue growth.
- 17% increase in trading profit from profitable businesses.
- Continued focus on growing both NAV and NAV per share over the long term.

Committing to being

carbon-neutral

- We are committed to setting groupwide, multiyear greenhouse gas emissions reduction targets that will drive our climate transition plan.

New Edtech segment gathers momentum with revenue[1] of

US$425m

- Edtech grew revenue by 270% (55%).
- We made several investments and acquisitions leading to trading losses increasing to US$117m from US$14m.

Prosus FLIGHT supports

750

women and girls to acquire skills to participate in India's digital economy

- Prosus FLIGHT aims to create a network of female graduates who can become role models for other young women.
- Human rights statement cascaded to all our group companies.

Significant progress on

sustainability initiatives

- Highest scoring newcomer award, Transparency Benchmark for sustainability reporting 2021.
- Continued integration of sustainability initiatives into our strategy.

We achieved a score of

88%

favourable responses to our diversity and inclusion question

- Employee feedback is a great indicator of the impact and progress we are making in the workplace.

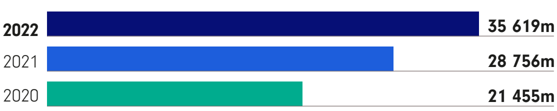
Number of AI models in production year on year:

+124%

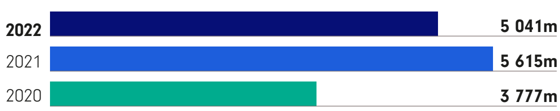
- We develop or adopt tools and practices designed to check the quality and representativeness of data and to detect bias in decisions based on the models.

Strong financial performance

Revenue[1]



Trading profit[1]



1 Presented on an economic-interest basis.

Sustainability review

Our approach

We create sustainable value by investing in companies that improve everyday life for billions of people through technology. By creating supportive environments for visionary tech entrepreneurs in some of the world's most exciting markets, we believe our businesses can deliver significant positive impact on society and the planet.

Our portfolio of businesses enables a wider systemic transition to the circular economy, more financial inclusion, and improved access to better livelihoods and education. We are building a portfolio of asset-light, low-carbon business models that enable us to combine our global reach with specialist and local expertise.

We actively engage in the environmental, social and governance (ESG) performance of our portfolio companies. We continue to explore investment opportunities aligned with our core purpose of improving everyday life for billions of people through technology.

Technological advances make it possible to deliver digital products and services that contribute meaningfully to the economic and social development of local communities. Sustainable development is contingent on economic growth, but we recognise that growth and profit are not enough. By integrating ESG criteria into our decision-making, our commitment to creating sustainable value extends across our portfolio, from our own operations to our investees.

Our locally owned and built businesses are not only driving innovation in key areas of life – from finance to education – but are creating jobs and helping to transform social and economic inequalities. We provide financial and non-financial support to our investees, and we help them address their barriers to scale and growth. Software-led business models can better reduce environmental impact and extend access compared to old-school economy sectors. Digital financial services, for example, support a wider reach to people underserved by bricks-and-mortar infrastructure.

We support the United Nations Sustainable Development Goals (UN SDGs) and, like many other businesses, have identified which of the goals closely aligned with our business. We identify this alignment and our activities in support of the SDGs in this report and on our website.

United Nations SDGs

Three pillars of responsible investment

1. Embed ESG in investment due diligence

2. Enhance ESG performance of portfolio companies

3. Increase investments in inclusive and sustainable businesses

Mitigate value impairment → **Drive value creation**

As an investor in pioneering technologies, we seek out and partner with local entrepreneurs to create global leaders. Activity at group level is closely focused on delivery, growth and performance. We embed ethics and responsibility in the application of fast-moving technologies, such as AI and ML.

Three pillars of responsible investment

Our portfolio is focused principally on consumer internet services in sectors that address societal needs: classifieds, food delivery, payments and fintech, education technology (edtech) and etail. We also have significant interests in other listed internet assets. We apply strict discipline to capital allocation, and act with integrity to promote ethical business principles across our group of companies.

This year, we are articulating our approach to responsible investing for our stakeholders. Responsible investment for us is founded on three pillars. Firstly, prior to any investment, we screen for ESG factors and trigger enhanced due diligence during the investment process, if required. Secondly, we manage for performance: our investees share our entrepreneurial instincts and are motivated by a commitment to delivery. Thirdly, we are committed to increasing our exposure to sustainability-driven business models across the portfolio.

Pillar 1: ESG in investment due diligence

ESG integration is embedded in our investment philosophy, as we proactively exclude opportunities in a set of predefined controversial sectors.

Before investing, we screen prospective investees according to their potential to achieve significant scale, high stakeholder impact and sustainable value at an efficient cost of capital. Across our portfolio, we impose limits on direct or indirect exposure to any activities and sectors that we define as controversial and have limited appetite for. We apply a pragmatic approach to defining factors that would trigger enhanced due diligence when necessary. These include the size of the equity stake that would define the level of control we would exert.

Our approach continued

Acquiring a controlling interest in a company implies a higher level of accountability and influence with a consequent cascading of our business values and our ESG principles. In this scenario, our investment team not only looks at financial indicators but also factors in non-financial considerations in our company evaluation, such as their data privacy, security controls and environmental impact.

Pillar 2: Enhance ESG performance of portfolio companies
The social and environmental impact of our businesses is central to our understanding of sustainable value. While the nature of material environmental impacts, and how to define them, may vary between companies, we apply consistent ESG principles across material topics and systemically cascade them to our subsidiaries, to drive performance. These include data privacy and cybersecurity, human rights, business ethics and compliance, and climate action.

As we have a large number of subsidiaries, associates and investees, we monitor our subsidiaries and those in which we have a significant minority. In cases where we have a board seat, we leverage that engagement opportunity. To drive best practice, we also proactively invite subsidiaries and significant minorities to engage on key climate topics through the Sustainability Accelerators Network.

For subsidiaries, environmental impact is managed under the governance framework. Action aligned to our climate goals is a requirement across the portfolio, with performance standards set at a group level. Where we hold a minority stake, our board members provide corresponding levels of direction and influence. Please see our website at www.prosus.com/sustainability for a discussion of our sustainability framework.

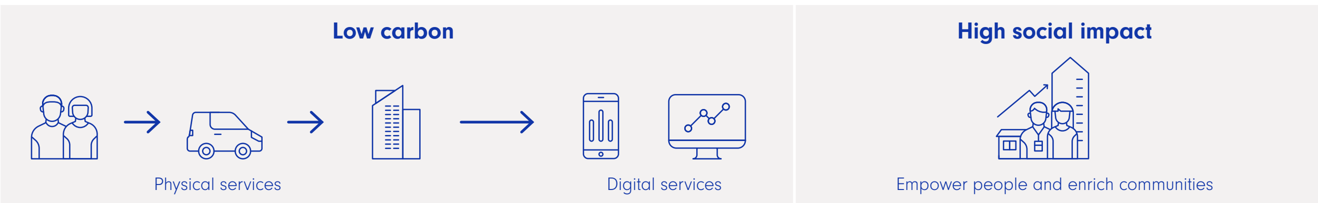
We invest in platforms that lead the evolution of the on-demand platform sector and empower and improve the lives of the millions of people that make this sector possible. We endeavour to empower and protect the rights of workers whose livelihoods depend on our businesses. While each company is solving their own local needs, we share our guiding principles as a basis to implement in their operations.

An example of this is how diligently our food delivery portfolio companies have worked in partnership with Fair Work, the world's leading research project that seeks to improve the conditions and treatment of on-demand workers, as evidenced by the material year-on-year improvements to the scores achieved by our portfolio companies. Additionally, we work in close collaboration with our food portfolio subsidiaries to review their ongoing engagement of on-demand workers (including on topics such as pay, benefits and safety).

Prosus is committed to improving transparency and reporting standards. We provide all subsidiaries with a carbon data management tool and support our businesses with data-driven analysis to define a baseline and set company-specific targets for greenhouse gas (GHG) emissions. We consolidate and disclose the direct and indirect footprint at group level, annually. We received a B score for our first detailed disclosure on the CDP (formerly Carbon Disclosure Project) platform. We also received the highest-scoring newcomer award from the Netherlands' Transparency Benchmark for our sustainability reporting in 2021. We encourage open learning across the group, and support investees by identifying technology and partnerships for low-carbon growth and material efficiency. Our sector-specific forums share expertise and best practices on topics such as carbon emissions, plastics, e-waste and electric vehicles. A growing network of 'sustainability accelerators' enables the transfer innovations across the group.

We maintain standards and set targets at a group level, while encouraging flexibility among investees to tailor their business strategies to local conditions. The diversity of our portfolio makes a one-size-fits-all approach impractical. As investors, our influence among investees varies, but the principles that guide us are consistent.

Value creation: Demonstrative impact on society and planet



Core segments	Impact on the planet	Impact on society
Classifieds	Powering the circular economy	Enabling responsible consumption
Payments and Fintech	Net positive impact of digital transformation of financial services	Financial inclusion
Edtech	Net positive impact of digital learning	Learning for all
Food Delivery	Positive impact of deploying best-in-class operating models	New livelihood opportunities

Our approach continued

In our corporate operations, we exercise full control of our sustainability strategy. We work closely with subsidiaries to ensure management embeds our principles for all material issues, adapted for factors such as business model, operations, employees and geography, resources, and the complexity of their activities.

Pillar 3: Increase investments in inclusive and sustainable businesses

We are committed to increasing our exposure to sustainability-driven business models.

We will identify and invest in innovations that drive the systemic transition towards a low-carbon consumption economy, software opportunities where digital services are transforming the environmental footprint and social impact of traditional business sectors, or asset-light digital services that can deliver on our group purpose to improve everyday life for half of the planet's people. For example, this year our Ventures arm invested in several companies such as DeHaat, Aruna and Biome Makers, which apply sustainable digital solutions in agtech (see pages 73 and 74) by using soil biology analytics and AI-based tools to determine the most sustainable solutions for crops, and address specific climate and social inclusion challenges. These priorities are consistent with our support for circular economy innovations to mitigate and reduce the environmental footprint of the service and its users.

We intend to quantify the positive environmental and social (E&S) impact of our businesses in the context of highlighting revenues derived from sustainability-driven models within our wider portfolio. This is to structurally evidence and report the non-financial value that we create in the communities we operate in.

In our Classifieds, Edtech, and Payments and Fintech portfolios, for example, as a pilot, we will measure the net environmental impact of the transition to digital services. For example, our Food Delivery portfolio companies create economic opportunities for over a million on-demand workers as a part of their value chain. A study connected by FIPE (Fundação Instituto de Pesquisas Econômicas) in 2020, researched the socio-economic impact of iFood's operations in Brazil.

An analysis was carried out on the evolution of employment over the period 2014 to 2021 in 12 Brazilian cities, including 790 sub-regions within these cities. FIPE observed that the presence of iFood in the sub-regions is positively related to both the employment volume and its growth rate. About 730 000 jobs (formal and informal), equivalent to 0.72% of the employed population in 2020, were created as part of iFood's value chain. FIPE further concluded that iFood drivers receive an hourly wage compatible with what they would receive if they were employed in the formal sector. This is consistent with our efforts to enhance transparency while increasing our exposure to sustainability-led revenues.

Our approach continued

External benchmarking of our ESG performance

Rating agencies	2020 score	2021 score
Sustainalytics	23.8 Medium risk	17.8 Included in the AEX ESG Index
S&P Global	26	44 Included in DJSI Europe Index
MSCI	A	AA
FTSE Russell	1.8/5	3.3/5 Included in the FTSE Responsible Investment Index
CDP	F	B
Transparantiebenchmark 2021 De Kristal 2021	NA	73 Highest-scoring newcomer award

Sustainability governance

As an established investor in high-growth markets, we are committed to good governance. Ultimate oversight of our sustainability policy and the implementation thereof vest in the Prosus board.

The board assesses the overall sustainability of the group, and its financial solvency and liquidity. Assisted by specialist committees, including a risk committee and a sustainability committee, the board oversees our processes to manage sustainability risks and opportunities, compliance with applicable reporting regulations, their disclosures across the portfolio and external reporting. This year, multiple sessions were conducted for the board to deepen its understanding of the implications of climate change and wider social and environmental issues for long-term corporate performance. The key topics included in these ESG sessions ranged from setting science-based targets to ESG in capital markets.

Our sustainability policy is aligned with the six capitals model. The board considers the influence on and effects of our business activities in relation to the six types of capital, namely: financial, manufactured, intellectual, human, social and natural.

Implementation of our group sustainability plan is delegated to the management team, which conducts a biannual review of our progress against published targets. The chief executive and the executive management team develop our strategy that feeds into the business plan, applying the six capitals framework in the context of the most material issues for our stakeholders.

Identifying sustainability risks and opportunities is led by the global head of sustainability, who is responsible for managing implementation of the group sustainability plan. The global head of sustainability reports to the group general counsel, a member of the executive management team, who reports to the chief executive.

Across the portfolio, we have appointed sustainability champions to raise awareness and lead implementation of the sustainability plan.

The Prosus sustainability policy, detailing our sustainability framework and principles, is available on our website at www.prosus.com/sustainability.

Reporting and disclosure

Our performance and progress on sustainability issues are assessed by outside experts, in line with our commitment to raising standards of disclosure and transparency. Internal audits inform the process of benchmarking across our portfolio. We regularly publish updates on our progress on the sustainability sections of our website and in our interim and annual results. Our ESG performance is rated by industry analysts with the results being published and benchmarked against peers.

Prosus is committed to annual disclosures under the framework of the GHG protocol. For the coming year, each of the group companies has set a target to further improve on their GHG inventory disclosures by including material scope 3 categories along with their scope 1 and scope 2 reporting. The effort towards achieving this goal varies significantly across the various companies, due to their very diverse operating sectors and extended value chain that constitutes their scope 3 categories. While each company applies the GHG protocol to define their own operational and organisational boundaries, the nature of their extended upstream and downstream value chain will be unique. For relevant and consistent GHG accounting and reporting, we encourage the companies to develop a best fit methodology reflective of their own commercial and operational realities. For example, for our Etail companies to pivot from enabling the trade of goods to selling goods on their platform can have meaningful impact on their emissions profile.

For all subsidiaries, an internal audit of their controls on the carbon data reporting process was conducted, findings of which were reviewed at board level. Separately, EY performed a readiness review for data disclosures on scope 1 and scope 2 to prepare for an external limited assurance.

In the longer term, this will enable the group to forecast and set meaningful reduction targets towards a net-zero pathway relevant to each of the companies. Significantly, Tencent has joined the Science Based Targets initiative (SBTi) and published its carbon-neutrality target and roadmap in February 2022.

Engaging with our stakeholders

To create sustainable value for our stakeholders, we actively engage with them to inform our direction and strategic choices. We value the input they provide and build constructive, long-term relationships to enable ongoing dialogue.

Stakeholder relationships

To support the board in fulfilling its governance role, the sustainability committee retains oversight of stakeholder management across the group. To balance the needs, interests and expectations of a diverse group of stakeholders, we take an inclusive approach.

Identifying material issues

In addition to our stakeholder dialogue, over the past two years we have performed a materiality assessment. This helps us map and prioritise areas that are of high importance to our stakeholders, as well as where we can have a positive impact within our business and operations. We then focus on these material areas and proactively communicate our position and performance on them.

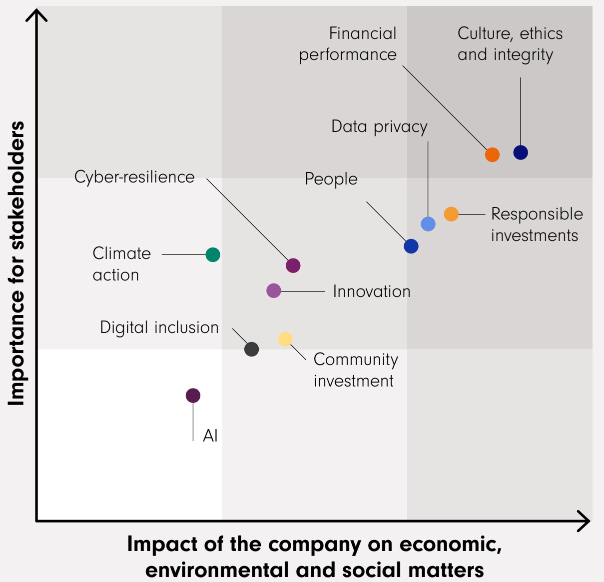
Material issues

We focus on the issues that matter most to our businesses and their stakeholders. In FY22, we improved the depth and relevance of our materiality assessment. On these issues, we aim progressively to mitigate harm, do good by contributing to positive change, and to lead by example in creating sustainable value.

Building on work done in FY21, we have completed an internal review followed by external consultation to sharpen our focus on the most important issues for our stakeholders. From a list of 15 issues, we identified 11 as most material.

Our review introduced one new material issue for FY22: community investment. This may be driven by enhanced geopolitical instability and disruption of communities, both by the pandemic and as a consequence of the war in Ukraine. We also observed a shift in the prioritisation of the material topics, owing to an enhanced understanding and appreciation of our capital allocation activities in driving sustainable transitions. As a result, customer centricity was removed as a material issue.

Materiality results



We have the following key stakeholder groups:

1

Customers and users

We want to help customers and users improve their everyday lives. Customers are indirectly represented through our investee companies.

2

Employees

Our employees are at the heart of our success. Their commitment and entrepreneurial drive make all the difference.

3

Investors and shareholders

We are a for-profit organisation committed to growing.

4

Business partners

We aim to work closely with our business partners, including suppliers and consultants.

5

Industry bodies

We aim to be an industry leader, playing an active part in progress.

6

Society

We are committed to making a lasting positive impact for society and the world we live in.

7

Media

We report transparently and aim to build constructive relationships with the media.

8

Government and regulators

We recognise how important it is to work with governments and regulators as many of our businesses have a big impact on people's lives.

Engaging with our stakeholders continued

We will continue to define and articulate our approach for each material issue. We will implement improvement programmes to manage and measure our performance, and report transparently to communicate our progress. In future, we aim to apply a double materiality lens, namely to map both the 'outside-in' impact of material issues on our businesses, and 'inside-out' impact on people and the environment.

11 material issues within the six capitals

Each of these material issues is covered in detail on the pages indicated.

Financial capital

Financial performance

We create value by increasing our revenues and market shares, and by increasing our exposure to financial revenue from sustainable business models. Our understanding of sustainable value creation applies strict discipline to capital allocation and performance management. See page 95.

Responsible investing

We are a responsible investor. We apply ESG factors in the selection and assessment of new prospects and apply these criteria in managing the performance of businesses and investments across our portfolio. See pages 17 to 19.

Human capital

People

We help people achieve their potential and be their best. We work to realise this aspiration for our employees and across the value chain of our businesses, including for the many thousands of people who work on our platforms around the world. See pages 25 to 28.

Digital inclusion

Digital inclusion underpins our business strategies. We extend access to digital products and services, promote digital literacy and support information technology infrastructure. See page 28.

Manufactured capital

Innovation

We find, nurture and scale innovative technology to create new ways of doing business. Our investments in sustainable value creation contribute to positive and systemic change by developing solutions to societal needs. See page 29.

Intellectual capital

Artificial intelligence

We invest in pioneering technologies, guided by our group principles for the responsible application of AI. In building software-led business models, we aim to create value, and to engage in external advocacy for the ethical development of AI. See pages 30 to 32.

Cyber-resilience

We take cybersecurity seriously. Across our group, we protect the information technology infrastructure of businesses, governments and households against increasingly disruptive, frequent and sophisticated cybercrimes that could result in economic damage, financial loss, geopolitical tensions and social instability. See page 33.

Data privacy

We create and adhere to the right policies and frameworks to control and secure our business, customers' and employees' data. See pages 35 to 37.

Social capital

Business culture, ethics and integrity

We embed our group goals, purpose and values in all business activities and operations. While our influence on investees varies across our portfolio and supply chain, we are committed to effective communication and engagement with all our stakeholders. See pages 38 to 40.

Community investment

We invest for real and sustainable impact in the communities where we live and work, applying the principle that local actors know best how to deliver meaningful change in local contexts. See pages 41 and 42.

Natural capital

Climate action

Reducing GHG emissions and energy consumption is a high priority for all our operations and investments. See pages 43 to 48.

Materiality within the six capitals

Eleven material issues

Financial performance Responsible investments	People Digital inclusion	Innovation	AI Cyber-resilience Data privacy	Business culture, ethics and integrity Community investment	Climate action

The resources we need

Financial	Human	Manufactured	Intellectual	Social	Natural
• Financial performance • Responsible investments	• Human capital • Human rights	• Innovation • IT infrastructure breakdown	• AI • Data privacy • IT governance • Cyber-resilience	• Community investment • Geopolitical stability • Business culture, ethics and integrity • Digital inclusion • Customer centricity	• Climate action

Engaging with our stakeholders continued

Customers and users

What matters to them
- Positive experience – safety, fast delivery, return and feedback
- Competitive pricing and range of products
- Content preference
- Trust
- Data privacy

How we engage
- Call centres, showrooms and client relationship managers.
- Electronic communication (email, SMS, apps, web and social media platforms).
- Workshops and events.
- Surveys and market research.

Our response and impact
- We work to continuously improve our product ranges and the customer experience, and ensure that we fairly price our offerings.
- We undertake a range of customer-focused initiatives, from investing in and developing AI and ML to improve convenience and safety, to developing new services such as home delivery of groceries.

Employees

What matters to them
- Support with the challenges of Covid-19, particularly ensuring health and safety, working from home and wellbeing
- Providing jobs with meaning and a sense of purpose
- Recruitment, retention and development of talent
- Culture, including diversity and inclusion, employee wellbeing and engagement

How we engage
- Ongoing dialogue with our people is embedded in our work practices.
- Formal and informal channels to engage and encourage open communication, from leadership and CEO updates by email and video to face-to-face gatherings and online collaboration and content-sharing.
- Continuous learning and development through our online learning platform MyAcademy, and through live education programmes.
- Employee forums.

Our response and impact
- We undertake ongoing investment in developing our people, including creating and supporting professional development opportunities.
- We recognise great work through fair and competitive rewards.
- We focus on building an inclusive, empowered and supportive culture.
- We care for our people through various health and wellbeing initiatives.

Society

What matters to them
- Our response to Covid-19 and support for communities
- Social impact investment to support meaningful impact
- Minimising our environmental impact
- Local employment and value creation, including supporting local businesses
- Adherence to local laws and paying taxes due

How we engage
- Community investment programmes.
- Employment offering and service providers.
- Website content and public announcements on material issues.

Our response and impact
- Our businesses focus on maximising positive impact in local communities.
- Our groupwide aim is to develop products and services that meet societal needs.
- We contribute to enabling and encouraging conscious consumerism.
- We focus on hiring local employees and growing local talent, including investing in local businesses.
- Safety of our employees is of paramount importance, for example, our efforts in Ukraine.
- Our group legal compliance programme is tailored to the unique risks and local laws that apply to each business.
- We adopt a responsible approach to tax.

Media

What matters to them
- Our response to Covid-19
- Our investment strategy and performance
- Requests for comment on rumour and speculation, notably on potential acquisitions and divestitures
- Requests for comment on reputational risk issues, such as cybersecurity and privacy
- Our focus on geographies and our view on key industry segments
- How we work across our group companies

How we engage
- Press releases, editorials and articles.
- Interviews and reactive comment.
- Reporting through company website.
- Events.

Our response and impact
- We invest time in regularly engaging with key journalists and editors to build relationships and understanding.
- We proactively schedule media interviews to provide briefings on strategic updates and significant news.
- We build announcement plans to maximise coverage.
- We respond to requests for comment in line with communications and investor relations policies.
- We are quick to correct inaccurate commentary or articles as appropriate.

Material issues

- Financial performance
- Responsible investments
- People
- Digital inclusion
- Innovation
- AI
- Cyber-resilience
- Data privacy
- Business culture, ethics and integrity
- Community investment
- Climate action

Engaging with our stakeholders continued

Investors and shareholders

What matters to them

- ESG integration in investment decisions
- Holding-company discount and internal rates of return
- Tax consequences of Naspers's ownership of Prosus, tax on distribution and tax due to sale of assets
- Capital allocation: Further buybacks or investment in core assets
- Remuneration policy and disclosure
- Path to profitability and cash flow generation
- M&A: Industry consolidation or bigger deals
- Strategy for Food Delivery, and Payments and Fintech segments, and how we are investing for growth
- Competition across core segments
- Response to Covid-19

How we engage

- Investor meetings and teleconferences.
- Conference participation.
- Interim and annual reports.
- Financial results presentations and investor days.
- Business deep-dives.
- Press and stock exchange releases.
- Reporting via corporate website.
- Dedicated email address for inbound queries and distributing announcements.
- Instructive videos.

Our response and impact

- Management engages more often with shareholders and investors.
- Our reporting includes focused messaging on the path to profitability for our core segments.
- We provide biannual updates on our internal rate of return for the total portfolio and ecommerce.
- We are implementing measures to reduce the holding-company discount.

Governments and regulators

What matters to them

- Sustainable development
- Innovation and entrepreneurship
- Competition policy
- Taxation
- Investments and international trade
- Data protection and privacy
- AI
- Cyber-resilience
- Private-public partnerships, international and other collaborations
- Intermediary liability
- Financial services legislation
- Copyright and intellectual property (IP)
- Tech policy, including ecommerce
- Societal contribution, including employment and social policy

How we engage

- Direct participation in advisory committees, meetings and public consultations.
- Formal one-on-one meetings and round tables.
- Response to sector and company-specific enquiries.
- Indirectly through sector and industry associations.
- Participation in international events, such as BRICS (Brazil, India, China and South Africa) summits and membership of the World Economic Forum in Davos.
- Site visits, including hosting official delegations.
- Annual report.

Our response and impact

- We are transparent and have implemented a programme to ensure compliance with all applicable laws and regulations.
- We make formal representations and written submissions to express views.
- We provide information to policy-makers in the form of expert advice, based on our global experience as well as technology and sector expertise.

Business partners

What matters to them

- Continued supply of products and services
- Awareness of relevant developments in the business
- Understanding and recognising our partners' rights, specifically on changing procurement processes, pricing, content, platform use, privacy and security

How we engage

- Structured meetings, calls and electronic communication.
- Informal day-to-day communication.

Our response and impact

- We have strong relationship management systems to ensure regular communication between key management and business representatives.
- Our structured grievance processes to ensure that, in the event of a dispute, there is timely action to find a resolution.
- Through active negotiations, we ensure mandates clearly lay out the relationship and agreement terms and requirements.
- Business approaches are reviewed regularly to ensure they align with international norms.

Industry bodies

What matters to them

- Clear communication of material issues
- Engagement around increasing meaningful and positive impact
- How to ensure a positive sector experience, for example through the regulation and culture of the sectors

How we engage

- Membership of selected and appropriate bodies.
- Cooperating with selected partners on projects addressing legislative initiatives.

Our response and impact

- We take the lead in responding to industry consultations on proposed regulations and legislation.
- To build understanding and engagement across the industry, we share our approach and examples of action on specific topics, such as how we align to changing legislation.
- We produce thought leadership and position papers.

Material issues

- Financial performance
- Responsible investments
- People
- Digital inclusion
- Innovation
- AI
- Cyber-resilience
- Data privacy
- Business culture, ethics and integrity
- Community investment
- Climate action

Human capital

Our people are at the heart of our business – they make all the difference to our success. We are dedicated to helping our people be the best they can be by creating a diverse, inclusive and learning organisation.

People

Our employee value proposition

Our people seek meaningful jobs with line-of-sight to business outcomes and the opportunity to learn and grow professionally. We enjoy working in a purpose-driven environment, where we are recognised for a job well done and are fairly paid in line with personal and company performance. We care for and connect with our people, particularly in times of need.

Interesting work for our people
Our people are at the heart of our business – they create our success.

We are dedicated to helping our people be their best by enabling a culture built on diversity, inclusion, and learning.

We are facing the challenge of the global shortage of digital talent every day. The best people have many choices about how and where they work, and who they work for, so our employee value proposition is critical to attract talent that ensures the continued growth and success of our business.

To this end, we focus on creating the following experience:

- To offer meaningful jobs with a sense of purpose in a company committed to deploying technology to address big societal needs and to enrich the communities in which it operates.
- To deliver career-enhancing professional development and ongoing opportunities to network, learn and collaborate internally and externally.
- To recognise excellent work with fair and competitive rewards, enabling us to compete for talent with global and regional/local consumer internet players.
- To put positive, engaging and inclusive culture and leadership at the heart of everything we do, in an environment where many different types of people feel happy and are able to do their best work.

Opportunity to learn and grow

Groupwide learning and development through MyAcademy
We make learning accessible everywhere, at any time. MyAcademy – our online learning hub connecting our people to learning materials – is available on demand to everyone across the group.

Our people development programmes focus on these three key areas:

- Reinforcing the leadership pipeline and accelerating the growth of top talent.
- Driving a performance culture.
- Supporting the ongoing development and growth of our businesses by equipping our people with core consumer internet and digital media skills.

Over the past 12 months, we invited 29 leaders from all our core segments to the INSEAD International Director programme, a certification that is a global standard in the upskilling of board members. It aligned extremely well with our need to develop a talent pool of skilled board members who can represent Prosus on the boards of our portfolio companies.

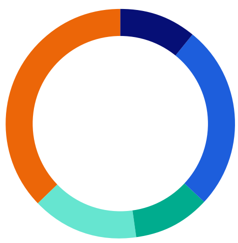
We have curated the very best learning experiences from providers around the world, including our own education partners. The flexibility of the MyAcademy web-based technology allows rapid and efficient deployment across the group.

Limitless learning
We care deeply about providing equal learning opportunities to our people, especially in geographies where access to learning is scarce due to the lack of local infrastructure and resources. The split of our learning hours consumption by geographies demonstrates the positive impact we are making in our emerging countries.

Most of our learning programmes are digital, which allowed us to continue investing in the development of our people during the pandemic.

Employee value proposition

Learning hours over the past 12 months



Europe	36 539	11%
India	83 842	26%
Africa	34 246	11%
Latin America	46 865	15%
Southeast Asia and the rest of the world	120 211	37%
Total	**321 703**	**100%**

Human capital continued

For example, we supported the group effort in cybersecurity by launching our school of cybersecurity. Our programmes in that area equip people with an understanding of cybersecurity threats and risks. This year, we also began offering our engineers the opportunity to study cybersecurity nanodegrees to help develop skills that are very scarce in the talent market.

We also explored learning formats that more closely resemble face-to-face training sessions by developing and expanding on our live digital training offering. Our new AI For Impact programme, which brings groups of learners together for two half-days, is a good example of this initiative.

Strengthening our capabilities on topics critical for growth
Technology training is one of the most popular development areas on MyAcademy but we also use the platform to accelerate and strengthen our capabilities on other topics critical to our future growth – from leadership and management skills to personal development and cross-cultural training.

Our live education programmes focus on leadership, management, business development, artificial intelligence (AI) and machine learning (ML). These sessions bring people together from across the group, giving them the opportunity to learn from each other, share best practice and interact with the best trainers and facilitators in their field. We will continue to introduce our leaders to the latest innovations so they can translate them into practical business initiatives.

MyAcademy is also a critical element in our AI and ML transformation plan. We use it to train people who are not in engineering roles in AI and ML, through our AI For Everyone course. MyAcademy has enabled 101 technology colleagues to earn AI nanodegrees, and initiate a new career path in AI and ML. In addition, our AI For Growth programme equips business leaders with the skills and knowledge they need to build AI-centric businesses. See page 30 for more information on AI and ML.

Great leadership and culture

Cultivating a strong groupwide culture
We're a diverse group of global companies, but our values, which are described in detail on page 3, are consistent for our people regardless of where we operate.

Building a diverse and inclusive workplace
Building a diverse and inclusive workplace is a key element of our future business growth and success strategy. Throughout the year, we placed a big focus on diversity and inclusion in our internal and external activities. This year, our prototyping inclusion workshop for leaders has been cascaded across the group.

Given the scarcity of talent in the consumer internet industry and our focus on growth markets, we face the ongoing challenge of attracting and retaining talented and qualified candidates. We are proactively addressing this challenge with talent sourcing and acquisition strategies designed to attract a diverse range of people who, in turn, represent the full diversity of our customer base.

Our approach is based on these three main pillars, which are closely intertwined and depend on each other to be successful:

- Top leadership support: The commitment from the leadership team is to support and champion these initiatives. Our leadership's commitment to diversity and inclusion started several years ago. This is one of our business strategic priorities, and included as a measurable goal for management teams. For more information, see pages 102 and 103.
- Employee experience: This refers to all the different experiences an individual can have during their journey with our group.
- Shared responsibility: To ensure we create a truly inclusive workplace, and that we have the right impact on society, we all have a responsibility to encourage diversity and inclusion.

Attracting and recruiting diverse talent
We are developing different approaches to increase diversity in our recruitment projects and help us hire a more diverse team in terms of gender and ethnicity in specific countries.

We evaluate our preferred vendors, ensuring they share our commitment to diversity and inclusion and can help us tap into a diverse group of candidates.

Employee experience
Focusing on gender diversity
While our commitment to create an inclusive workplace that is attractive to many kinds of people is broad, we face the same specific challenge as our consumer internet competitors in attracting and retaining female talent, especially for product and technology roles. Our initiatives to address diversity in general and gender diversity specifically, span the employee journey and all levels of the organisation.

We track gender representation at every stage in our recruitment process, and use data to ensure that our recruitment pipeline is more balanced. We review our job descriptions and our communications with candidates to ensure the language we use is inclusive, and also ensure that there is a diverse interview panel.

Human capital continued

From board to senior management and the general employee population, we are encouraged to see an upward trend in hiring women, with the last four additions to the board being women. There is also an increase in the number of women being recruited into management roles across the group. In the group, we have hired more women than men, from director to vice president levels during this financial year.

We take the gender balance of our board members seriously and are committed to maintaining a minimum of one third of board members who are female. We have a board diversity policy in place, which we cover in the Governance section on pages 102 and 103.

Involving our employees

We assess our progress in building an inclusive workplace by asking all our people for their feedback, as part of our annual engagement survey. Monitoring the results enables us to understand if we are making the positive impact we want, and the results this year show great progress. We also include the topic of building an inclusive workplace in our leadership development programmes to reinforce its importance.

We are committed to creating working environments that are free from harassment of any kind. We have provided training and education to all our employees on our zero-tolerance approach to harassment, as well as guidance about how to raise any concerns.

In our March 2022 employee engagement survey, we reached a global score of 86% favourable responses to our gender diversity question. We achieved a score of 88% favourable responses to our inclusion question, stated as: 'I feel respected at my company'. We see no difference in results between genders for these questions. We strongly believe our employee feedback is a great indicator of the impact and progress we are making towards greater diversity and inclusion in the workplace.

Inclusion awareness training for leaders

We work to bring the topic of diversity in hiring to all our teams. As such, we have developed two specific training programmes for leaders on unconscious bias and inclusive hiring. The goal is to raise awareness and train our people to be better equipped to hire diverse teams and consider inclusion in all they do.

Competitive pay and benefits

Fair pay

Equality and consistency are embedded in our pay practices across the group as we continue to build diverse and inclusive workplaces. We operate in high-growth economies where socio-economic disparity can be large and societal fairness is very important to us. We ensure that our pay practices around the world are fair, competitive and above minimum wage standards.

Our commitment to pay for performance and alignment with shareholder value creation drives all our reward activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world. We believe in a level playing field for our people.

We have fair remuneration systems in place that are:

- Equitable: Free from discrimination.
- Relevant: Linked to personal and company performance.
- Rational: Easy to explain.

We strive to pay fairly and responsibly. As far as possible, the structure of our pay is consistent, regardless of the seniority of the employee, ensuring equality of pay across all our businesses.

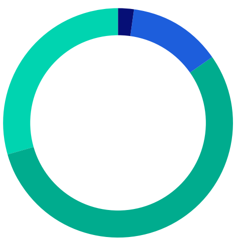
We are committed to ensuring that the companies we invest in have fair pay and working conditions for delivery partners, irrespective of the classification of their engagement, which varies across the globe.

In our food delivery businesses:

- Full-time drivers for iFood and Swiggy earn above the prescribed minimum wage, on average, in the country where they operate.
- Our companies generally provide health insurance/life insurance benefits and access to driver education, as well as low-cost access to safety equipment (such as helmets and protective clothing).

FY22 Prosus employee demographics[1]

Headcount by region[1]



America	687
Asia Pacific	3 969
Europe, Middle East and Africa	16 854
Latin America	8 903
Total	**30 413**

30 413 (2021: 23 390) permanent employees in some 80 countries and markets

Headcount by segment[1]

Classifieds	11 375
Corporate	187
Edtech	663
Etail	8 230
Food Delivery	5 468
Other	1 244
Payments	3 246
Total	**30 413**

1 Numbers are reflected as at 31 March 2022 and include employees of controlled entities.

Human capital continued

Ensuring pay equality
We believe in equitable pay for performance – to reward people fairly for performance aligned to shareholder outcomes. As such, reward is designed to incentivise achieving strategic, operational and financial objectives, in both the short and long term. In addition, we design our reward system to help us attract and retain the best diverse talent around the world in a fair and responsible way.

To ensure equality, we offer similar pay, bonus and long-term incentives for similar jobs and performance levels, make fair and consistent pay decisions and apply objective and measurable pay differentiation. We do this regardless of race, gender, sexual orientation, religion, colour, nationality or disability. We ensure equality at every step, from hiring to placement to progression.

Maintaining pay equality is embedded in our ways of working, and through regular analyses we compare compensation levels of groups of people, for example, women versus men, performing in similar jobs. We conduct calibrations across the group as a standard process before (annual) reward decisions are taken, working towards closing unjustified pay gaps, should they exist.

- Our reward approach is reiterated with our human resources team and people managers, at the time of making (annual) reward decisions and with new hires.
- We run regular pay equality analyses, for example, in relation to new hires, so we can identify any unintended or possibly biased differentiation in pay.
- We perform calibration exercises across the group as a standard process before we make reward decisions so that we can proactively redirect if needed.

Employee wellbeing

We encourage positive engagement
We believe happy and engaged employees create satisfying customer experiences. It is important in a competitive global market that we provide our people with a compelling reason to work for Prosus. We continue to measure employee engagement across the group and ask our people for feedback on their experience of working at our various group companies. Our businesses actively encourage participation in our employee engagement survey, address issues raised and share best practices.

In our last engagement survey in March 2022, we had a participation rate of 83% and an engagement score of 76%. These results are in line with external benchmarks and we continue to focus on positive employee engagement across the group.

Supporting our employees in Ukraine
Our OLX Europe business employs 350 people in Ukraine and their safety is of paramount importance. As news of the invasion broke, we took appropriate action to support our colleagues. We arranged accommodation for employees and their families wishing to relocate from the east of Ukraine into the west, and to leave Ukraine where possible. Colleagues in neighbouring countries offered their support to Ukraine-based employees and their families. We also advanced salaries and provided additional financial support to those in need. We have additionally made contributions to humanitarian aid agencies providing support to local communities in Ukraine.

Digital inclusion

The digital divide remains in many of the countries where we operate, and we are committed to investing in and scaling digital services and technologies to address global challenges at a local level.

As a global consumer internet group, we champion the benefits of widespread digital access. Our family of digital services companies is removing physical barriers to ecommerce, food delivery, financial services and education.

We build companies with a strong market presence that use digital technology to improve the daily lives of billions of people. Businesses across the group offer access to online services that enable financial transactions, buying and selling of goods, food delivery and education.

Companies across the group also support targeted inclusion of underserved individuals in the community through community investment initiatives.

Stats

Engagement survey had a participation rate of

83%

Engagement score of

76%

Manufactured capital

Promoting innovative technology to create new ways of conducting business and promoting solutions to societal needs.

Innovation

Our core segments – such as Payments and Fintech, and Edtech – include global leaders in the delivery of virtual essential services, with an improved environmental footprint and lower emissions than traditional bricks-and-mortar businesses. We are deepening our understanding and quantifying how digitisation helps the world transition to a low-carbon society. In FY23, we will undertake life cycle analysis projects, to help us quantify the impact of digital services compared to offline, analogue and physical services.

Our strategy for digital services places particular emphasis on software-led innovation. We are rigorous in our capital-allocation process while actively searching for exceptional entrepreneurs to develop scalable, sustainable technologies with breakthrough potential to address serial global challenges.

Product innovation is a critical priority. With the support of a dedicated product and growth operations team, our companies build solutions based on proven agile software development principles, quantitative and qualitative user research, iterative usability design, and extensive A/B testing and experimentation. Within Edtech, BYJU'S has established a state-of-the-art innovation hub, BYJU'S Lab, that leverages cutting-edge technology such as augmented reality, AI, computer vision, and gamification to ensure that tech-enabled education can reach the largest number of people. Our development teams measure the results of their innovation via increased consumer engagement (eg time spent, long-term retention) and improved customer satisfaction (eg net promoter score).

Innovating through artificial intelligence

AI is at the heart of much of our innovation. Across the group, we work constantly to find new ways to innovate our business platforms, processes, products and services. Some key examples are highlighted in the Performance review on page 57.

In our Classifieds segment, OLX Autos has developed a new camera ray feature for sellers to quickly carry out an inspection of their cars. Camera ray takes high-quality photographs and captures relevant information to establish a fair price for each vehicle, taking account of its condition and specifications – good for the seller, good for the buyer.

In our Payments and Fintech segment, AI-enabled innovation can extend digital inclusion. In India, LazyPay has deployed AI-enabled risk assessment to offer more people access to credit and financial services, often for the first time.

Innovation for a circular economy

We recognise the role of innovators in tackling social and environmental issues, both within our group and in partnerships. One of our companies is finding sustainable ways to fight hunger and food insecurity in Brazil. Across the group, we encourage investees to forge partnerships that foster innovation and tackle shared societal challenges.

Packaging innovation is critical to sustainable business. In pursuit of our circular economy ambitions, iFood is pioneering new forms of returnable and reusable packaging for meal deliveries. In partnership with XPRIZE, a non-profit organisation that hosts public competitions to encourage creative technologies that help humanity, iFood supported a challenge in which participants develop biodegradable, bio-based alternatives to food packaging.

Looking ahead

As the pace of innovation continues to accelerate, the group will remain focused on finding, developing and applying new ways to deliver on our purpose.

Building the evidence base to demonstrate how our technology investments can generate net benefits for the planet and its people is a central strategic objective. Accordingly, we will ramp up our initiatives to communicate this impact to all stakeholders, and to seize opportunities to advocate effectively on the basis of our experience.

In tandem with our policy on climate action and the new environmental programme, we will embed processes for supplier selection and screening according to ESG factors. In FY23, our emphasis will shift from the current focus on risk assessment towards embedding ESG criteria in our procurement and spending.

Enhanced environmental disclosure is a key element of our commitment to net zero, and a demonstration of the importance we attach to climate stewardship across the group. The group's commitment to achieve net-zero emissions is embedded in the key performance indicators for our group chief executive and the segment CEOs who report directly to him.

We will continue to make meaningful investments in the local communities where our businesses operate, in ways that improve lives by nurturing systemic and sustainable change.

The group is working continuously to increase exposure to financial revenues from sustainable business models while enhancing disclosure and reporting standards across our portfolio. Understanding the environmental and societal impact of our businesses is fundamental to guide investment and decision-making at all levels.

We anticipate that our data-driven sustainability strategy and transparent approach will bring new opportunities for investment, driving innovation and the discovery of breakthrough technologies in the years ahead.

Intellectual capital

As a data-rich group, we have the fundamental capital to really make the most of technology's strengths and potential.

Artificial intelligence

As a global tech business, AI is essential for us. So, we make sure we develop and deploy it as quickly as possible throughout the group to support business growth, to innovate, and to improve our competitive ability. And we always seek to do this in the right way – by design, ethically and responsibly.

Embedding AI across the group

Led by the Prosus AI team, we are embedding AI across the group. The central team works side by side with AI teams in group companies on multiple initiatives. These include organisational changes to support the adoption of data science at scale; talent and leadership development programmes; actively engaging with the global research and development (R&D) community; adopting ML platforms in engineering; developing deliberate data strategies; and investing in companies that increasingly place AI at their core.

Applying AI to improve everyday life

Across the group, we apply data science and AI in hundreds of ways to add value for customers, partners and the business and to fulfil our purpose of improving everyday life for billions of people through technology. This includes better product recommendation, fraud prevention, content moderation, logistics optimisation and more. We also use AI to develop new products and concepts across our segments, such as easy and reliable automatic car self-inspections in Classifieds and content search and optimisation in Edtech.

Our guiding principles

The following three principles guide how we develop and deploy AI:

- Deploy AI wherever it makes business sense.
- Develop AI-by-design for innovation in products and services.
- Develop and deploy AI ethically and responsibly.

Deploying AI everywhere

Across the group, AI has become part of the fabric of our operations, how we innovate and keep improving. At the scale we now operate across our core segments, AI is essential. iFood, for example, added over 20 million orders per month while reducing the unit costs of delivery without impacting delivery times. That was only possible through its widespread use of data science, automation and algorithmic decision-making. And iFood is not alone. Across our segments, companies are mature in their use of AI and increasingly apply deep tech at scale for business success.

Developing AI-by-design

We are focusing more and more on AI-by-design – using the technologies and expertise we have, not only to make operational improvements but to create radical changes to the way we do business. It is all about both future-proofing and innovating – building AI into the earliest stages and making it core to the whole process of exploring, designing, developing, deploying and improving platforms, products and services.

Allied to this, we have a systematic way of exploring emerging technologies and accelerating them through the group. This is a four-step process. Firstly, we discover what is out there and understand it completely, from a technical and scientific point of view. Secondly, we experiment inside the group – overlapping the technology with different use cases. For example, in Edtech there is the potential to use AI language models to automatically summarise an entire learning course, making it quicker and easier to search. Thirdly, we demonstrate and educate across the group, to get the necessary buy-in. And fourthly, we adopt and invest with confidence in specific areas for impact.

The aim is to push these technologies forward through the group while de-risking them – to get more value, faster.

Using AI responsibly

Robust, unbiased, transparent

Our models must be robust, so that they operate predictably within known boundaries of reliability. They must be unbiased, so that they do not discriminate, for instance, on gender. And they must be transparent, so that their outputs, for example an AI-based credit decision, can be clearly explained and understood.

Embedding ethical and responsible AI

We have developed a framework to proactively include the social and ethical dimensions of AI in the development process. The framework revolves around the following four key principles:

- Govern: Anchor AI to core values, ethical guidelines and regulatory constraints, for example, specifying principles for the development of fair and responsible AI.
- Design: Design for privacy, security, transparency, bias, robustness. For example, engineering training on how to make models more robust and explainable.
- Monitor: Auditing for accountability, bias and cybersecurity, such as adopting tools for bias check as part of model-development practices.
- Train: Prepare and equip human capital to take full advantage of AI and the new workstyles. This includes upskilling engineering teams on robustness validation as part of the testing process.

We are gradually deploying the framework across the group.

Programme stats

Size of data science teams:

>400

scientists now part of the Prosus AI community

Number of AI models in production year on year:

+124% increase

Intellectual capital continued

Operationalising ethical and responsible AI
We take an operational approach to ethical and responsible AI, focused on adopting best practices across the group's data science community. We develop or adopt tools and practices designed to check the quality and representativeness of data, to detect bias in decisions based on the models, and to trace back the cause of the bias, among others.

We have adopted specific tools for this purpose. We focus on raising awareness through demonstrations and technical education to ensure these tools are adopted and used effectively.

In the coming year, we will articulate our 'Ethical AI at Prosus' statement, which describes our approach to the use of AI across the businesses we invest in. We will also continue the ongoing training of 'Ethical and Responsible AI for Leaders' and 'Engineering and Product Management Training on Ethical and Responsible AI'.

Educating leadership on ethical and responsible AI
In the second half of 2021, we launched a rolling programme designed to educate leadership across the group on ethical and responsible AI. Called AI For Impact, it looks at what AI means in practice and how it can be used to reflect and embed the values of an organisation in the way AI models are developed and deployed. Throughout the programme, leaders can see the potential of AI to implement their company's ambitions while developing fair, robust and transparent AI. Ethical and responsible AI thereby becomes an opportunity for positive impact, not just an element of managing risks.

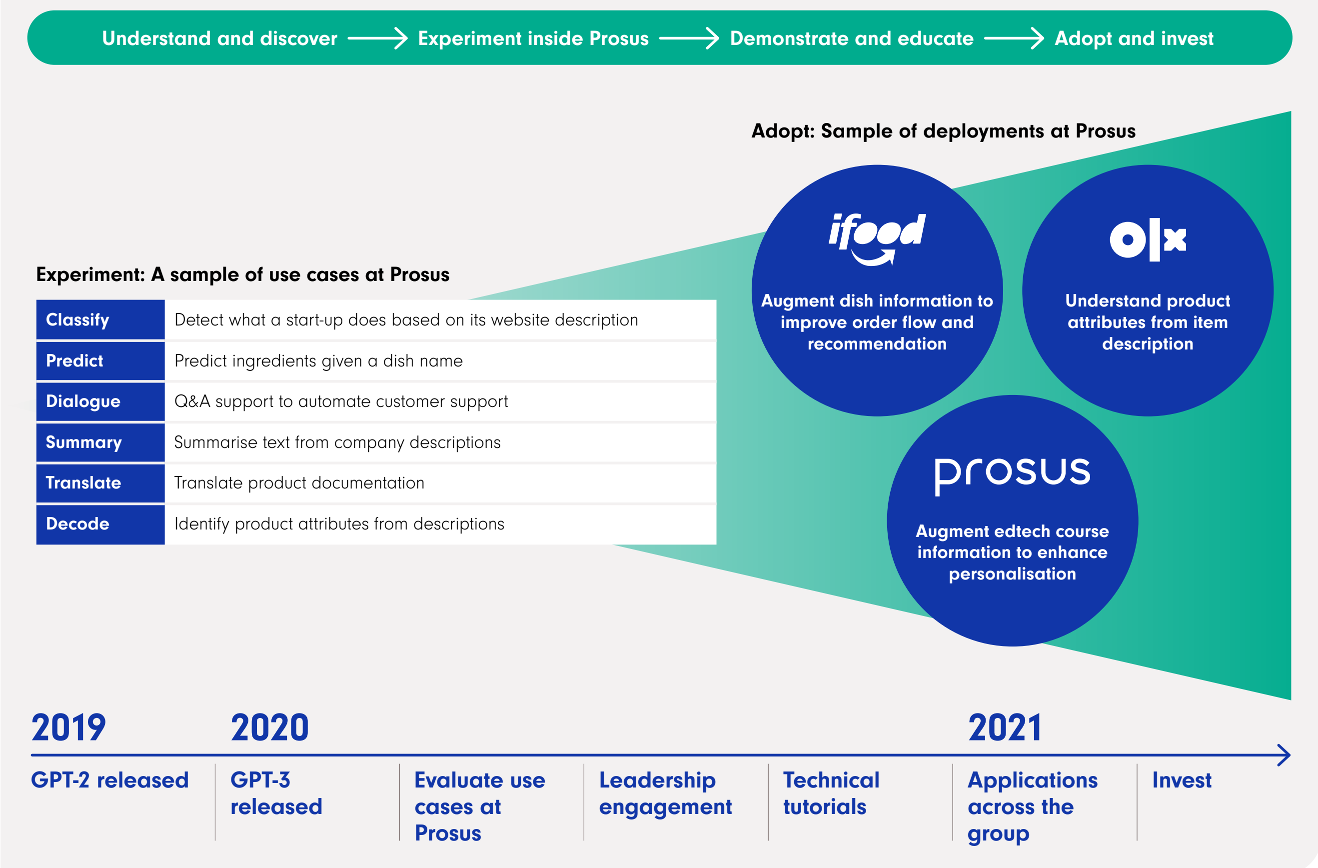
Training engineers in AI
We have also introduced highly specialised training on several AI themes for engineers and product managers. Themes include model deployment, ML pipelines, ML operations and natural language processing.

Providing guidelines and sharing best practice
We have established internal privacy guidelines for our AI teams to ensure compliance with the requirements of the EU's General Data Protection Regulation (GDPR). In addition, our AI ethics working group meets monthly to manage workstreams designed to advance ethical and responsible AI across the group and help integrate ethics best practices into projects. In particular, we have brought greater focus on developing tools and processes to prevent bias in our ML models and are piloting methods for better bias detection.

Advancing our AI knowledge and capabilities
Increasing our AI community
Throughout the year, we continued to increase our community of data scientists across the group. The Prosus AI community now includes hundreds of data science and AI engineers. This is a valuable platform for growing and sharing knowledge and capabilities across the group. We organise technical and scientific workshops for this community, connect data scientists working on similar initiatives, share practices, tools and lessons learned across businesses.

In 2021, we organised the second global Prosus AI Marketplace for Knowledge. This three-day event for the AI community enabled us to identify and share areas of excellence and best practice.

Accelerating the positive impact of new technologies: Example of large language models



Classify	Detect what a start-up does based on its website description
Predict	Predict ingredients given a dish name
Dialogue	Q&A support to automate customer support
Summary	Summarise text from company descriptions
Translate	Translate product documentation
Decode	Identify product attributes from descriptions

Intellectual capital continued

Investing in seed-stage AI companies
We continue to invest in seed-stage AI companies pioneering AI-first innovations in areas such as robotics, language and vision. As such, we are collaborating with the Creative Destruction Lab, a global network of universities that are accelerators for these early-stage companies. We have invested in four AI-native businesses so far. By taking small stakes in the companies exploring these and other advances, we are able to buy into early-stage innovation, extend our network of expertise, advance our knowledge, and see the business potential for our group that much sooner. Getting in early enables us to both accelerate and de-risk our AI innovation.

Partnering for positive impact
We are members of the Netherlands AI Coalition, a public–private partnership set up to substantiate and stimulate AI activities in the Netherlands.

We are also part of Amsterdam Data Science, a network of academic and industrial partners that has established a strong data science and AI ecosystem in Amsterdam. Our contribution includes organising knowledge-sharing events such as workshops and meet-ups.

Supporting data science for social good
We engage with a number of data-science-for-social-good initiatives, dedicated to adopting AI in projects with a positive social impact.

We contribute to a network of academic institutions and non-profit organisations for developing data-science-for-social-good education schools, including Imperial College London, Warwick University and Carnegie Mellon University. The education programmes are designed to train promising young scientists to apply their skills to problems for a positive social impact, for example, reducing unemployment, increasing access to education and improving environmental quality in urban areas.

Looking forward
We will continue to develop and deploy AI to drive improvements throughout the group. The opportunities are endless, not least because of the improvement focus at the heart of AI and ML. As models are deployed ever-more widely, as they progressively learn and evolve, they tend to get better in their understanding and decisions, with the critical proviso that they are designed and developed ethically and responsibly for positive impact.

This remains our focus going forward. AI is core to what we do and how we do it, and we are determined to use it as widely and as well as possible – making better and better use of AI, to improve everyday life for billions of people around the world.

Intellectual capital continued

Cyber-resilience

Ensuring cyber-resilience
We are committed to ensuring that our businesses are sustainable and resilient, so that they can keep operating long term and recover fast if disrupted. This is vital for our customers, shareholders, for the group as a whole and for the businesses themselves.

To this end, we focus on two key areas of cyber-resilience. Firstly, we implement and maintain strong cybersecurity, so attacks are thwarted and any breaches are quickly tackled with the minimum impact. Secondly, we enhance the resilience of our platforms and systems, so they are available 24/7, provide consistent levels of service and give businesses the scope to scale and innovate as they like.

Platforms
Platforms are our consumer products. Without the platforms, none of our businesses can operate. These platforms are often complex, handle millions of transactions and grow rapidly with our businesses.

Our businesses operate in fiercely competitive industries and markets, requiring continuous innovation to thrive. Technology sits at the heart of their growth.

Business IT
Our businesses also use technology to run their internal processes. This technology is often not customer-facing and the primary users are employees. Output from these business IT (BIT) systems is used for operational and strategic decision-making, monitoring performance, managing risks and preparing information for external stakeholders. We work with the internal departments to ensure these systems are secure and reliable.

Our four focus areas
We focus on these four key areas to build and maintain sustainable and resilient platforms and systems:

- Availability of the platforms.
- Quality and innovation of the platforms.
- Security and safety of the platforms.
- Security and reliability of BIT.

We encourage all subsidiaries in the group to assess and report on their risks across these four areas, so we can gain a clear, coherent view and, in turn, analyse, respond and advise effectively.

At group level, we now report against these areas as part of our ongoing risk management.

Our cybersecurity policy
The board sets our groupwide cybersecurity policy, which has four key parts: good governance, good protection, good detection and good response. This is the backbone of our robust approach. In line with the governance framework, we cascade the policy through the segments to the underlying businesses, giving them ultimate responsibility for ensuring they implement strong cybersecurity in line with their own operations and challenges. For example, we expect each business to have the right level of incident management and crisis management to ensure a good response to any security incidents.

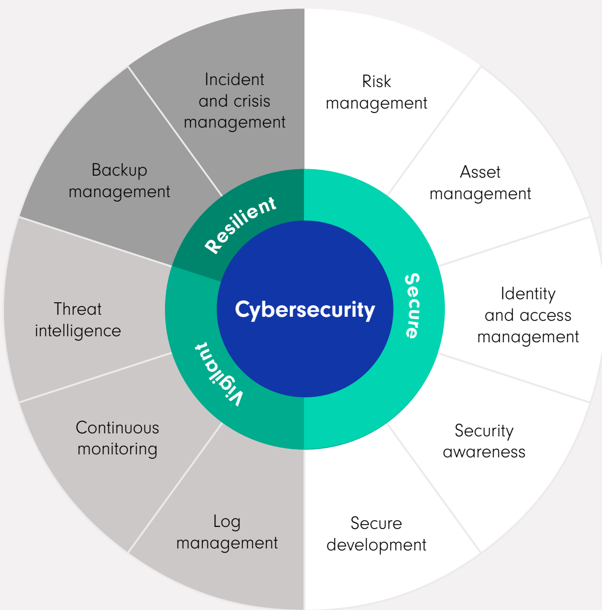
Supporting from the centre
Our central cybersecurity team provides expert help and support to the segments and businesses. As part of our risk and audit function, the team's approach is to help develop a competent, agile community of cyber- and risk professionals, based on the following three guiding principles:

- Cyber is an enabler, not a blocker.
- Help manage risk, not spread fear, uncertainty and doubt.
- Every employee is a cyber-warrior.

Every month, the head of cyber hosts a round table for the security heads from the different subsidiaries. It is an opportunity to share updates at a group level and for the business leads to discuss key initiatives and issues, such as the nature of the latest cyberthreats or developments on the dark web.

Creating a strong cybercommunity
As a decentralised group, it is important that we cultivate a strong cybercommunity, therefore, we have established an online workspace for people. It is a very popular and effective way for all security professionals to stay in touch, discuss the latest security trends and risks and coordinate responses to incidents. Other initiatives include an online cyber-academy, where every month or so, the community gets together and shares the latest insights and best practice. We also host an annual cyberconference – the focus for FY22 was on the dark web, particularly ransomware. Teams from across the group gathered together, and we invited outside experts to share insights on potential attacks and threats to our businesses.

Cybersecurity policy



Intellectual capital continued

Assessing cyber-resilience

The cybersecurity team undertakes about 70 advisory and assurance projects each year to ensure cybersecurity and technology risks are managed by our businesses.

Our advisory projects for group companies include hiring hackers to break in (ethical hacks), forensic work to investigate breaches, and cloud assessments to improve cloud set-up and solutions.

We also conduct formal internal audits – independent assessments of a company's security and resilience for assurance.

In FY22, we increased our collaboration with BugCrowd, a foremost responsible disclosure programme. We make BugCrowd available to all group companies, so they can tap into a community of around 200 000 responsible hackers who identify and report any vulnerabilities they find, for the company to address.

Governance and reporting

The cybersecurity team reports to the risk and audit committees four times per year, sharing updates across the five technology risk categories. On two occasions, it presents an extended report on how well the businesses are doing against the policy.

Reports for the risk committee give a comprehensive overview, including key risks, greatest challenges and any major incidents. This is also where any major issues are escalated. Formal audit reports are provided for the audit committee.

In addition, every quarter, the head of cyber meets with the head of risk and audit and the group CFO to discuss the most important cybersecurity and technology issues, where to focus in the months ahead and any notable incidents.

In FY22, we also introduced risk dashboards. They enable the group to monitor how quickly and effectively businesses are addressing and resolving risks identified by the central team. This in turn forms part of the report provided to the risk and audit committees, per segment and per business.

Key cyber-resilience services

Our central cybersecurity team provides a range of services to subsidiaries. These include risk-driven process reviews; data-driven deep dives; security testing; resilience exercises; and managed services.

Focusing on critical issues

Throughout the year, the team helped the business focus on several critical issues.

As people continued to work from home through the ongoing pandemic, making sure they could do so securely was a priority. So, end-point security rose to the top of the cyber-resilience agenda, and we worked with businesses to check and ensure this was in place and robust.

Ransomware prevention and response preparation was a major focus area. This included updating our cybersecurity policy with a ransomware addendum; creating a group playbook setting out how we would respond to a ransomware attack; and undertaking ransomware simulations, so we could further refine our resilience to this growing threat.

As the platforms our businesses use grow in size and complexity, it can be hard to predict how these systems will behave in different situations. To help our businesses, we make use of chaos engineering. Here, we conduct well-controlled experiments that deliberately stress the platforms in production to see whether they will react in the way we expect them to. The central team advises on these projects that are carried out by the different businesses. In FY22, for example, iFood, OLX Autos, OLX EU and PayU India payments undertook chaos engineering projects to test and enhance the resilience of their platforms.

Key performance indicators

At a group level, we focus on two cyber-resilience key performance indicators (KPIs): breaches and awareness.

Breaches

Our procedure requires subsidiaries to notify us about numerous categories of incidents (eg ransomware; user, employee or SDLC error; cyberattack; etc). We report to our risk committee about these when they are material, in particular noting the nature of incidents, the risk of financial losses, and whether notifications to regulators or investigative bodies have been made. We make recommendations for corrective actions where appropriate. In FY22, we had no breaches of subsidiaries that had a material operational or financial impact (ie above US$10m).

Awareness

Every new group function employee now has security awareness as part of the induction, and we do a monthly phishing simulation at corporate. We saw good results from the last rounds of phishing simulations.

Eleven phishing simulations were done over the past year. In this period, the number of employees that ignored the phishing email reduced from 77% to 33%, and the number of employees that reported the phishing email using the right channels increased from 18% to 49%.

Looking forward

We will continue ensuring the availability, quality, security and safety of the platforms and systems our businesses rely on. Ransomware remains a significant threat and we will increase our focus there. We will also continue constructively testing and stressing the resilience of the platforms, to give businesses greater understanding and confidence that they have the tech foundation they need to keep improving people's lives around the world.

Programme stats

11
phishing simulations

Cybersecurity team undertakes
70
advisory and assurance projects each year

Intellectual capital continued

Data privacy

Our commitment
Public trust is a precondition to pursuing our purpose to improve everyday life for billions of people through technology, and good data privacy is essential for gaining and retaining that trust. If privacy is compromised, trust evaporates and along with it, the opportunity to advance technology's benefits. So, the stakes are high, and the threats and pressures are sizeable and getting bigger by the day. Regulation is increasing, as is enforcement. Moreover, cyber-attacks with privacy implications have been rising around the world. This, in turn, means that ensuring strong data privacy is both more urgent and more difficult for us as a group and for our portfolio companies. We do not shy away from this challenge. Indeed, we are rigorous in our response so we can live up to our responsibilities.

A groupwide policy
Our policy on data privacy governance sets out responsibilities, principles and our programmatic approach to ensuring data privacy is implemented in each company of the group. It is designed to define and document how data privacy is managed; to promote best practice; to accommodate the different business models, resources, culture and legal requirements across the group; and to support trust in our businesses' products and services. We regularly review our policy that is available on our website at www.prosus.com/about/policies.

Clear accountability
We give clear accountability to individual businesses. Each business is directly responsible for managing data privacy in its organisation.

This responsibility rests ultimately with the CEOs of each business – they lead in implementing the group's policy and are directly accountable for the data protection programmes and privacy standards in their organisations.

This approach to data privacy aligns with our model of decentralised governance and broader belief in encouraging great leaders and businesses to excel. We believe that setting the right shared principles, and giving businesses the direct responsibility to enact them, is the best way to have a greater long-term positive impact. More broadly, we are fostering a culture of data privacy and looking to businesses to ensure privacy by design – where privacy becomes part of the fabric of day-to-day work rather than an add-on.

These are the key inputs for ensuring robust data privacy across the group:

Data privacy principles
Widely recognised internationally and benchmarked to fair information privacy principles, they are guidelines for the responsible use of data. Critically, they are both universal and able to be applied to the different businesses in the group – from established global players to start-ups in jurisdictions that may not yet have a data privacy law.

Seven overarching privacy principles at Prosus

1

Notice
We offer appropriate notice about our data privacy practices.

2

Individual control
We honour data subjects' choices about their personal data within bounds of technical feasibility and reasonability.

3

Respect for context
We recognise that data subjects' expectations about fair and ethical use of their personal data are informed by the context in which their data was first collected.

4

Limited sharing
We limit unnecessary personal data sharing with third parties.

5

Retention
We retain personal data only for as long as we need it.

6

Security
We ensure appropriate security.

7

Governments
We engage with governments responsibly.

Intellectual capital continued

Data privacy programme
To help businesses put the principles into practice, our data privacy programme is designed to scale to their needs and circumstances. This programme ensures that our core data privacy commitment and approach are followed in ways that really work for our businesses, which benefits both individual businesses and the group as a whole. It also assures that businesses fully comply with applicable data protection laws. Personal data is stored and processed ethically and in compliance with applicable privacy laws, such as the GDPR in Europe.

The programme is available to all companies in the group, including investees. This reflects our broad commitment to sharing best practice and expertise in key areas such as data privacy, cybersecurity and AI across the portfolio. This is one of the main ways we add value and help build the companies we invest in.

This is our programmatic approach to ensuring robust data privacy across the group.

Supporting and monitoring
The group's data privacy office supports and monitors the businesses. Help includes guidance on implementing the data privacy programme; a secondment programme that develops and trains future privacy leaders nominated by companies in the group; and advice on any data privacy implications of mergers and acquisitions. In turn, on a quarterly basis, the companies report to the group privacy office on their progress in maturing each aspect of their privacy programme, identifying key risks, and notifying us about incidents and interactions with government authorities, customers and their partners.

One of the structures we have put in place at group level to assist businesses with their data privacy compliance is an intra-group data transfer agreement. It is designed to streamline how our companies navigate the complexities and risks involved in international data transfers among affiliated companies, to ensure they comply with the latest regulations in this area.

Prosus privacy in M&A playbook
Over time, we have built up considerable strength and expertise on the privacy issues surrounding M&A and, as a responsible investor, we want to share this know-how. So, the group privacy team created the Prosus privacy in M&A playbook, jointly published with the International Association of Privacy Professionals – the largest organisation of its kind in the world. This is an example of sharing our thought leadership as widely as possible to help promote data privacy best practices across the transactional ecosystem.

Advocacy of privacy legislation
We closely follow developments in data protection, data strategy, AI ethics and other key issues. We actively advocate for better standards, practices and legislation across the world of data, working to ensure that our companies stay at the forefront of discussions that impact the use of data in their businesses. This includes advocacy and thought-leadership work in support of relevant legislation in diverse jurisdictions, including India, Brazil, South Africa and the European Union.

Governance and reporting
The board has direct oversight of data privacy, including subsidiaries. The group encourages associates and investees to participate in the data privacy programme.

It is one of the strategic topics directors review regularly through the risk committee. Twice a year, the group data privacy office submits a detailed report to the risk committee. It aggregates the group risk assessment together with recommendations for focus areas in the segments, and detailed segment-level reporting. The responsibilities for executing this board oversight and strategy sit with the group data privacy office, led by the global head of data privacy. The remaining execution happens in the segments.

Seven key elements of our privacy programme

1

Executive buy-in
Senior management should emphasise the importance of data privacy and its relationship to trust, brand, growth, risk and compliance to their teams. The CEO should designate a data protection lead or team of individuals responsible for data protection.

2

Know your data
The business should know what personal data it holds and for what purposes it processes that data.

3

Policy-setting
Certain policy documents should be adopted to support implementation of privacy principles at a minimum:

- Consumer privacy policy.
- HR privacy policy.
- Security policy.
- Data breach/incident response plan.

4

Training employees
Privacy training that informs employees about company policies, the principles, and how their roles are impacted by data privacy requirements, should be part of onboarding and/or annual training.

5

Vendor and third-party management
Where personal data sharing is to be permitted, third parties should be appropriately scrutinised. We require confidentiality and/or data-processing agreements to ensure an adequate level of protection for any data shared. We audit vendors on risk-based criteria.

6

Legal compliance
Legal advisers should support the business by helping to ensure that applicable laws and their specific requirements are met.

7

Reporting
Each business should be able to demonstrate its compliance with the principles, the data privacy programme elements, and with applicable data protection laws.

Intellectual capital continued

Three KPIs

To monitor the data privacy outputs that flow from our companies in line with the inputs we provide as a group, we have set three KPIs.

Investing in expertise

The first KPI reflects our requirement that companies have their own privacy lead and team. We track the level of investment in data protection officers, deputies, regional privacy leads, privacy managers and other experts. The more we grow our network of data privacy and protection experts across the group, the stronger our capabilities will be. When new data protection laws come into force, we commonly observe increased investment in this area to accommodate the mandatory designation of data protection officers or similar roles within companies. Looking ahead, we can expect a significant increase in the need for qualified data privacy experts in our companies in India, with the forthcoming adoption of data protection legislation there.

In our subsidiaries, we have a diverse team of 33 data privacy roles in a variety of jurisdictions across the globe.

Auditing companies

As a group, we also require that companies are regularly audited, so this forms our second KPI. We routinely conduct audits that focus on aspects of data governance as part of our overall risk management. Guided by the privacy team, our internal audit team schedules and performs various types of privacy controls, verifications and audits on subsidiaries. These audits are a valuable way to provide both assurance and guidance. They are welcomed by group companies, as they help identify opportunities to strengthen privacy and data protection.

During the year, we conducted 35 audit activities with data governance components, assessing issues specific to privacy, software development life cycle, security, data management and broader risk management.

Focusing on privacy by design

The third KPI relates to our increasing focus on data privacy by design, another key group commitment, which has both quantitative and qualitative components.

We are developing broader and deeper capabilities across the group to execute privacy by design: incorporating privacy at the design phase of product and technology deployment. As a result, privacy should be embedded in our solutions and services from the outset, rather than considered later.

Our focus on privacy by design has two dimensions: people and automation. To train our people, we have a dedicated development programme, the Prosus Privacy Technologist Programme, on MyAcademy. Open to employees from any of our subsidiaries, it is designed to enable group companies to develop their own capabilities to implement privacy by design. Since its launch in September 2020, over 250 employees have signed up for the programme on MyAcademy or with the International Association of Privacy Professionals (IAPP). Additionally, we conduct a mix of in-person and remote topical privacy trainings throughout the year for all of our employees, including as part of onboarding of new employees. In our MyAcademy learning environment, we host more than 30 modules of diversified privacy training content in different languages, allowing functions such as HR, Marketing, IT, AI, and others to find dedicated privacy learning opportunities relevant for their daily work.

Automation can be another critical element in implementing privacy by design. It is increasingly being used across our segments to extend and improve privacy programmes. Automation services can, for example, streamline the work of privacy offices in companies, through automated questionnaires, aggregation tools and data discovery tools. To support the increasing use of such tools, we maintain a group-level licence for industry-leading privacy management software that allows companies to automate many of the privacy reviews undertaken across the group. As a result of this offering, hundreds of records of processing activities, data protection impact assessments, vendor questionnaires and data discovery activities that were once managed manually are now being automated by the segments.

Looking forward

To further enhance data privacy across the group, we have created the Prosus maturity model for privacy programmes. It is designed to evaluate the respective level of privacy maturity across segments and within them. We are mapping the relevant maturity levels of all our companies, and aim to use this as a springboard for them to set appropriate goals and measure progress for FY23.

This enables us not only to do internal benchmarking and company-specific goal-setting, but to identify broader trends. As a result, we can see where the big privacy issues lie and adapt our support and guidance accordingly, to keep improving as a group.

Data privacy risks continue to increase, notably as a result of greater regulation. International data transfer is undoubtedly a highly sensitive issue – hence our creation of the groupwide intra-group data transfer tool. In addition, the Data Protection Act in India will bring much change in a market where we are deeply invested. There are also novel data privacy issues for our Food Delivery and Edtech segments – notably around children, personalisation, location and AI.

While major challenges remain, we are committed to ensuring strong groupwide data privacy, so our companies can keep improving everyday life for people around the world.

Programme stats

33
data privacy roles in

11
countries globally

Range of functions: Engineering, technology and products, risk management, finance, human resources, customer support, legal and project management

Number of IAPP members:

269 in 2022
(246 in 2021; 30 in 2020)

Holding

65
IAPP certifications (CIPP-E, CIPT, CIPM, CIPP-A)

Social capital

Over the years we have built up a distinctive culture across the group.

Business culture, ethics and integrity

Creating long-term value the right way

It starts at the top. The board ensures that a culture of business ethics and conduct, aimed at long-term value creation, is promoted to underpin the group's activities as a responsible corporate citizen. This includes adopting values and a code of business ethics and conduct (the code), leading by example, and monitoring implementation.

Sharing a strong culture

Over the years we have built a diverse, dynamic and collaborative culture across the group. This is a culture that keeps us moving forward and changing for the better. Above all, it encourages us to keep learning and adapting, with the objective of continuing to develop, change and grow to find new ways to improve everyday life for people around the world.

Our culture comes to life through the things we do and the way we do them. Our group values guide our culture:

- We build.
- We deliver.
- We're responsible.
- We value each other.

These values, and the code, are the guiding principles for our actions as an organisation.

Ethics and compliance

Honesty and integrity are the foundations of our reputation and for the trust of our stakeholders: it is crucial we guard that reputation and preserve that trust.

We are required to comply with many laws and regulations that apply in the countries in which we operate, including anti-bribery and anti-corruption and other similar laws. Failing to comply with these laws and regulations could expose the group to legal liability and affect our impact, reputation, business, financial condition and the communities in which we operate. We are therefore committed to conducting business in compliance with the law and behaving ethically. This means that we apply laws and rules, codes and standards with integrity and with regard for ethical business practices in a way that supports good corporate citizenship.

The board sets the tone at the top, guiding business values and promoting the culture of ethics and compliance. The board and, more specifically, the risk, audit, human resources and remuneration, and sustainability committees exercise oversight of ethics and compliance and the management of ethics and compliance-related risks across the group. The board has approved all our ethics and compliance policies, including the code and the Speak Up policy. The code sets out what we as a group expect from all employees and stakeholders and the Speak Up policy encourages and provides channels for individuals to report actual, or potential, breaches of the code, other group policies or any other laws or regulations.

Group management is responsible for creating a culture aimed at long-term value creation for the group and for ensuring that ethical business standards are integrated into the group's strategies and operations.

Group ethics and compliance is responsible for executing effective and demonstrable ethics and compliance risk management, specifically relating to the code, anti-bribery and anti-corruption, competition/anti-trust, sanctions and export controls, and anti-money-laundering and counter-terrorism financing. Group ethics and compliance is also responsible for the end-to-end Speak Up process, including the policy, operating the actual service and ensuring reports are followed up, investigated (where necessary) under the direction of the Speak Up investigation committee, and remediated appropriately.

Approach

Group ethics and compliance has developed and communicated an ethics and compliance framework that sets out minimum standards required throughout the group. Based on this framework, subsidiaries are required to implement an ethics and compliance programme that is fit for purpose and takes account of any additional ethics and compliance risks specific to their business.

For example, if a subsidiary operates in a country that may present increased corruption risks (ie one with potentially weak legal institutions or lack of transparency) and interacts with government entities/officials in that country, we would expect it to have implemented a robust anti-bribery and anti-corruption compliance programme covering the following risk areas:

- Interactions with government officials.
- Gifts, hospitality, travel and entertainment.
- Conflicts of interest.
- Charities/charitable donations, political contributions and sponsorship activities.
- Third-party vetting and due diligence.
- Accurate books and records.

To ensure proper design and implementation of ethics and compliance programmes, 36 ethics and compliance officers have been appointed across the group. Group ethics and compliance monitors the design and implementation of these programmes and reports to the board quarterly.

Social capital continued

We understand that, from time to time, employees or other stakeholders may come across a situation or behaviour that concerns them. As part of our ethics and compliance culture, we encourage individuals to speak up if they encounter issues. Various Speak Up channels are available, including local options (eg line managers, human resources, ethics and compliance officers), as well as the Speak Up service, which is operated by an independent third party, and is available 24/7 in at least five different languages. The Speak Up service allows for confidential and, if legally permitted, anonymous reporting. Retaliation against individuals for speaking up is not tolerated and will be treated as a violation of our code.

Progress in FY22

During FY22, we updated and enhanced a number of key group policies, including the code and the Speak Up policy. The code and this policy are pillars of a robust ethics and compliance programme. We updated them to enhance awareness and usability, making it easier for people to understand what we believe is important and what behaviour is (or is not) appropriate.

The code reflects our commitment to doing business in an ethical, legal and socially responsible way: it is designed to help us meet that responsibility and explains how we expect our people to conduct business. The principles that underpin our code support full compliance with applicable laws and reflect the practical ways in which we demonstrate our commitment to the code. We believe that when we apply ethical principles to business decisions, we are positioned for success.

The Speak Up policy that we adopted this year informs employees and third parties of the various Speak Up channels, and encourages them to raise concerns internally, which gives us the opportunity to identify and manage potential risks at an early stage. This policy replaces the whistleblower policy and is consistent with the EU Whistleblower Directive (effective from December 2021). The Speak Up policy also sets the standard for how reports are managed and investigated in the group, and underlying procedures have been implemented to support the policy.

We have rolled out training across the group, to help everyone who will need to play a role in Speak Up to understand their responsibilities, and to set out how we can work together to ensure that the code and the Speak Up policy are successfully implemented.

The code and Speak Up policy are available in six languages and posted on our external group website. On the basis of these documents, group ethics and compliance has developed an e-learning module which further explains the documents and how they apply to employees. The e-learning is available in English and will be translated into additional languages for use by subsidiaries in training and creating awareness. This e-learning has been rolled out to the group and, in FY22, 100% of the group functions completed the training.

In FY22, 305 Speak Up cases were logged (including whistleblowing cases). Of these cases:

- 161 were substantiated (fully or partially) and remediated, as required
- 120 were not substantiated, and
- 24 are still under investigation.

In this financial year, group ethics and compliance was separately notified about four potential ethics and compliance-related incidents (allegations relating to competition and other topics in scope of the ethics and compliance framework). Of these incidents:

- one was substantiated (fully or partially) and remediated, as required
- two were not substantiated, and
- one is still under investigation.

Overall, based on our continuous monitoring activities, we note that businesses have continued to make good progress in implementing and adapting the ethics and compliance framework locally. Group ethics and compliance monitors the design and implementation of the programmes in various ways, including quarterly and biannual reporting, ethics and compliance reviews and ongoing touchpoints with subsidiaries. Notably, the quarterly and biannual reporting process provides valuable insights into the progress made by subsidiaries in implementing ethics and compliance policies and related controls. The information obtained is used by subsidiaries and the group to ensure that potential issues are remediated appropriately and programmes are fit-for-purpose and operating effectively.

Looking forward

We continue to develop our ethics and compliance strategy to take account of observations from our monitoring activities, emerging risks, regulatory changes and best practices. We also recognise the importance of ensuring that a strong ethics and compliance base is embedded in our subsidiaries (allowing for growth and change).

Over the coming year, we will continue to drive the implementation of the ethics and compliance framework in the subsidiaries. This will include ensuring that subsidiaries have strong ethics and compliance foundations, and further implementing the code and Speak Up policy. Related e-learning will be rolled out to the remaining subsidiaries in local languages. Group ethics and compliance, in collaboration with the subsidiaries, will monitor the completion of this mandatory training.

Through the revised Speak Up policy and enhanced processes, systems and data, we aim to improve board oversight of ethics and compliance further, and to ensure that, as a group, we address the relevant ethical issues by taking the right actions and developing mitigation and prevention strategies.

Programme stats

36
ethics and compliance officers

100%
of group functions completed code and Speak Up e-learning

305
Speak Up cases were logged

Social capital continued

Upholding human rights

Human rights give us the freedom to choose how we live, how we express ourselves, and the freedom of political affiliation and are fundamental to our ability to meet our basic needs, such as food, housing, and education. Conflict, poverty, climate change, inadequate access to education and inequitable access to resources are some of the underlying issues that contribute to a world where human rights continue to be challenged in both mature and emerging economies. The global breadth of the issue has been brought into sharp focus by growing discussion around systemic racism and violence following the rise of the Black Lives Matter movement. In turn, public dialogue has increased around broader topics of diversity, equity and inclusion.

Our commitment

As an employer, investor and operator our actions touch the lives of millions of people around the world. By setting appropriate standards at a group level, we can create far-reaching positive impact. Therefore, our approach to human rights begins with our own operations and extends through our value chain.

As a signatory to the UN Global Compact, we welcome our role in supporting and respecting the protection of internationally proclaimed human rights, and in ensuring our business is not complicit in human rights abuse. We operate in diverse geographies, each with its own historical legacies, social demographic configurations, and populations. Our approach to human rights sets out standards and principles that can be applied to the specific issues and challenges of each field of operation.

Human rights in our operations

Our approach to human rights begins with the area where we have the most influence: our own operations. As an employer, we respect the fundamental dignity of our workforce and are committed to providing a respectful, safe and secure workplace that is free from any form of human rights abuse. This commitment extends to the board and everyone who works in the group.

Our human rights statement is available on our website and is communicated to internal and external stakeholders. It describes our approach to topics, including remuneration, dignity at work, privacy and employee confidentiality, forced labour, and health and safety. It also details the reporting and governance framework in place to uphold these standards. The human rights statement is overseen by the board, with the assistance of the sustainability committee and the human resources and remuneration committee. After publishing our human rights statement, we set a target to cascade it to all our subsidiaries this year: 100% of these entities have now adopted and or published their own human rights statement.

We address human rights further in our human capital and social relationship capital frameworks, which outline our response to specific risks relating to human rights across our business.

Companies we invest in

Since 2021, all subsidiaries have adopted our human rights statement and are required to uphold this standard, along with applicable laws and regulations. We track their performance in this area as part of our third-party ESG performance assessment process, which maps how each company addresses ESG topics, including human rights.

We invest in diverse business segments, each with its own particular nuances and challenges. As a result, each company's approach to human rights is influenced by its operating context and business model, while maintaining the underlying principles. For example, food delivery businesses work with a large pool of drivers who are, in many cases, also external contractors. In this case, we have introduced a groupwide on-demand platform worker statement for subsidiaries, which outlines principles around pay, social protection, fair working conditions and flexibility.

Human rights in our supply chain

We recognise our opportunity to influence our supply-chain partners through our supplier and purchase decisions. As such, we require a commitment to minimum human rights standards that is compatible with our own commitments by companies that seek to qualify as a Prosus supplier.

In 2021, we implemented a third-party supplier assessment tool, which provides a broad view of our supply-chain risk across four risk areas identified by the UN Global Compact, including human rights. This screening system helps identify individual risks and allows us to continuously assess and improve the profile of our vendor ecosystem.

Building supplier sustainability

We are committed to building a more sustainable supply chain through our purchase decisions.

At a corporate level, we have implemented an integrated vendor-screening tool. We aim to screen the majority of vendors across a range of material issues to help identify any areas of concern. The tool will be continuously deployed across our current and future portfolio of vendors.

Looking forward

Looking forward, we will continue to embed and enhance our responsible business culture throughout the group.

Social capital continued

Community investment

In line with our purpose to improve the everyday life of billions of people through technology, community investment is a natural focus for the group to do what we do best – helping promising entrepreneurs to make a lasting impact in the area of accessibility.

Although conditions vary, we believe that local action by local companies is key to addressing societal challenges through scalable innovation.

Across our portfolio, our businesses implement corporate social responsibility initiatives that meet the specific needs of local communities. We encourage businesses to align the design and delivery of their social impact strategies to their core business activities. This enables them to extend their strengths for positive local impact.

Our community investments are designed to help underserved members of society. In India, the Prosus Social Impact Challenge for Accessibility and Prosus FLIGHT are meaningful examples of support for growing highly impactful sectors that are underfunded by the investment community.

Humanitarian relief

Support for Ukraine

Russia's invasion of Ukraine created the largest humanitarian crisis Europe has seen in decades. According to the UN refugee agency, 10 million people, or about a quarter of the population, were displaced. Nearly 4 million of these people have fled to neighbouring countries, with Poland alone receiving millions of refugees at the border.

To support Ukrainian refugees coming to Poland, World Central Kitchen runs meal-service sites that served up to 400 000 meals per day. This food is provided in disposable packaging, and meant that thousands of pieces of packaging waste are generated daily. This volume of waste warranted an urgent and reliable sustainable alternative to packaging.

We have provided funding support to a pilot run by Ozarka, a reusables-as-a-service company to replace the single-use packaging with reusable containers at one of the World Central Kitchen refugee centres in Poland. Assuming the use of 4 000 units of disposable food packaging waste per day, the pilot project could result in preventing up to 700 000+ units of disposable food-packaging waste over six months. Through the implementation of this pilot over the summer of 2022, we seek to learn if reusables are a feasible solution to reducing single-use plastic waste in humanitarian contexts.

In early March 2022, humanitarian aid has been volunteered on behalf of OLX Ukraine and US$350 000 was donated to the Red Cross. Furthermore, Prosus is contributing US$10m to support humanitarian aid efforts in Ukraine. Donations will be made directly to registered and established charities to ensure the funding reaches those people most in need, and our Ukrainian and Polish employees will be involved in the selection of the charities. We expect to complete the US$10m of donations over the next six months.

Prosus social impact challenge – India

The Prosus Social Impact Challenge for Accessibility (SICA) was launched in 2020, in partnership with Invest India and Startup India (government agencies), Social Alpha (supported by Tata Trusts), and the World Health Organization (WHO).

The challenge identifies the most innovative Indian start-ups working on assistive technology. The challenge aims to foster long-term societal progress in an area of social need and technology innovation while bridging two flagship government initiatives, Digital India and Accessible India.

Assistive technology solutions can help people with disabilities to lead independent lives. Many are among the most excluded members of society, disproportionately affected by low rates of literacy, social stigma and lack of opportunities to participate more fully in the economy and society.

Winners

The top three start-ups (in order) for the second year of the programme, were Trestle Labs (Bangalore), SignAble Communications (Bangalore) and Lifespark Technologies (Mumbai):

- Trestle Labs creates real-time content for the visually impaired community to enable more inclusive education and employment. Its Kibo software translates and digitises printed, audio, handwritten and digital content in 60 global languages, including 12 Indian languages. The Kibo app has been adopted by over 40 000 users in 15 countries, including India, Pakistan, Indonesia, Nigeria and Bangladesh.
- SignAble Communications has developed video remote interpretation software to enable live interpretation in Indian Sign Language (ISL) via a mobile app. The app addresses speech and language disabilities with live, on-demand services by human interpreters – for anyone, anytime, anywhere, affordably, and at the touch of a button.
- Lifespark Technologies is a healthcare technology company building a platform for continuous, optimal therapy in chronic neurodegenerative disorders such as Parkinson's disease (the fastest-growing neurological disease). Its wearable device, linked to a digital platform, provides sensory cue-based therapy to improve walking, reduce falls and enhance quality of life. The app sends emergency alerts to caregivers, and generates data for physicians and therapists.

Social capital continued

The winners received grants of INR25 000 000, INR18 000 000 and INR12 000 000 respectively, intended to help scale their businesses to help more people with disabilities to lead more independent, empowered lives.

Advisory and mentorship
The winners joined the Prosus SICA mentorship programme alongside two runners-up: TinkerTech Labs, which works on hearing impairment issues, and Visioapps Technology, a start-up focused on visual impairment.

Mentees can access a global network of strategic advisers from Prosus, technical advisers from WHO, assistive technology experts from Social Alpha, and the support of knowledge and partnership-building specialists from Startup India and Invest India. They are eligible for opportunities to seek follow-on funding, with an opportunity to join Social Alpha's start-up incubator.

Prosus FLIGHT – India: Access to education and employment for young women

Prosus FLIGHT is an initiative to fund education and skills training for marginalised women and girls in India. Launched in March 2021, in partnership with UN Women, this initiative aspires to support economic growth by advancing women's equality and participation in an economy where many lack opportunities for decent, dignified work.

Breaking barriers
Obstacles to education and skills training in India are numerous. Girls and young women often find it hard to continue their education beyond high school. For those who attend college, many struggle to stay enrolled until graduation.

Prosus FLIGHT supports 750 women and girls in higher education to earn a formal degree or certification, and to acquire employable skills to participate in India's digital economy. The initiative helps young women aged between 17 and 25 in the state of Maharashtra, where Prosus FLIGHT aims to create a network of female graduates who can become role models for other young women.

Natural capital

We seek to minimise our impact on the environment and to play our part in addressing issues, including climate change and the responsible use of natural resources.

Climate action

In FY22, we developed a climate transition plan that provides the foundation for setting multiyear, science-based targets in the coming year. To achieve these targets, we will invest in partnerships and scalable technology for low-carbon growth, improved material efficiency and environmental stewardship.

To implement our climate transition plan, we follow a three-step approach:

Firstly, we understand the environmental impact of our operations and extended value chain. Each company conducts a materiality assessment and an ESG performance assessment, while also undertaking a deep-dive exercise into mapping and defining their organisational boundaries for the purpose of carbon accounting. Data from this analysis informs both group and company-specific environmental programmes to drive systemic change.

Secondly, we apply the highest industry standards and targets, guided by global best practice and science-based frameworks.

Thirdly, we identify scalable technology, partnerships and strategies to reduce environmental impact and improve performance.

Given the diversity of our group companies, not only in terms of business sector and geography, but also the relative maturity of each entity, the nature of a company's material environmental impacts, and how to define them, will vary. Mapping the environmental impact of individual businesses reflects our emphasis on 'solving for local needs'.

In our Classifieds segment, for example, OLX Group has committed extensive resources to establish a methodology for calculating how reusing consumer products reduces consumption of materials, water and other resources, and the corresponding reduction in greenhouse gas (GHG) emissions, thereby contributing to creating a circular economy. Outcome of this is published in the OLX impact report (refer to www.olxgroup.com/impact).

We work closely with our subsidiaries to build a diligent GHG emissions inventory accounting and reporting process. We support all subsidiaries to onboard their GHG inventory (ESG data management tool) to create a repository of all their upstream and downstream environmental data. This enables our businesses to adopt a data-driven analysis and define a baseline that underpins company-specific targets to reduce emissions.

Our GHG accounting and reporting, ultimately, is about creating transparency and appointing responsibility for taking action to reduce emissions and realise GHG targets. Our GHG accounting needs to be in support of our company's climate ambition and at the same time follow the leading standards and guidance on accounting and reporting.

The process of GHG data reporting is very operational, company and market specific. Compared to the financial accounting processes of listed and non-listed companies, we observe that carbon accounting is still in a nascent stage for private companies. This is illustrated through the lack of carbon data management in our new acquisitions, regardless of size, sector or geography. Helping our companies to get started on the climate action journey begins with deep engagement and training. During the first 12 to 24 months after acquisition, we start with building awareness of the need for climate action and helping them with the tools to define their boundaries and start their GHG accounting journey. Continual improvement in the quality of their data collection and analysis is key to the development of their environmental programme. Designated 'environmental champions' are supported with training and knowledge-sharing to develop and implement emissions reduction plans.

Electricity used in buildings, fuel consumption by company cars and generators and IT hardware are some of the assets that need to be reviewed for their generation of GHG emissions. Oversight over these assets and the implementation of solutions for GHG reduction activities is operationalised at individual company level. We want to ensure that our GHG accounting and reporting approach is reflective of this reality and allows us to set targets that can be delivered on by the entities that carry the ability to do so.

Our climate commitments

In early FY22, we committed to becoming carbon-neutral. The scope of this commitment included direct and indirect emissions resulting from our corporate operations, including business travel and extending to the footprint of our subsidiaries that offset their scope 1 and 2 emissions.

In the years to come, we intend to shift our investments in carbon offsets to strategic GHG reduction programmes.

For the Prosus corporate entity, we have fully compensated historical GHG emissions arising from its own operations since its listing in September 2019. Our offsets are procured from certified projects around the world that help drive social, economic, and environmental progress in local communities.

Next steps: Science-based targets towards net zero

We are now working on setting groupwide, multiyear GHG reduction targets that will drive our net-zero pathway, aligned with the 2015 Paris Climate Agreement goal of keeping global warming to 1.5°C.

We have established FY20 as our baseline for our emissions-reduction targets feeding into our climate transition plan. Sphera, our carbon data management tool, enables the evolution and integration of group ESG performance targets into company-specific ESG plans and targets.

Natural capital continued

This process facilitates effective, groupwide collation of consistent, high-quality and comparable data for evaluation and reporting. For the new financial year, our climate targets are embedded into the STI-linked KPIs for our chief executive and include:

1. Absolute reductions in our scope 1 and scope 2 corporate footprint (Prosus corporate).
2. Reductions in material scope 3 categories. (Prosus corporate).
3. Setting a science-based target (Prosus corporate).
4. Reporting of full scope emissions of all portfolio companies where we have a controlling interest.

We intend to publish our science-based targets in the coming year. Our ambitions will focus on two aspects that are in alignment with the level of control we exercise over our group:

- Reduction of our corporate footprint (scope 1, 2 and selected categories of scope 3).
- Engagement of our portfolio companies to ensure they also set their own science-based targets.

Systemic change is contingent on collaboration across sectors and value chains. By working through sectoral, industry and other policy forums, Prosus aspires to create enabling conditions for collective global action by businesses to reduce environmental impact.

We participate in initiatives and programmes most relevant to the operations of our businesses. We have joined the BoardNow coalition of companies committed to sustainable air travel: we invest in sustainable aviation fuel that is the only short-term solution to decarbonise air travel and that is supportive of the development of a low-carbon pathway for air travel. We will continue to invest in electrification of our delivery fleets, renewable energy, and innovative collaborations to enhance environmental performance.

There is tremendous opportunity in the food segment to use electric bikes, scooters, motors and other vehicles to reduce the environmental impact of food delivery. Across the diverse range of food delivery companies in our portfolio, we have learnt that successful implementation comes with many challenges. While there can be both carbon and cost efficiencies in the long term, key barriers to the adoption of electric delivery vehicles range from awareness, infrastructure and financing.

iFood, Swiggy and Delivery Hero are deeply involved in pilots to learn where the bottlenecks are and what solutions can be created. The shared ambition involves removal of fossil fuels from the supply chain, which will reduce GHG emissions, reduce reliance on the supply of these fuels and continue to support livelihoods.

	Total energy consumption (GJ)	% renewable energy	% non-renewable energy
Prosus corporate	895.63	51%	49%
PayU	10 395.11	0%	100%
Movile	1 710.95	0%	100%
iFood	2 728.85	0%	100%
eMAG	27 3687.16	5%	95%
OLX	38 308.98	4%	96%

Swiggy has learnt from conducting a few pilots that the offering of electric two-wheelers for its delivery partners has to match, if not improve, the existing two-wheelers on critical elements of battery capacity (range), engine capacity and costs to improve adoption. Solutions to these elements require a mix of new infrastructure of charging or battery swapping stations and reliable high-quality two-wheelers that are affordable to operate. Swiggy is now working with several players, like manufacturers, leasing companies, infrastructure providers and more to stimulate adoption of the scooters to realise its target of approximately 0.5 million miles driven electrically by 2025.

But, to disrupt a highly developed system of transportation based on fossil fuels – reliable new and used motors, petrol stations, garages, technical experts – and replace it with an equally reliable system of affordable scooters, charging stations, sufficient battery range, etcetera, requires the collaboration and entrepreneurship of many different parties, including a supportive government. As an investor in several food companies across the globe, Prosus recognises how each market has its challenges to make electric transport a viable investment, and that we can play a role to enable sector innovation and cross-learning to help remove barriers and speed up the transition.

Packaging and waste is a material topic for a significant proportion of our portfolio companies, in particular for our Etail and Food Delivery segments. As in all sustainability topics, we are focused on scalable and systemic responses. Each of the companies will continue to explore opportunities to reduce the environmental impact of plastic packaging by implementing steps to understand and manage this impact. One of the strategies being implemented by iFood, Delivery Hero and Swiggy, is to offer customers an opt-out feature for cutlery when placing their food orders.

Further details of our climate strategy, including risks and opportunities such as decarbonisation of mobility and powering the circular economy, can be found on our website at www.prosus.com/sustainability/overview.

Task Force on Climate-related Financial Disclosures

We have been embedding Task Force on Climate-related Financial Disclosures (TCFD) guidelines into our business to ensure transparency of our understanding and management of climate-related risks. Our full TCFD disclosure is provided online at www.prosus.com/investors/annual-reports and is summarised on the next page.

As we mature on our sustainability journey, we are guided by reporting frameworks like the TCFD and Sustainability Accounting Standards Board (SASB) standards for communicating our position and progress on key ESG indicators. The TCFD framework helps us to communicate consistently on climate-related risks and opportunities to meet the needs of investors and other stakeholders for disclosures on our role in creating a low-carbon and climate-resilient economy. In the coming year, we will continue to further align our ESG reporting to other commonly accepted standards that stakeholders know and trust, defining and enhancing broader performance measures and reporting progress against them.

Natural capital continued

	Approach	Progress	Next steps
Governance	At our highest governance level, two board committees (risk committee and sustainability committee) along with the governance committee comprising of executive leadership are charged with overseeing the implementation and execution of the group sustainability strategy and climate transition plan. The committees must meet at least twice every year and retain oversight to provide steer on the sustainability risks and opportunities for the group. Identification of sustainability risks and opportunities at group level is led by the global head of sustainability, who is responsible for managing implementation of the group sustainability plan. The global head of sustainability reports to the group general counsel, a member of the executive management team, who reports to the CEO. Action on climate is a requirement across our portfolio of companies, with performance standards set at the group level. Implementation and results are monitored by the sustainability committee whose members include our CEO, CFO and board directors.	To ensure our board is informed of and aware of all climate-related reporting and standards, the board received multiple trainings this year on specific environmental programme management, including GHG accounting, setting of science-based targets and climate action. Climate action targets have been integrated in the group financial planning, and included in the CEO's and CFO's KPIs and their short-term incentive plans. Targets are aimed at: • Absolute reductions of our corporate footprint. • Developing a science-based net-zero pathway. • Disclosure of audited emissions of all portfolio companies where we have a controlling interest. We have successfully trained and grown a broad network of sustainability champions across all controlled portfolio companies. These champions are responsible for the implementation of the environmental programme, setting boundaries for GHG accounting within their business and collecting and reporting carbon data on our group reporting tool. An internal audit of our controls on the carbon data reporting process and tool, findings of which were reviewed at board level. Our GHG data received a readiness review conducted by E&Y.	Trainings for a broader group of executive management on climate change and climate-related risks and opportunities. Further support sustainability champions in our portfolio companies to expand and improve GHG inventorisation, and set absolute reduction targets. Explore ISO certification of our GHG data and environmental programme as Environmental Management System.

Natural capital continued

	Approach	Progress	Next steps
Strategy	We play a leading role in digitisation of traditional business sectors enabling the transition to a low-carbon economy. When compared to analogue, offline delivery of services and digital solutions are material efficient and reduce the need for physical infrastructure and mobility. We continue to explore investment opportunities in climate across a wide range of verticals, including but not limited to clean energy, sustainable food and agriculture, next-generation materials and the circular economy. We have assessed the climate-related risks and opportunities for the group, which resulted in an identification of some clear opportunities to enhance the ESG profiles of our portfolio companies and thereby increase our ability to raise capital, enhance the valuations of these companies and reduce their operational risks. Opportunities in green transport, resource efficiency and circular economy, operational efficiency and digitisation with positive impact on our segments are substantive and pursued through the employment of management programmes and investment programmes.	This year, first, we onboarded all subsidiaries on a carbon data management tool. Next, our businesses harnessed this data to define a baseline and set company-specific reduction roadmaps. We have articulated our responsible investment approach to ensure clarity for all stakeholders about integration of ESG in our capital allocation decisions and our engagement with portfolio companies. We made several investments in sustainable businesses this year, such as Fashinza (https://www.prosus.com/news/fashinza-raises-100m-series-b-to-create-sustainable--supply-chain-for-global-fashion-industry/), sustainable fishery platform Aruna (https://www.prosus.com/news/indonesias-fisheries-platform-aruna-secures-series-a-funding-of-us-35-million/) and agtech Biome Makers (https://www.prosus.com/news/biome-makers-raises-15m-in-series-b-funding-to-secure-position-as-a-global-leader-in-biological-soil-analysis/#:~:text=%E2%80%9CProsus%20Ventures%20invests%20in%20industries,to%20the%20fresh%20food%20supply). Acknowledging our corporate footprint includes emissions from air travel, we are committed to contributing to structurally decarbonise the aviation sector. We have joined the BoardNow programme (https://boardnow.org/) and will purchase sustainable aviation fuel (SAF) credits from the first dedicated SAF production facility, operated in the Netherlands by SkyNRG. We participate in initiatives and programmes most relevant to the operations of our businesses, such as: • eMAG investing in ecological carbon offsetting (https://www.carpathia.org/conservation-carpathia-and-emag-join-forces-to-protect-the-fagaras-mountains/). • iFood partnering to identify and innovate towards new packaging solution with Xprize (https://news.ifood.com.br/xprize-competicao-promete-resolver-desafios-mundiais/). • OLX measuring the avoided environmental impact from the trade of used goods on its platforms (https://www.olxgroup.com/impact).	The next steps are to support the companies in their journey to set and achieve net-zero targets by identifying scalable technology and partnerships to enable low-carbon growth and material efficiency. We are deepening our understanding and quantifying how digitalisation helps the world transition to a low-carbon society. In FY23, we will conduct a comparative assessment (LCA) to help us quantify the impact of digital payment services compared to offline, analogue and physical financial services. We are also implementing a project at OLX to further understand and substantiate the opportunity for digital platforms for used-car trade to contribute to reduction of GHG emissions from cars. These projects will contribute to deeper understanding of the environmental benefits of digital platforms, which will feed into the classification of our investment activities as sustainable.

Natural capital continued

	Approach	Progress	Next steps
Risk management	Management and the board are accountable for the choices and decisions we make, how we execute on these, for delivering value in its broadest definition of the six capitals model, and to maintain the risk profile regarded as acceptable. Risk tolerance levels are set top-down, and management is accountable to the board for implementing and monitoring the processes of risk management and for integrating this into day-to-day activities. Particularly focusing on data privacy, cybersecurity, sustainability (including climate risk), tax and intellectual property. An ongoing enterprisewide risk assessment process supports the group. This ensures risks are adequately identified, evaluated and managed at the appropriate level in each business and that their individual and joint impact on the group is considered. Given the diversity of our investment portfolio, in terms of sectors and geography, but also the relative maturity of each company, the nature of a company's material environmental impacts – and how to define them – can vary for every company. All our businesses are required to assess the extent to which natural capital may significantly affect current or future operations. These and other potential risks vary according to each company's business model, sector and geography, among other factors. Applying our principle of 'solving for local needs', we support our portfolio companies to identify and manage risks and pursue opportunities in the context of local operating environments. Further details on the finding of this analysis can be found in our full TCFD report on our website at www.prosus.com/investors/annual-reports and the Natural Capital risk section in our annual report.	Opportunities arising from the transition to a low-carbon economy are plenty for our businesses, which also de-risk their operations. Companies in our Food Delivery and Etail segments have continued to pilot the use of electric vehicles for delivery and transportation to curb emissions. Investing in pilots for reusable and biodegradable packaging to reduce packaging waste. Our Etail platforms invest in proprietary renewable-energy capacity to power their warehouses and other sites. eMAG has invested in refurbishment capacity for phones to help customers extend the life of their devices, reducing the need for new virgin materials and products (https://www.prosus.com/news/romanian-startup-flip-lands-15m-from-prosus-owned-emag-plans-cee-leadership-in-refurbished-products/). Our Classifieds operations have consolidated the network of car inspection centres under their GHG accounting and are identifying opportunities to reduce energy consumption and to install renewable-energy capacity.	Packaging and waste is a material topic for our food delivery and etail companies. Through a specialised working group, we are focused on identifying scalable and systemic responses. Over the year, this group will pilot solutions and exchange best practice.
Metrics and targets	We require all our portfolio companies, regardless of the sector they operate in, to take climate action as a central pillar of their ESG performance. GHG accounting, reporting and tracking of results against targets is monitored by our CEO and the segment CEOs reporting to him. All subsidiaries have committed to being carbon-neutral since FY22. For us, this is an important driver for our portfolio companies to develop a thorough practice of carbon measurement and accounting that underpins the setting of net-zero targets. For this year, the below targets are set on GHG emissions: • Reduce corporate scope 1 and scope 2 emissions by 100%. • Reduce corporate scope 3, category 1 emissions by 1% year on year. • Reduce corporate scope 3, category 6 emissions by 6% year on year. • Set a science-based GHG reduction target for corporate. • All subsidiaries report their audited full scope emissions.	GHG inventory and footprinting for all scopes for FY20 were performed for corporate and subsidiaries. This is now the benchmark year for further climate action across the group. We have established the baseline and GHG accounting and reporting processes that are the foundations for completing our climate action plan and science-based targets. Carbon-neutrality was achieved for both our corporate and our subsidiaries through the purchase of credits from high-quality energy efficiency and renewable-energy projects. Associate Tencent announced its commitment to a net-zero pathway and will publish its science-based targets in the near future.	We are committed to supporting the transition to a net-zero economy in accordance with the 2015 Paris Climate Agreement to keep global warming to 1.5 degrees Celsius. Our science-based targets will be published in FY23, when also implementation commences. Our ambitions will focus on two aspects, in alignment with the level of control we exercise over our group: • Reduction of our corporate footprint (scope 1, scope 2 and selected categories of scope 3). • Engagement of our portfolio companies to ensure they also set their own science-based targets. From next year onwards, we will disclose progress made against this target. We will fine-tune our GHG accounting and reporting framework to match the reality of a long- term investor with our financial accounting.

Natural capital continued

Prosus and portfolio companies scope 1 and scope 2 emissions

Prosus corporate offices[1]

	*tCO_2e
Scope 1 emissions from direct operations (use of fossil fuels and refrigerants)	15.46
Scope 2 emissions from purchased electricity (market-based)	35.74
Scope 3 (C6) emissions from corporate air travel	418.30

Portfolio companies:
OLX

Scope 1 (**tCO_2e**)	Emissions from use of fossil fuel	389.08
	Emissions from use of refrigerants	0
	Total scope 1	389.08
Scope 2 (**tCO_2e**)	Emissions from purchased electricity	4 077.93

Movile

Scope 1 (**tCO_2e**)	Emissions from use of fossil fuel	0
	Emissions from use of refrigerants	0
	Total scope 1	0
Scope 2 (**tCO_2e**)	Emissions from purchased electricity (market-based)	49.62

iFood

Scope 1 (**tCO_2e**)	Emissions from use of fossil fuel	1.89
	Emissions from use of refrigerants	0
	Total scope 1	1.89
Scope 2 (**tCO_2e**)	Emissions from purchased electricity (market-based)	78.40

eMAG

Scope 1 (**tCO_2e**)	Emissions from use of fossil fuel	12 860.71
	Emissions from use of refrigerants	114.78
	Total scope 1	12 975.49
Scope 2 (**tCO_2e**)	Emissions from purchased electricity (market-based)	4 417.12

PayU

Scope 1 (**tCO_2e**)	Emissions from use of fossil fuel	239.07
	Emissions from use of refrigerants	92.38
	Total scope 1	331.45
Scope 2 (**tCO_2e**)	Emissions from purchased electricity (market-based)	1 189.12

Scope 1 emissions

Prosus corporate (**tCO_2e**)	15.46
Portfolio companies (**tCO_2e**)	13 697.91
Total (**tCO_2e**)	13 713.37

Scope 2 emissions

Prosus corporate (**tCO_2e**)	35.74
Portfolio companies (**tCO_2e**)	9 812.20
Total (**tCO_2e**)	9 847.94

Scope 3 emissions (C6 emissions from corporate air travel)

Prosus corporate (**tCO_2e**)	418.30

The carbon emissions data was prepared in line with the following criteria for scope 1 and scope 2 emissions and can be accessed on our website at https://www.prosusreport2022.com/downloads.html.

* **tCO_2e:** tonnes of CO_2 equivalent.

1 Prosus corporate offices include the Unites States (Ventures), Belgium, and Hong Kong offices.

The EU Taxonomy Regulation (the regulation)

The regulation came into force on 12 July 2020 and establishes an overarching classification system of conditions that economic activities must meet in order to qualify as environmentally sustainable. The regulation is designed to support the transformation of the EU economy to meet its European Green Deal objectives, including the 2050 climate-neutrality target. In so doing, the regulation seeks to fulfil its environmental objectives of (i) climate change mitigation; (ii) climate change adaptation; (iii) sustainable use and protection of water and marine resources; (iv) transition to a circular economy; (v) pollution prevention and control; and (vi) protection and restoration of biodiversity and ecosystems.

The regulation also expands the scope of non-financial information that needs to be disclosed by large companies such as Prosus. It requires to what extent the company's activities are associated with economic activities that qualify as environmentally sustainable. Based on secondary legislation, the disclosure requirements of the regulation will be phased over several years. As of the date of this annual report for the financial year ended 31 March 2022, only the Climate Delegated Regulation applies, concerning 90 activities contributing to the objectives of climate change mitigation and climate change adaptation. We need to provide information on the proportion of taxonomy-eligible and taxonomy non-eligible economic activities in our total activities with regard to turnover, capital expenditure and operating expenditure.

In the Climate Delegated Regulation the EU prioritises activities in sectors with high greenhouse gas emissions such as energy, transportation and manufacturing because these can make the largest contributions towards carbon-neutrality.

On the basis of the current eligible activity list and in accordance with the legislation, we have undertaken a review of the group's turnover, capital expenditure and operating expenditure to identify the extent of any eligible activities within our business. We concluded that the current Climate Delegated Regulation does not list activities that are material to our core business segments that we invest in and operate.

Turnover disclosure

The proportion of taxonomy-eligible turnover was calculated by the net turnover derived from products and services associated with taxonomy-eligible economic activities (numerator) divided by the net turnover (denominator), for the financial year ended 31 March 2022. Reportable taxonomy-eligible turnover for the financial year is 0% of total turnover, with non-eligible turnover at 100%.

CAPEX disclosure

The proportion of taxonomy-eligible CAPEX is calculated by the CAPEX (numerator) of assets and processes associated with taxonomy-eligible activities divided by total CAPEX (denominator), for the financial year ended 31 March 2022. Reportable taxonomy-eligible CAPEX for the financial year is <2% of total capital expenditure, with non-eligible CAPEX >98%. The CAPEX additions to property, plant and equipment are detailed in our consolidated financial statements on pages 146 to 248.

OPEX disclosure

The proportion of taxonomy-eligible OPEX is calculated by the OPEX (numerator) of direct, non-capitalised costs associated with taxonomy-eligible activities divided by total OPEX (denominator), for the financial year ended 31 March 2022. Reportable taxonomy-eligible OPEX for the financial year is <0.1% of total OPEX, with non-eligible OPEX >99.9%.

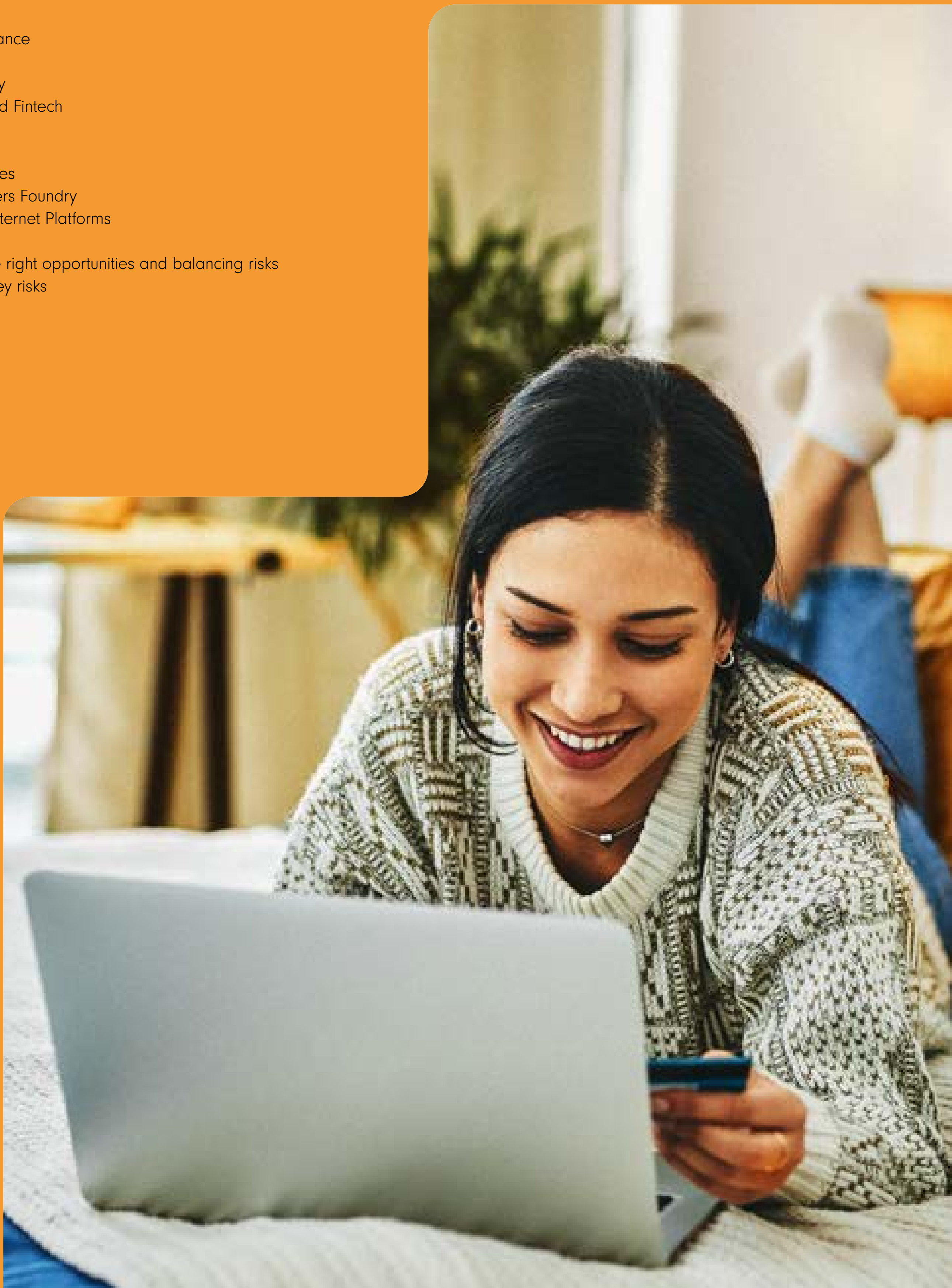
While climate action is one of our material topics, the activities included in the current taxonomy are not material to our core business models. We did not record enabling activities relevant to our businesses, such as the sourcing of renewable energy, as it is not included in the current taxonomy.

Taxonomy disclosures	Turnover	CAPEX	OPEX
Taxonomy eligible activities (%)	0%	< 2%	< 0.1%
Taxonomy non-eligible activities (%)	100%	> 98%	>99.9%
Total	100%	100%	100%

We followed the same accounting principles as in our financial statements.

We will continue to monitor legislative developments and adapt our disclosures as and where needed.

Performance review



Our performance

Operating and investing in countries and markets across the world with long-term growth potential, building leading companies that empower people and enrich communities.

In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals. Segmental reviews in this report are prepared showing revenue on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated. Numbers included in brackets represent the equivalent measure on the basis of growth in local currency, excluding acquisitions and disposals. For a further explanation of the use of APMs we refer to 'Governance – About this report'.

Operating review

In a year marked with continued global turmoil and uncertainty, which has made for a turbulent operating environment, financial year 2022 was a year of progress for Prosus. We remained focused on executing our long-term strategy and delivering strong operational growth across our core segments. At the same time, we made strategic investments and laid the foundation for future growth across the portfolio.

Despite a strong operational performance across the portfolio, the group, like many technology companies, faced significant macroeconomic and geopolitical headwinds, leading to highly volatile capital markets in the latter part of the financial year. The combination of the war in Ukraine, higher inflation and rising interest rates drove up the cost of capital and increased uncertainty. Valuations of global peer group companies in tech and internet sectors declined sharply in recent months as the level of risk appetite reduced significantly. These forces drove, for the first time in many years, a decline in the group's net asset value. The discount to the group's sum of the parts increased to an unacceptable level. Taking substantive action to reduce the discount is a priority. To navigate these turbulent times, we will prioritise capital towards supporting our existing businesses and prudent balance sheet management, sustaining adequate financial liquidity.

We invested US$6.3bn to increase our stakes in existing investments and in new assets where we see substantial opportunity for future value creation. This investment was weighted largely to the first half of the year, in our Food Delivery and Edtech segments. While Delivery Hero's stock has declined in value since the last investment, we remain confident in the company's future and in our continued ability to generate a return from it. In August, we also committed US$4.7bn to acquire BillDesk, the leading bill-payment-processing company in India. The transaction is under review by the Competition Commission of India.

In the second half of the year, we invested heavily through our income statement. We focused on maintaining growth and customer engagement, while leveraging increased scale to develop opportunities in adjacent products and services. We are building ecosystems with multiple customer touchpoints to improve not only their experience but also retention. We aligned technology and data with key customer needs such as convenience and ease of use. We will need to continue to invest organically to build on the strong progress we have made in autos in Classifieds, convenience in Food Delivery and India credit in Payments and Fintech segments. Our plans will recognise the uncertainty and volatility and the need to preserve capital.

Throughout the year, the group continued to crystallise returns and return capital to shareholders. In February 2022, we completed a second US$5bn share purchase programme that followed the US$5bn share buyback programme in 2021. This generated a meaningful enhancement to net asset value per share. Repurchased Prosus shares will be cancelled in the following financial year. In total, Prosus has allocated US$50bn in capital over the past six years, with approximately 57% of that capital being invested into the business and new growth opportunities, approximately 25% returned to shareholders in the form of share repurchases and dividends, and approximately 18% being held in cash.

Against the backdrop of deteriorating geopolitical and economic conditions, our ecommerce businesses were resilient, growing revenues 56% (50%) in the second half of the year and, in many cases, significantly outperforming global peers.

Within our Ecommerce portfolio, all segments made good progress against their financial and strategic objectives. Classifieds demonstrated healthy growth at its core, well ahead of global peers. OLX Autos experienced strong triple-digit growth this year as it creates a differentiated customer experience. Our Classifieds business has been deeply impacted by Russia's invasion of Ukraine. We are appalled by the war in Ukraine and we continue to do all we can for our Ukrainian employees and the people of Ukraine. Consequently, in March 2022, we announced the separation of the Russian classifieds business Avito from our OLX Group. Following completion of this operational separation, in May 2022 we announced our intention to exit the Russian business. We have started the search for an appropriate buyer for our shares in Avito.

Food Delivery's performance remained strong, as it addresses a major consumer need that is being fundamentally transformed by technology. We are leveraging our logistics network and capabilities as well as our strong customer relationships to pursue this opportunity with a real competitive advantage. The online food and convenience industry is still in its early stages of development, and we are excited by its long-term prospects and we believe it will ultimately yield a good return on investment.

In Payments and Fintech, our growth momentum continued globally. We increased our scale in India, one of the fastest-growing consumer internet markets and, the closing of the acquisition of BillDesk will create further opportunity to expand into credit and digital banking. Outside of India, the business continued to grow strongly.

Our performance continued

Edtech's performance remained strong and we made substantial progress in expanding the portfolio with acquisitions of market leaders in our areas of focus. During the year, we took a substantial stake in Skillsoft, which is now public, while acquiring Stack Overflow and GoodHabitz. This positions us well within the key enterprise education market. Our Edtech investments currently reach over 500 million users and cover the full span of the sector from kindergarten through to grade 12 (K–12), and beyond, into third- and enterprise-level education.

In April 2021, to improve our financial flexibility and reinforce our balance sheet, we sold 2% of Tencent's issued share capital, generating proceeds of US$14.6bn and reducing our holding to 28.9%. Proceeds were used to fund our strategic ambitions and two share buyback programmes that enhanced net asset value per share. Tencent's has been impacted by regulatory action and the economic impact of Covid-19, which has resulted in slower growth and a tough macroeconomic environment. We are firm believers that the company will recover from this and generate significant value for shareholders and remain committed long-term investors in Tencent.

The group remains focused on building on the strong momentum in our Ecommerce portfolio. We will continue to invest in our platforms and to grow the opportunity set within each segment. We aim to build on the underlying strength of each business through the creation of customer ecosystems, particularly in autos transactions, credit and digital banking, and food, convenience and grocery delivery. At the same time, we are driving profitability and cash generation in more mature core businesses. Our goal is to build an Ecommerce portfolio that will deliver sustainable value creation over the long term for all stakeholders. Furthermore, the group will endeavour to take further steps to crystallise the value we have created over time.

Financial review

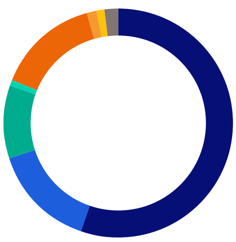
Revenue

On a consolidated basis, total revenue increased by US$1.8bn, or 34% (39%), from US$5.1bn in FY21 to US$6.9bn in FY22, with strong contributions from all the segments.

The group delivered strong results for FY22. Group revenue, measured on an economic-interest basis, grew 24% (24%) to US$35.6bn. This was driven by Ecommerce revenues, which grew 58% (51%). Our economic-interest share in Tencent's revenue grew 14% (16%) off a sizable base.

The weakening of certain currencies against the US dollar in FY22 negatively affected our year-on-year performance by US$186m, or 4%, due to the translation impact, specifically in the Classifieds, and Payments and Fintech businesses.

Total revenue for the year ended 31 March 2022 (US$'m)

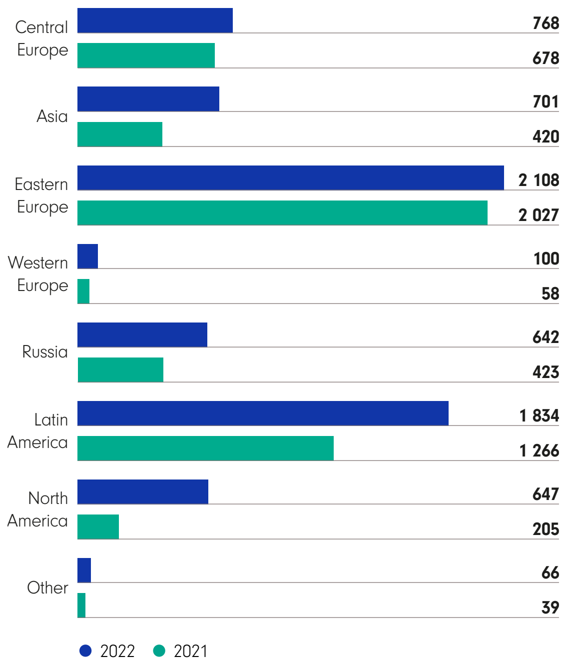


Online sale of goods revenue	3 805
Classifieds listings revenue	1 008
Payment transaction commissions and fees	703
Mobile and other content revenue	71
Food delivery revenue	986
Advertising revenue	86
Edtech	83
Other revenue	124

1 GMV represents the value of all successfully closed transactions between users on a platform. GMV provides a measure of the overall volume of transactions through a platform, both through first-party and third-party transactions.

Online sale of goods revenue represented 55% and 56% of our total revenue in FY22 and FY21 respectively.

Revenue by geographic market (US$'m)



Costs of providing services and sale of goods

The costs of providing services and sale of goods increased by US$1.3bn, or 39%, from US$3.5bn for FY21 to US$4.8bn for FY22.

Platform/website hosting, warehousing costs and costs of goods sold on those platforms increased by US$832m, from US$2.6bn in FY21 to US$3.4bn in FY22. This increase primarily relates to Classifieds, in particular OLX Autos, which is refocusing the autos transaction business towards the direct-to-consumer (B2C) segment and consumer financing, while reshaping the core Classifieds business towards accelerating pay-and-ship services and strengthening our overall tech talent capabilities. iFood in our Food Delivery business invested substantially in the grocery delivery business.

Delivery service costs increased from US$390m in FY21 to US$639m in FY22. This increase primarily related to logistics costs in the Food Delivery and Etail businesses on the back of increased gross merchandise value (GMV)[1] of 41% and 3% respectively.

Payment facilitation transaction costs increased by US$231m from US$379m in FY21 to US$610m in FY22. The increase primarily related to the Payments and Fintech business, particularly in India, due to the increased transaction volumes with merchants. In addition, following the growth in the Food Delivery business, payments facilitation costs increased accordingly.

Selling, general and administrative costs

Selling, general and administrative costs increased by US$145m, or 6%, from US$2.6bn in FY21 to US$2.8bn in FY22.

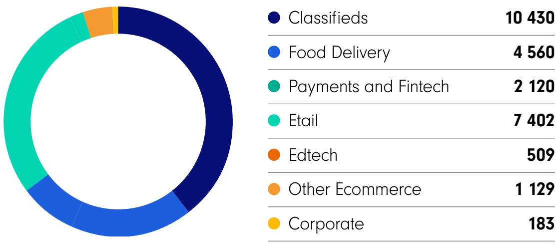
General business administrative cost increased by US$161m from US$363m in FY21 to US$524m in FY22, primarily due to cost increases across all the segments as they scale.

Staff costs decreased by US$191m, or 11%, from US$1.8bn in FY21 to US$1.6bn in FY22, primarily due to a decrease in share-based compensation costs. This was partially offset by an increase in the

Our performance continued

number of permanent staff to support the rapid pace of business expansion, as well as increased salaries, wages and bonuses resulting from annual increases.

Average number of employees for the year ended 31 March 2022



The number of permanent staff increased from 23 874 at 31 March 2021 to 30 413 at 31 March 2022. Staff increased particularly in the Classifieds segment as OLX Autos scales its operations. In addition, iFood increased its workforce as the business continues to scale. The iFood and Etail segments also increased their headcount as the businesses expanded, particularly in grocery deliveries. Headcount is expected to continue to expand in line with the expansion of our businesses, both organically and through acquisitions. For further information regarding headcount, refer to the People section on page 25.

Retention option expenses for the year decreased US$15m compared with US$62m in the prior period. Share-based compensation costs decreased by US$546m due to changes in valuation assumptions, including share prices and volatility, as well as the impacts of allocations made and vesting of options.

Depreciation and amortisation

Depreciation and amortisation in selling, general and administration expenses increased by US$23m, or 10%, from US$229m in FY21 to US$252m in FY22. The increase in depreciation expenses primarily related to the acquisitions of property, plant and equipment, notably computer and office equipment, following growth in our Classifieds, Food Delivery and Etail businesses. Amortisation increased on the back of acquired intangible assets related to business combinations.

Finance income/(costs)

Net finance costs increased by US$426m from US$2m in FY21 to a finance cost of US$428m in FY22.

Interest expense increased by US$141m, or 54%, from US$262m in FY21 to US$403m in FY22, as a result of the issuance of new publicly traded bonds during the current period.

Interest income decreased by US$25m, or 30%, from US$83m in FY21 to US$58m in FY22, due to a drop in US dollar interest rates and lower average cash balances.

Interest expense relates primarily to interest on the publicly traded bonds. Interest income includes interest earned on bank accounts and short-term investments.

Other finance losses decreased from a finance income of US$177m for FY21 to a loss of US$83m for FY22. This relates primarily to a US$217m cost incurred on the early settlement of the 2025 and 2027 bonds, as well as foreign exchange differences related to the foreign exchange impacts on the translation of assets and liabilities and the fair value of derivative instruments, which include forward exchange contracts, and derivatives embedded in lease agreements. The cross-currency interest rate swap accounted for the increase in other finance income.

Net (losses)/gains on acquisitions and disposals

Losses on acquisitions and disposals of US$1 130m were recognised in FY22, compared with a gain of US$309m in FY21.

A loss of significant influence of US$1 137m was recognised on VK as a result of the resignation of our non-executive directors from the VK board. This relates primarily to the reclassification of a portion of the group's foreign currency translation reserves related to VK from other comprehensive income to the income statement.

Impairment of goodwill and equity-accounted investments

Impairment losses of US$246m recognised on goodwill related to Stack Overflow primarily as a result of the current market conditions and the increase in risk-free rates which resulted in an increase in the discount rate.

Equity-accounted investments were impaired by US$584.1m of which US$474m related to the impairment of VK. The group fully impaired the carrying value of the investment in VK for FY22 due to the significant decline in its share price immediately prior to the loss of significant influence.

Gain on partial disposal of equity-accounted investments

A gain of US$12.3bn was recognised on the partial disposal of 2% of Tencent's total issued share capital.

Taxation

Our tax expense increased by US$164m, or 245%, from a tax credit of US$67m in FY21 to a tax expense of US$97m in FY22. This was as a result of the receipt of a once-off tax receivable amount of US$170m related to a disposal of a business in 2021.

Share of equity-accounted results

Our equity-accounted results in equity-accounted companies increased by US$2.2bn, or 31%, from US$7.1bn in FY21 to US$9.3bn in FY22. This growth was driven by Tencent, which reported improved profitability during the period.

This was partially offset by reduced profitability of VK and Delivery Hero whose results were impacted by the acquisition of investments during the period. In addition, the inclusion of Skillsoft, Flink and PharmEasy for the first time in the current period also negatively affected the equity-accounted results.

Our performance continued

Trading loss/profit

On a consolidated basis, trading losses expanded from US$163m to US$547m as we continue to invest in organically building out customer ecosystems across our segments. This is mostly driven by investment in Food Delivery, a decrease in profitability in the Etail segment and acquisitions in Edtech.

Group trading profit on an economic-interest basis reduced 10% (6%) to US$5bn, reflecting investment on the back of core strength to expand the market opportunity for each segment and strengthening the underlying customer ecosystems of our underlying businesses.

Headline and core headline earnings

Headline earnings decreased by US$2.8bn to US$3.1bn. This is mainly due to the increase in trading losses recognised, the increase in net finance cost (US$426m) and the decrease in contribution to headline earnings from associates of US$2.8bn. This was partially offset by the decrease in the share-based compensation expenses of the group (US$475m).

Core headline earnings were US$3.7bn, a reduction of 23% (20%), impacted by our sale of 2% interest in Tencent and Tencent's reduced contribution to core as a result of increased losses from its associates.

Refer to 'Other information – Non-IFRS financial measures and alternative performance indicators' in this report for a reconciliation of non-IFRS financial measures.

Cash and debt position

We ended the year with a strong and liquid balance sheet comprising US$13.6bn in cash and cash equivalents (including short-term cash investments) and interest-bearing debt of US$15.7bn (excluding capitalised lease liabilities). We also hold an undrawn US$2.5bn revolving credit facility. This sound financial position will enable us to deliver on our strategy to scale our businesses and, over time, deliver significant and sustainable profitability and cash flow generation. Overall, we recorded a net interest expense of US$345m for the year, elevated from the prior year given new bond issuances and an additional US$217m related to early settlement of the 2025 and 2027 bonds.

During the year, we issued new US dollar and euro notes in July 2021 and January 2022, raising additional capital of US$9.25bn. Some of the net proceeds were used to settle US$1.6bn 2025 and 2027 notes. Lively investor demand for these offerings resulted in attractive pricing, reduced average funding cost and extension of our maturity curve. The group has no debt maturities due until 2025, and 87% of our debt is due after five years and just under 60% due in the next 10 years.

Consolidated free cash outflow was US$562m, a decrease on the prior year's free cash inflow of US$126m. We stepped up operational working capital and capital expenditure investment across our businesses. Working capital requirements have increased as we invest in OLX Autos and the Payments and Fintech segment. In autos, we are taking on more inventory as the business expands and moves towards a consumer-facing business. In Payments and Fintech, we accelerated the pace to scale our Indian credit initiatives resulting in increased receivables outstanding at year-end. The increased capital expenditure was mainly driven by distribution centre equipment and expansions at eMAG. This was offset by increased dividends from Tencent of US$571m (FY21: US$458m). Tencent dividends remain a meaningful and stable contributor to our cash flow. After year-end in June 2022, we received our annual cash dividend of US$565m from Tencent for FY23.

In addition, Tencent paid a special interim dividend in the form of a distribution in specie of JD.com shares. The group received 131 873 028 JD.com shares in March 2022, representing a 4% effective interest in JD.com valued at US$3.9bn at 31 March 2022. Subsequently, the group disposed of its full stake in JD.com for proceeds of approximately US$3.6bn.

There were no new or amended accounting pronouncements effective 1 April 2021 with a significant impact on the group's consolidated financial statements.

The following segmental reviews are prepared on an economic-interest basis (which includes consolidated subsidiaries and a proportionate consolidation of associates and joint ventures), unless otherwise stated.

Segmental review

Ecommerce

Ecommerce revenue of US$9.8bn for the year grew 58% (51%). Strong growth was seen across all our core segments.

Each segment reported strong growth and profitability at the core and during the period we increased our level of investment on the back of that strength to expand the market opportunity for each segment and strengthen the underlying ecosystems of each underlying businesses. This increased investment resulted in aggregated trading losses increasing to US$1 111m, from US$429m in the prior year.

Based on the data-driven unit economics, we are steadfast in our belief that growth expansion from the autos transaction businesses in Classifieds, a broader on-demand delivery ecosystem in Food Delivery, credit and digital banking in Payments and Fintech, and new investments in Edtech will deliver significant value for the group. Classifieds as well as core Payments and Fintech[1] remain profitable, and during the year we saw substantial improvement in the profitability trends at the core of our Food Delivery businesses[2], with iFood's food delivery in Brazil remaining profitable.

1 Core Payments and Fintech is India payments and GPO.

2 Core Food Delivery is iFood's restaurant food delivery business in Brazil.

Classifieds

Building leading marketplace ecosystems enabled by tech, powered by trust, and loved by our customers.

Performance highlights

	2021	2022
Revenue[1]	US$1.6bn	US$3.0bn
Trading profit[1]	US$9m	US$25m

OLX Group continues to perform with strong momentum across all its business units. The segment made further strategic progress during the period, refocusing the autos transaction business towards the direct-to-consumer (B2C) segment and consumer financing, while reshaping the core Classifieds business[2] towards accelerating pay-and-ship services and strengthening overall tech talent capabilities.

Classifieds revenue of US$2.98bn grew 86% (93%) from US$1.6bn in the prior year. This growth was a large acceleration and significantly ahead of peers. The growth was largely driven by OLX Autos, which grew 158% (173%) year on year. Despite continued investment in the autos transaction business, pay-and-ship, and people and technology to build capacity for the next growth phase, trading profit was maintained at last year's level and the segment reported a trading profit of US$25m (FY21: US$9m).

In our core Classifieds business we continue to record growth across our key markets with the monthly app user-base rising 7% to 124 million and active listings growing 11% to 174 million. Additionally, we saw continued momentum from engaged monetised users as the group reported 11% additional monthly paying listers. Revenue grew 40% (38%) to US$1.36bn with an improvement of 128 basis points in margin yielding and a trading profit of US$189m.

Despite a strong performance across the group for most of the year, we are not immune to macroeconomic challenges. At the outset of the Russia–Ukraine conflict in February 2022, we witnessed an immediate drop in key operational metrics, mainly in Ukraine. We continue to operate our platform in the country to serve the local community and we have observed recovery in traffic and listing metrics, while still behind pre-conflict levels. We also observed some decline in other European countries, mainly in Poland and Romania, during the initial days of the crisis, however, metrics have already stabilised and are now tracking ahead of pre-conflict levels. During these challenging times, we have prioritised the safety and wellbeing of our employees, providing immediate support, including safe housing and financial assistance.

Europe, of which OLX Poland represents over 60%, delivered a strong performance and generated revenues of US$432m with a growth rate of 27% (24%). Trading profit reduced to US$95m from US$118m a year ago due to a step-up in investment to scale pay-and-ship services across Poland, Ukraine, and Romania, with over 2 million delivery transactions on average per month during the second half of the year. Our horizontal platforms in Europe grew at 26% (28%), driven by the continued acceleration in pay-and-ship and a surge in the jobs and services categories.

This was partially offset by lower performance in the autos verticals, mainly Otomoto in Poland, impacted by supply constraints in the autos industry market. OLX Poland recorded revenue and trading profits of US$258m (PLN1 020m) and US$65m (PLN252m), representing revenue growth of 28% (26%) and a trading profit margin of 25%, given the pay-and-ship investment and tailwinds noted above. Furthermore, as we continue to support our customers in Ukraine with prolonged listing duration and other discounts, we recorded negligible revenues during March and business is expected to recover slowly.

In Russia, Avito reported revenues of US$631m (RUB48.2bn), and trading profits of US$220m (RUB16.3bn), representing growth of 52% (55%) and 31% (32%) respectively.

In March 2022, OLX Group made the decision to cease all involvement in its Russian operations and, following a separation process, the group decided to exit the Russian business. The search for an appropriate buyer for the group's share in Avito is underway.

OLX Autos reported revenues of US$1.6bn for FY22, up 158% (173%) on the prior period and an 8 percentage point improvement in trading margin despite strategic investments to build the base for the next phase of growth. The US, which represents more than 35% of OLX Autos revenues, performed exceptionally well as it more than tripled revenue and became profitable. In our other markets, we have made outstanding progress in executing our strategy through a relentless focus on accelerating B2C and consumer financing.

1 Presented on an economic-interest basis.
2 Core Classifieds business is Avito, OLX Europe and OLX corporate.

Classifieds continued

Our autos transaction business scaled its operations, transacting 175 000 cars compared with 98 000 cars in the prior year. The second half was a strong finish to a year of record growth, where monthly volumes exceeded 22 000 cars (twice pre-Covid-19 levels) in March 2022. OLX Autos sold an average of 14 600 cars (FY21: 8 100) per month at an average selling price of US$9 300 (FY21: US$6 900) with a gross profit per unit of US$895 (FY21: US$746). Monthly volumes in the US and India exceeded 7 000 and 5 500 cars respectively at year-end, far ahead of their previous peaks. Finally, in the markets with B2C presence, we reached a 29% mix of total cars sold versus 13% in the prior year. We continue to make steady progress in consumer financing across Chile, Mexico and Colombia, with 12 000 loans disbursed during the year, exceeding assets under management of US$100m with significantly lower delinquency rates than industry standards. Scaling our autos transaction business requires higher working capital than core classifieds, especially in inventories, where we have invested adequately to support the growth in the business. We will continue to invest to scale this business line, focusing on consolidating leadership in the markets we operate.

OLX Brasil, a 50% joint venture with Adevinta, continued its growth. Our share of revenue increased 73% (27%) given the full-year consolidation of ZAP results in the current period, to US$76m (BRL399m) and trading profit increased to US$4m (BRL24m). The business expanded its autos vertical by digitalising consumer journeys with a focus on business clients and offering transactional services such as in-platform financing and insurance and also rolled out pay-and-ship services across general categories.

Over the past year, in line with our strategy to invest in our core scalable markets, we successfully divested non-strategic assets across the group. This includes Aasaanjobs, Tradus, Properati, the OLX platform in South Africa and autos transaction business in Nigeria, Kenya, and Ghana. These markets were not profitable with a lack of product-market fit and capacity to disrupt the industry. As a result, OLX Group is now leaner and focused on growing operations in our key markets, where we have clear plans to deliver strong growth and build leading market positions.

The opportunity

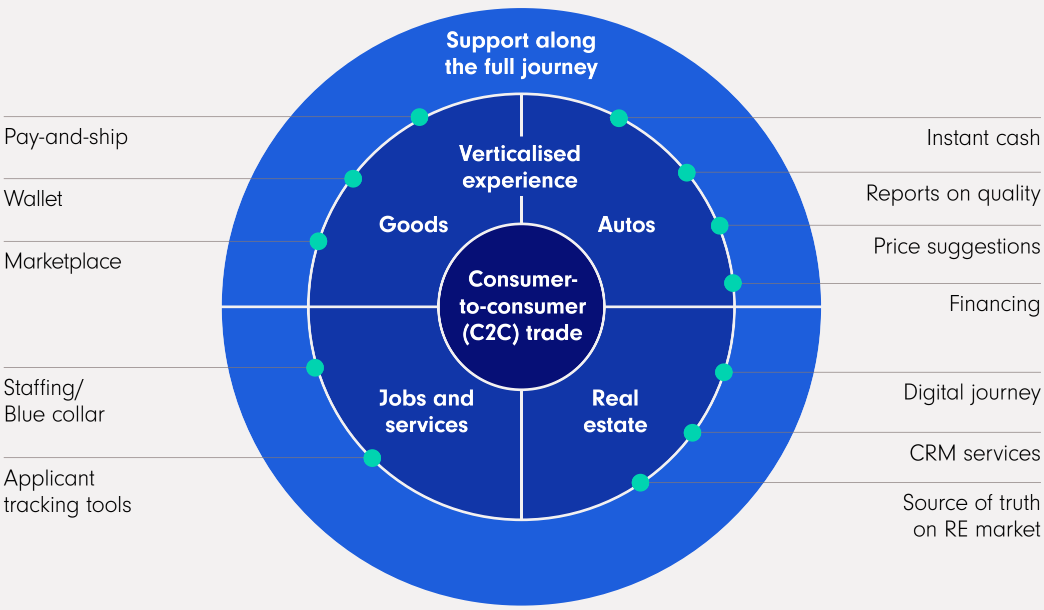
Last year, we highlighted four trends for the Classifieds segment: firstly, consumers demanding a more convenient and trusted experience; secondly, increased competition from global digital players entering our markets; thirdly, the increasingly critical role of AI to deliver new user experiences; and fourthly, stakeholders requiring greater focus on sustainability.

While these trends remain, the pace and extent continue to be affected by the pandemic. In particular, consumer preferences for end-to-end digitally enabled journeys accelerated, along with more calls for action to combat climate change. Data science and AI capabilities created new business models and opportunities as internet usage surged and consumers increasingly turned to online solutions.

Essentially, these trends reinforce our aim to be deeper and more widely involved in transactions at the heart of people's everyday lives. People are looking for more trust, more safety, more convenience, more help. They want seamless online-to-offline experiences, with more support along the transaction chain. And they want ever-more sustainable ways to transact. We want to be at the core of making this possible for people.

We are building an ecosystem of platforms that reinforce each other, especially between our classifieds and autos transaction businesses. In Indonesia, for example, more than a third of the consumers who bought cars from us were already classifieds users. More encouragingly, while it's early days in our transition to B2C, in Turkey, more than a third of the cars we sold were sourced from our classifieds users.

The multiple layers of our ecosystems



Classifieds continued

Delivering on our strategy
In FY22, we successfully delivered on our strategy. We executed two separate but complementary business models – firstly, to build the next generation of online classifieds and, secondly, to consolidate and grow our autos transaction business. It was a breakthrough year on both fronts and, in turn, we accelerated our growth and delivered revenue and trading profit higher than expected.

Advancing next-generation classifieds
We are building the next generation of online classifieds, going deeper into the transaction and providing the full ecosystem of value-added services to our users. We now offer pay-and-ship on many products, alongside services such as financing, car history, pricing estimation, and job application tracking. Our platforms enable person-to-person or business-to-person trade across multiple categories, including real estate, cars, household goods, electronics, fashion, jobs and services.

Our core classifieds businesses outperformed expectations throughout the year, allowing us to reinvest in robust vertical propositions, for example, to broaden coverage of pay-and-ship offerings and increase marketing in jobs and services.

In Europe, in FY21, we strengthened our vertical ecosystems. This included, in jobs, launching a candidate section with roles and recommendations and an applicant tracking system; and in real estate, strengthening content in the primary market through the acquisition of Obido.

We also scaled pay-and-ship across European markets, including Poland, Ukraine and Romania, reaching 20.8 million transactions in December 2021.

Expanding autos transactions
In our autos transaction business, we buy used cars from individuals and the trade, inspect them virtually (on their driveways, or in one of our 528 offline inspection centres) and resell them directly to our consumers at attractive prices, offering financing, extending guarantees, insurance options, free trials, and full transparency on the car history and condition.

In FY22, we organised our global autos transaction business under a unified OLX Autos business unit – to speed up decision-making and innovation and develop a single technology platform.

Our autos transaction businesses continued to develop well as we accelerated our plans in our key markets of India, Indonesia, Turkey and Mexico on the back of a new common online platform, scalable business processes and improving unit economics. OLX Autos scaled volumes across key markets, and increased revenue by 158% (173%).

As planned, a larger share of revenue is coming from transactions, including the trading margin on cars and transaction fees from pay-and-ship in Classifieds.

We rolled out our new global scalable tech platform that enables us to accelerate our development and innovation, and increase our efficiency across our different markets through one flexible shared platform.

Within OLX Autos, we successfully pivoted to B2C trading, building significant supply inventory to fuel demand. We also grew the financing business in Latin America, with lower-than-expected default rates.

In Europe, we strengthened our vertical ecosystems. This included, in autos, launching Otomoto Klik, a fully digital used-car-buying experience.

Making ever-greater use of AI and ML
Throughout FY22, we made strong strides in accelerating and scaling up the application of AI and ML and, in turn, the use of data to drive the business forward. We continued the expansion of our data platform and portfolio of tools, which are used as the foundation for the majority of our products and business.

We also successfully completed our new ML platform, FrejaML, which will enable us to accelerate the development and deployment of ML models and, importantly, to share them across business units.

In addition, across the various business units, we have put into production a number of new models on pricing, search and relevance, trust and safety, and self-inspection of used cars, with significant measurable impact.

Increasing the pace and impact of innovation
We have updated our process for aligning and collecting metrics, and are working across the business units to have a strong understanding of the key business drivers, together with strong automation of measurement, tracking and reporting. This will enable faster experimentation, development and innovation across our product lines. Experimentation has grown over 60% across the group. In FY22, we ran our first OLX Group hackathon, which led to several innovation projects being sponsored in each business unit.

In India, for example, the launch of a pricing engine has offered a better experience for users, resulting in a 36% increase in the rate of conversion from prospect to customer.

In Europe, we are innovating to move more deeply into transactions and offer more for our users. This involves focusing on trust and safety. Technology helps us keep illegal and inappropriate content off our platforms. Deep learning algorithms now review some 8 million images every day, catching and removing around 68 000 bad listings before they reach buyers. We are also innovating to provide increasingly personalised customer experiences, for example, to improve customer recommendations and search functionalities.

OLX Group

124m
monthly active app users

4.1m
paying listers

174m
active listings

Present in
>20
core markets

1.7m
monthly average pay-and-ship transactions in Europe

Wide network of
7 000+
dealers for vehicle transactions

Classifieds continued

Focusing on sustainability
Across OLX Group, our sustainability mission is to amplify conscious consumption and champion the circular economy to our customers and communities – encouraging everyone to reuse, refurbish and recycle. As such, in FY22, following a materiality assessment and under the leadership of a new cross-functional sustainability steering committee, we focused on three core sustainability areas: reducing our climate impact, fuelling the circular economy, and unleashing employee innovation.

Reducing our climate impact
We measure and reduce our direct and indirect contribution to climate change. In FY22, we became carbon-neutral in our direct operations, offsetting scope 1 and scope 2 emissions in our core business.

Fuelling the circular economy
Our secondhand trade platforms make an increasingly positive contribution to the circular economy. The larger our platforms, the more items are reused, in turn lowering the need to recycle discarded items or produce new ones. This helps us attract talent and consumers and, increasingly, to comply with the needs of external investors.

In FY22, as in FY21, we measured the impact of our platforms in eight categories: mobile phones, tablets, laptops, TVs, cars, motorcycles, books and fashion.

Unleashing employee innovation
To harness the passion, innovation, energy and enthusiasm of our people for sustainability, we launched the employee sustainability hackathon – the shackathon. Many great ideas have been shared, from alternative packaging for pay-and-ship to solar paneling for auto inspection centres. This in turn generates employee workstreams with executive sponsors to explore and address scalable strategic sustainability missions in our businesses. In addition, we hired our first dedicated full-time sustainability expert to orchestrate initiatives, coordinate employee teams and execute programmes.

Subsequent to year-end, we also began educating our employees on sustainability topics and our role in the circular economy, with an external global speaker to raise company intelligence and increase employee engagement on the topic. To further enhance employee engagement, we now have local Green Teams to help us with our global sustainability initiatives, but also look for local initiatives. The Green Teams also measure, identify and find ways to reduce energy consumption and carbon emissions in our workplaces.

We will continue to focus on increasing sustainability throughout our business.

Looking forward
Building on the success of our strategy in FY22, we will increase our commitment to grow across our new-generation classifieds ecosystem and our autos transaction business.

Above all, we will look for new and better ways to get closer to our users and their transactions, so they can carry them out more quickly, easily and safely. Rather than simply providing a great place for buyers and sellers to meet, we are actively helping to facilitate great transactions for buyers and sellers. Whether that is by offering smart technology to make self-inspecting and selling a car super easy, or providing attractive financing options to facilitate such transactions. There are many different ways to unlock the hidden value in everything, and we aim to explore them all.

The idea: Green Teams

Each country will have a self-elected lead (and a co-lead) who will arrange a group of **green teammates**.

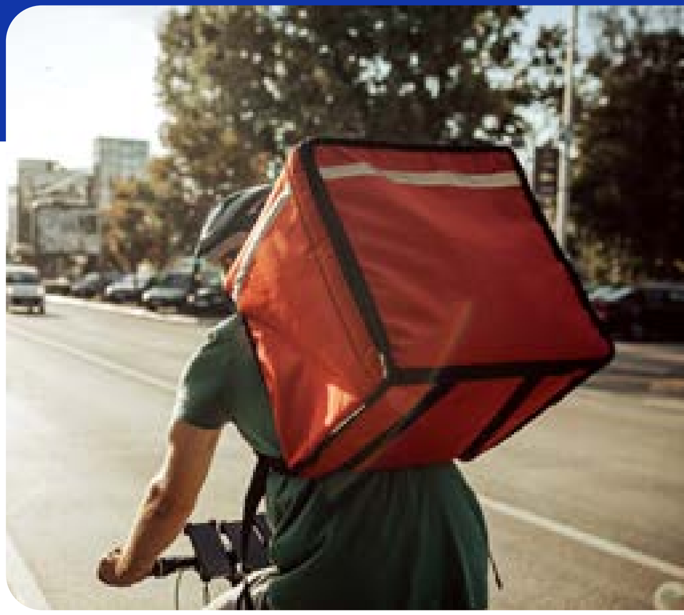
Activate, energise and charge the way to work on reducing our climate impact in the offices!

Within each office, anything goes! We want **your ideas, knowledge and know-how** to come alive locally.

Create a **movement** where your ideas **inspire and activate** other countries, other colleagues and partners!

Food Delivery

Improving the way people eat.



Performance highlights

	2021	2022
Revenue[1]	US$1.5bn	US$3.0bn
Trading loss[1]	-US$355m	-US$724m

The Food Delivery portfolio companies continued to benefit from economies of scale and delivered strong growth. Total orders and gross merchandise value (GMV) grew 53% and 60% (59%) respectively, translating into US$3.0bn or 101% (77%) growth in revenue.

Given this momentum and the growing importance of convenience in people's daily lives, we believe the food delivery opportunity is broader than originally envisaged. Over the past year, online grocery delivery has experienced a surge in demand from offline to online and new business models have unlocked underserved segments of the market. The segment's quick commerce businesses grew orders by 109% and GMV by 254% (207%). Our Food Delivery portfolio companies have capitalised on these trends by building grocery delivery businesses on their restaurant delivery platforms. While restaurant delivery platforms are either profitable or nearing breakeven, the investment in adjacencies and growth initiatives has contributed to the increase in the Food Delivery segment's trading losses from US$355m in FY21 to US$724m in FY22. As was the case with the segment's investment to expand the market opportunity by investing in 1P delivery in 2018, we believe this investment represents a similar opportunity to grow the market and our position in it.

The opportunity

We identified food delivery early as an attractive long-term investment for the group. Four key factors underpinned our confidence.

Large total addressable market (TAM): Global restaurant service spend is projected to reach US$3.4tn by 2024 (US$11.5tn in 2024[2], including groceries) and food delivery constitutes an opportunity to address tangible human needs, especially in emerging economies where food accounts for a relatively high share of total consumer spending.

Low online penetration with room for growth: We have been on the cusp of a tech-enabled paradigm shift in dining habits, with more and more meals being delivered rather than home cooked or consumed on-site in restaurants. That said, online food delivery still accounts for only 7.7% of global food-service spending.

Compelling user behaviour: Given the high-frequency use patterns and growing importance of convenience in customers' daily lives, on-demand food delivery aggregators have demonstrated strong customer retention and engagement metrics.

Hyperlocal operations: Food delivery is an inherently local business with impact felt locally, which is in line with our philosophy of partnering with local entrepreneurs that deeply understand their geographies. The hyperlocal nature makes the food delivery space slightly less susceptible to the potential fully fledged entry of big-tech players, compared to the other sizable verticals such as social networks or travel.

Building a global leader in food delivery

We are building a global leader in on-demand food delivery. We are present in 57 markets through direct stakes in three core platforms – iFood, Swiggy and Delivery Hero – plus other investments such as Oda, Norway's largest (by GMV) online grocery business, and Flink, the Berlin-based quick commerce pioneer. In addition, we invested in Foodics, a major cloud-based technology and payments platform for restaurants in the MENA region. We also have indirect investments in Meituan, Delivery Club, Takeaway, Rappi and Glovo.

In August 2021, we invested a further BRL1bn (US$200m) in Movile, the owner of iFood, a food delivery business with strong market presence in Brazil, bringing our stake in iFood to c. 62%.

Looking after the wellbeing of drivers

Our Food Delivery segment continues to guide and support the wellbeing of the key stakeholders in our ecosystem. The leadership in the food delivery ecosystem (LIFE) initiative provides quarterly segment updates, and Prosus group leadership updates, on driver wellbeing, compensation and non-financial benefits for our segment companies. Our companies pay significantly above the local legal minimum wages, and provide benefits beyond pay, including insurance, educational opportunities and more.

1 Presented on an economic-interest basis.
2 Growing from US$9.5tn in 2019 (including restaurant service and grocery).

Food Delivery continued

iFood

iFood revenues grew 35% (29%) to BRL5.2bn (US$991m), driven largely by expanded restaurant selection and entry into additional cities in Brazil. Orders increased 37% to over 750 million and GMV grew 47% (41%) to BRL39bn (US$7.4bn). At year-end, iFood Brazil platform hosted 317 000 merchants across 1 780 cities.

During the second half of the year, iFood realised significant gains in the profitability of its core restaurant food delivery business by optimising consumer discounts and introducing new revenue streams. The significant overlap between the customers of restaurant delivery and grocery delivery, and the operational synergies across the two businesses make grocery delivery a natural fit for the iFood ecosystem. iFood's grocery business has quickly become an important player in Brazil's significant grocery industry, which is estimated to have sales of US$55bn in 2022 according to Euromonitor. iFood's grocery and dark store model has already reached 4 million average monthly orders and BRL380m of GMV in just over a year, and its growth is outpacing the rest of the market. The restaurant food delivery business reached breakeven in the second half of the year. For the full year, iFood generated trading losses of US$206m, including substantial investments in the grocery delivery business.

Playing an essential part in Brazilians' everyday lives

iFood wants to play an increasingly essential part in Brazilians' everyday lives. In order to do this, in FY22, iFood focused on increasing sustainability and strengthening the iFood ecosystem.

Increasing sustainability

iFood stepped up its sustainability commitment in FY22. This focused on three key areas – the environment, inclusion, and education.

Environment

iFood wants to use its presence in Brazil to support the acceleration to greener economies. iFood is centring its environmental sustainability strategy on energy and waste management. iFood is committed to becoming carbon-neutral, making 50% of its deliveries non-polluting by 2025, and also ending plastic pollution from its deliveries by 2025.

iFood has been carbon-neutral on its deliveries since July 2021 and has set further goals to reduce, and not just offset, its emissions. To boost emission-free deliveries, for example, it has partnered with Tembici to provide electric rental bikes to couriers. It has also started a pilot for electric motorcycles for longer-distance deliveries, which includes an innovative battery rental scheme, so drivers don't have to invest in the expense of buying batteries themselves. By the end of FY22, iFood had delivered 37 million zero-emissions orders by bike, e-bikes, electric motorcycles and drones.

iFood was the first food-tech company in Brazil to sign the UN Global Compact. The company estimates that Brazil produces 11.1 million tons of disposable plastics annually, including items such as plates, cups, cutlery, plastic bags and non-recyclable disposable straws. There is no national or public sector recycling plan for items such as these, so they end up in a landfill or in the environment. Given its role in the food ecosystem, iFood believes it can play a pivotal role in improving Brazil's waste management.

In FY22, iFood committed to the #DeLivreDePlástico initiative, driven by the United Nations Environment Program (UNEP), to eliminate plastic pollution from deliveries from the iFood platform by 2025. To this end, iFood is enabling the 'no cutlery, straws, or napkins' option in the app, as well as encouraging restaurants not to send these items by default (only when requested). iFood has a restaurant participation target of 90% by December 2023. Moreover, it aims to ship 80% of orders without these disposable items by 2025.

Inclusion

The iFood ecosystem includes a diverse group of millions of people across Brazil – restaurant owners, delivery partners and consumers. iFood is committed to ensuring its employees are representative of the community it serves across Brazil. By 2023, iFood aims to increase the number of women in leadership positions to 50%; increase the number of women in senior leadership positions to 35%; increase the number of management positions held by black people to 30%; and have 40% of employees overall represented by black people.

Education

iFood is actively investing in the local communities it serves beyond providing direct economic opportunities from its food delivery business. Within education, iFood is setting a goal to provide training and employment opportunities for 25 000 low-income individuals. It also wants to use technology to help train more than 5 million additional Brazilians by reskilling, upskilling and fostering entrepreneurship to help them find better employment. And finally, iFood is also utilising technology platforms to help foster science, technology, engineering and maths (STEM) skills among 5 million students across Brazil.

In addition to these initiatives, iFood is committed to helping people and organisations across the country that its consumers are passionate about. Through the iFood app, users can choose to donate to seven partner NGOs. With over 15 million people across Brazil using the iFood app, this is a very powerful, yet simple, way to make a positive difference. By the end of FY22, 800 000 users had donated over US$4m to these seven NGOs.

iFood

Around

1 780

Brazilian cities covered

Around

70m

orders in March 2022, including restaurant and grocery

36%

own-delivery orders

>317 000

merchant partners

iFood order growth:

37%

1P (logistics) business orders in March 2022:

26m

Food Delivery continued

Finally, as a food platform, iFood is committed to fighting hunger across Brazil. iFood has developed the 'all at the table' initiative, partnering with other companies such as Coca-Cola Brazil and Unilever to donate food to individuals directly and through organisations, including Sefras, CUFA and InCor.

Strengthening the iFood ecosystem
iFood continued to expand its ecosystem through FY22 in a number of different ways, including scaling its grocery delivery business to become a leader in Brazil, and launching and scaling the quick commerce business. By year-end, iFood Brazil had delivered 42 million grocery orders from over 29 000 stores across 1 780 cities, representing order growth of 220% year on year. In addition, iFood introduced new products in financial services, including meal vouchers and credit for restaurant partners.

Swiggy

Swiggy has seen a full recovery from the impact of the pandemic by focusing its efforts on reactivating users, increasing monthly frequency, and returning user conversion to pre-Covid-19 levels. This strategy paid off as Swiggy has more than 195 000 active restaurants on its platform (+110% of pre-Covid-19 level), achieved 55% growth in daily orders; and 76% growth in GMV to US$2.3bn. Our share of Swiggy's revenue was US$212m (FY21: US$135m), up 57% (68%) from the prior year[3] driven by higher average order values compared with pre-pandemic periods and higher revenues from delivery fees and advertising sales. Swiggy also focused on expanding its quick commerce Instamart business, which performed well, increasing daily orders 10 times year on year. This resulted in accelerated growth in the groceries vertical coupled with continuous growth in the restaurant food delivery business vertical.

Swiggy currently delivers food, groceries, meat, and runs its concierge service (Genie) using its network of around 300 000 delivery riders.

iFood, Swiggy and Delivery Hero – our core food delivery businesses are leading businesses in their respective regions and have plenty of room to grow further, both in scale and in the breadth and depth of their ecosystems. In addition, we have promising additional investments in Flink, Oda and Foodics.

We will continue to invest organically to both improve the core food delivery offering but also to expand the overall opportunity set by building out scaled capabilities in quick commerce and grocery, and additional adjacencies in the food delivery ecosystem.

Swiggy has also continuously grown its users in the past year, along with subscription programme innovations across categories, such as Swiggy One (formerly 'Super' which catered to food delivery only), with focused investments in infrastructure, product and technology. Swiggy currently delivers food, groceries and meat, and runs its concierge service (Genie) using its network of around 300 000 delivery riders.

We believe Swiggy is well funded to capitalise on recent momentum and well positioned to improve its platform's competitiveness by investing in product and technology, and reinforcing its artificial intelligence capabilities.

Delivery Hero[4]

Delivery Hero continued to deliver strong growth, accelerating both organic investment in quick commerce and by pursuing M&A opportunities. For the year to 31 December 2021, Delivery Hero reported order growth of 57% and GMV growth of 62% to €35.4bn.

Our share of Delivery Hero's revenues and trading losses was US$1.8bn and US$343m respectively.

By the end of March 2022, Delivery Hero operated over 1 122 Dmarts (small Delivery Hero-owned warehouses in strategically relevant locations for quick commerce delivery), catering to evolving customer needs with an increased focus on convenience and speed of delivery.

Looking forward

iFood, Swiggy and Delivery Hero – our core food delivery businesses are leading businesses in their respective regions and have plenty of room to grow further, both in scale and in the breadth and depth of their ecosystems. In addition, we have promising additional investments in Flink, Oda and Foodics.

We will continue to invest organically to not only improve the core food delivery offering but also to expand the overall opportunity set by building out scaled capabilities in quick commerce and grocery, and additional adjacencies in the food delivery ecosystem.

Looking forward, we will play an ever-increasing part in leading the food delivery revolution for consumers, restaurants and delivery partners around the world.

Food Delivery

US$7.5bn
invested in food delivery

Swiggy

Around
550
cities covered

~300 000
own-delivery partners

>195 000
restaurant partners

>97%
own-delivery orders

Delivery Hero

Present in
49
markets

1.3m
restaurant partners and local stores

1 122
Dmarts at 31 March 2022

>49%
own-delivery orders for 2021

3 All metrics aligned to December 2021, reporting basis three-month lag.
4 Delivery Hero numbers included are on a pro forma basis, which consolidated Woowa group and excluded DHK from 1 January 2021. Historical data has been adjusted accordingly.

Payments and Fintech

Building the ecosystem for a world without financial borders where everyone can prosper.

Performance highlights

	2021	2022
Revenue[1]	US$577m	US$796m
Trading loss[1]	-US$68m	-US$60m

The Payments and Fintech segment continued to benefit from the shift to digital payments. Revenue grew 38% (45%) to US$796m driven by strong performance in the India payment business and a strong recovery in the credit business. The segment's overall trading loss margin improved to negative 8% as trading losses reduced from US$68m in the prior year to US$60m, on account of increased profitability of core payment service provider (PSP) business, partially offset by investments in credit and new initiatives such as consumer banking in India. The core PSP business reported revenue of US$643m, up 29% (37%) and a trading profit of US$28m, reflecting a 2 percentage point improvement in margin over last year. Total payments volume (TPV) reached US$78.5bn, up 43% (47%) over the prior period as faster digitisation across markets continue to benefit PayU. This was supported by a 36% increase in the number of transactions.

India, our largest market, grew TPV 65% (66%) to US$43.8bn, representing a compounded annual growth rate (CAGR) of 50% (54%) over the past two years. This translated into revenue growth of 48% (49%) to US$304m driven by diversification of our merchant portfolio into segments such as financial services, ecommerce and bill payments, which compensated for lower volumes from categories impacted by Covid-19. As markets have opened up, travel and hospitality sectors have seen some recovery in India. The contribution of revenue from new segments such as omnichannel, Bharat Bill Payment System, Wibmo, data science and new products such as Affordability, Merchant Cash Advance, and Multi-currency has increased from 20% in the prior period to 29% in this financial year, demonstrating our continued focus on diversification of business.

Our global payments operations (GPO) business has maintained its growth trajectory with TPV growing 22% (30%) to US$34.7bn for the year, supported by a 28% increase in the number of transactions. GPO reported a revenue of US$341m, up 16% (29%) from the prior period. GPO has also witnessed strong growth in payment volumes from ecommerce, financial services and over-the-top (OTT) entertainment platforms to compensate for lower volumes from categories impacted by Covid-19. Travel in most GPO markets is gradually recovering as economies stabilise and borders re-open. Turkey, which constituted 17% of GPO's revenue, continued to see strong momentum and grew revenue 73%.

In our credit business, following deliberate conservative issuances in the first half of the year, India has witnessed a strong recovery as we picked up momentum in personal loan dispersals in the second half of this financial year. With a preapproved base of 62 million users and over 46 000 active merchant base, transactional credit continued to see good traction and, loan cohorts are resilient and performing well, while collections have maintained a strong trend across all credit products. Our new initiatives to ramp up personal loans such as Xpress loans (cross-sell to buy-now-pay-later users) have also seen good traction and are expected to further drive loan disbursals and enhance revenue.

In December 2021, we launched the first version of LazyCard (Indian credit card offering) as part of our consumer banking strategy. With over 320 000 users onboarded in just three months, LazyCard is seeing strong traction in the market. Our consumer banking initiative is mainly targeted towards serving the Indian mass market through innovative financial products focusing on saving and spending for young tech-savvy consumers. We continue to leverage our existing base of LazyPay users to further scale the cards business.

Total loan disbursals in India credit and LazyCard for the year totalled US$586m, representing growth of 337% (338%) and reporting a loan book of US$151m at the end of the year. Revenue is recognised over the term of these loans, however, we are required to expense the expected loss rate upfront, resulting in elevated losses at present as we are at the start of the journey to scale the credit business. The investment portfolio of our Payments and Fintech segment continues to perform well. In September 2021, Remitly raised US$300m from its public listing on Nasdaq Stock Market. Remitly will utilise this fund to accelerate growth through innovation and further expansion into digital banking. Remitly reported a send volume of US$20bn, representing 70% growth for its financial year ended 31 December 2021.

1 Presented on an economic-interest basis.

Payments and Fintech continued

The opportunity

Payments and Fintech is one of the fastest-growing segments worldwide, accelerated by the pandemic-fuelled move online. Global payments revenues have grown from US$1.9tn in 2018 to a projected US$2.7tn by 2023, with 60% of relative growth coming from high-growth markets. In addition, online payments are expected to increase at double the rate of offline payments.

We see five key trends in payments and fintech, which all play to our strengths:

- Scale continues to drive consolidation at a global level.
- Open-banking trend continues to accelerate.
- BNPL is an increasingly key credit category.
- The India fintech landscape continues to grow in scale and breadth of services.
- Cryptocurrencies are going mainstream.

Strategic priorities

To capitalise on these trends, we have set three strategic priorities:

- Continue to grow our core payments business.
- Accelerate our credit business in India.
- Build a financial ecosystem and invest across fintech adjacencies and AI.

Advancing on three fronts

In FY22, in line with our strategy, our Payments and Fintech segment advanced on three fronts: our core payments business, our credit business, and our fintech ecosystem investments.

Continuing to grow our core payments business

Our core payments business, PayU, consolidated its premier position as a payments company for merchants in high-growth markets, including India, Poland, Turkey and Colombia. The move to digital payments as a result of Covid-19 has clearly helped, but PayU's strong growth reflects substantial focused investment in the business in recent years. In FY22, we have processed more than US$75bn in total payments volume, an increase of 47% over last year.

The acquisition, subject to pending regulatory approvals, of BillDesk, one of the leading payment businesses in India, for US$4.7bn, marks a major step forward in this growth story. PayU and BillDesk are complementary businesses, where PayU is a preferred payment service provider (PSP) for ecommerce, while BillDesk is a leader in bill payments. Together, they have the potential to create a fintech ecosystem and provide solutions for the changing payment needs of digital consumers. It reinforces PayU's ambition to be a leading payment solutions brand for merchants in high-growth markets.

India remains a highly attractive strategic market for PayU. The Reserve Bank of India reports 44 billion digital transactions processed in 2020 and forecasts 200 million new users expected to adopt digital payments over the next three years, with average annual transactions per capita rising tenfold.

Outside India, our core payments business maintained its growth. With the acquisition of Iyzico in 2020, Turkey is now the third-largest revenue contributor to the core payments business and one of the fastest-growing markets.

Accelerating our credit business

We have been investing in building our credit business, LazyPay, for the past three years.

We are using our data, AI and ML models, and our relationships with merchants to provide easy, convenient, and responsible credit services to underserved consumers in India. We are there for a new generation of consumers who are open to the tech-enabled credit services we can indeed provide. In many cases, these consumers have not been able to access credit before we made it available to them. This, in turn, supports the government's Digital India agenda to accelerate the adoption of digital products across the country.

Scaling our credit business and building our ecosystem

Restructuring and repositioning payments

(FY17–18)

Laying the groundwork

- Repositioning and scaling in India: Merchant payments focus (no to wallet), Citrus acquisition
- Global payments operator restructuring (South Africa and Poland)

Consolidation of payments and laying credit foundation

(FY19–20)

M&A to accelerate scale and build credit

- Payments: Local consolidation (Iyzico), geographic expansion (Red Dot), and vertical integration (Wibmo)
- Credit: Preparing for the scale-up: Secured India non-banking financial company licence, acquisition of PaySense and consolidated PaySense with LazyPay

Digital bank and ecosystem builder

(FY21–22)

Bringing together all building blocks

- Doubling down and scaling India payments
- Scale up India credit business
- Build digital banking in India
- Build fintech ecosystem

Payments and Fintech continued

Amid the second wave of Covid-19 in India at the start of FY22, we took a conservative approach to disbursing credit to manage risks. But the fundamentals are strong and, looking at FY22 overall, our credit business accelerated. By the end of the year, there were some 850 000 monthly active users, adding an average of some 150 000 users per month. LazyPay is becoming an increasingly popular brand with consumers across India. LazyPay is now active with 45 000 merchants.

During the year, we increased the range of LazyPay products – from the original BNPL service to checkout finance, and express personal loans and others. In December 2021, we also launched a card solution for Indian consumers called LazyCard. Within three months, the business issued over 300 000 cards, taking the first step in forming a digital-banking solution in India. Our consumer-banking initiative is mainly targeted towards serving the Indian mass market through innovative financial products focusing on saving and spending for young tech-savvy consumers. We continue to leverage our existing base of LazyPay users to further scale the cards business.

Investing to strengthen our fintech ecosystem

While over 70% of our capital investment has been in our core business of payments and credit, we continue to invest strategically in other fast-growing fintech segments and AI-driven innovative companies.

We look for leaders in their spaces that fit well with our strategy. For example, we have invested in Fisdom and Dot, two prominent companies respectively in the wealth management and omnichannel spaces in India. We aim to build a common distribution and data platform to strengthen our access to alternative data sources and develop new products that are not just transactional, for example credit scores. In addition, we will invest in AI-led companies with unique data access and capabilities.

Remittances pioneer Remitly has been one of our key fintech investments. In September 2021, Remitly Inc.'s shares listed on the Nasdaq Stock Market, raising US$300m. Remitly aims to make the most of sharp growth in revenues and funding from its initial public offering (IPO) to accelerate growth through innovation and further expand into digital banking. Remitly reported a send volume of US$20bn, representing 70% growth for its financial year ended 31 December 2021.

Over the years, we were pleased to offer strategic guidance on Remitly's path to growth.

Removing financial borders and enabling broader access

As a leader in payments and fintech in high-growth markets and one of the world's top investors in this space, we contribute to a more inclusive future of finance. We build customer-centric products and services that enable sustainable prosperity in our markets and communities and broaden access to finance. We strive to equip merchants and their customers with the latest payments solutions. In FY22, for example, we invested in CELO, a global payments infrastructure that makes financial tools accessible to anyone with a mobile phone, to integrate stable coin offerings for our clients and partners.

Using data, AI and ML in the right way

We are committed to using data, AI and ML in a responsible and ethical way. As such, PayU has instituted targeted model governance and responsible AI frameworks. The framework was included in the Prosus audit plan for FY22 with encouraging results and opportunities to further enhance existing strengths.

PayU's global personal data governance policy focuses on accountability and the responsible use of personal data. In FY22, PayU carried out global training and awareness-raising, including a global privacy survey. PayU also launched its privacy technologist training for employees across the group.

The privacy team worked with security, product and engineering to create PayU's privacy and security-by-design policy and toolkit. These will be used to embed robust privacy and security requirements throughout the business. The team also developed a benchmarking and privacy control engine and worked closely with the Wibmo team to obtain the ISO 27001 and 27701 (privacy) certifications.

Enhancing resilience and security

We are committed to ensuring the resilience and security of our Payments and Fintech platforms and business applications. This is a top priority – essential for maintaining the trust of all stakeholders.

Throughout FY22, PayU focused on enhancing security awareness among employees, including training and support related to working from home.

Given the fast-evolving threats, PayU continues to strengthen its security capabilities, including increased use of AI, automation and advanced endpoint detection and response.

Having an ever-more positive impact on the environment

Our core business model enables the transition to a lower-carbon financial services infrastructure. We extend this environmental action to our own operations by measuring and managing our carbon emissions and defining a clear emissions reduction pathway for ourselves.

In FY22, we implemented carbon accounting practices, setting the basis for our carbon reduction strategy. Overall, the carbon footprint of our own operations is relatively small, given our fintech business model. The most important categories are data and cloud services as well as business travel (both value chain-related, ie scope 3).

PayU

PayU operates in

20

high-growth markets, five of which are in the top-10 growing markets

>US$78bn

processed payment volume, up 47% year on year (in local currency, excluding M&A), 56% contributed by India

>2bn

transactions (excluding Wibmo)

+40m

loan transactions in FY22

Payments and Fintech continued

Based on our reduction pathway, we offset the remaining emissions. We are scope 1, 2 and 3 carbon-neutral for FY22. PayU aims to become carbon net positive. As a further step in this direction, we will set science-based net-zero targets to be implemented and achieved over three years and submit this to the SBTi.

Championing diversity and inclusion

Led by its diversity and inclusion council, PayU champions this issue across the company to make it part of the culture. There is diversity and inclusion accountability at all levels in the organisation, and all PayU people managers committed to related goals in FY22. PayU also launched a diversity and inclusion chatbot 'June' to help create awareness and educate all PayUneers on a variety of diversity and inclusion topics.

In recent years, PayU has focused on hiring and developing female talent. Initiatives include launching Return.Reset.Reimagine, a programme to bring women back into the workforce in India; the Women in Tech career fair partnership to attract more female talent; mentoring programmes focused on career growth for female talent in India and EMEA; and launching a female leadership programme with training partner BeNext. In Turkey, PayU launched the Iyzico women entrepreneurship support programme with more than 70 applicants.

In FY22, PayU expanded beyond gender with a focus on LGBTQIA+ and disability inclusion. Key LGBTQIA+ initiatives included global pride month celebrations; LGBTQIA+ sensitisation and allyship training for all employees; and panel discussions and talks by external speakers. PayU also undertook many initiatives focused on disability, for example completing an accessibility audit of our offices and LazyPay app in India.

Focusing on wellness

In 2020, PayU launched the Uthrive wellness programme for its people. The work continued in FY22, with various wellbeing initiatives globally ranging from wellness Wednesdays to sessions on motivation, meditation and more. PayU periodically monitors the effectiveness of the initiatives, and held two surveys in FY22, which have informed targeted improvements.

Making a difference in society

We are committed to the societies we operate in. We leverage our entrepreneurial DNA to partner with start-up initiatives that enable sustainable digital and financial inclusion. In FY22, we further developed our social impact strategy and worked on identifying the best structure for implementation and achieving objectives.

In India, Prosus, PayU and OLX have partnered with GiveIndia to help families and communities through the pandemic. In just days, we implemented a fundraising product and payment links, with domestic and international card acceptance.

PayU India also created the Covid-19 warriors volunteering platform for employees and the broader community. Over 130 volunteers signed up in FY22 to become, for example, logistics warriors, community warriors and wellbeing warriors.

Looking forward

We will continue to scale and extend our payments and fintech ecosystem across core payments, credit and complementary areas of investment. And we will look to build on our success to be an important presence in India and in our other high-growth markets.

Sustainability is a core part of this journey and becomes a key element of our positioning as a leader in fintech in high-growth markets. FY22 was an important year to further strengthen some of our foundations, including building our carbon accounting capabilities as a basis for subsequent strategy development. For FY23 and beyond, we are defining ambitious targets seeking a net positive impact in everything we do or influence on all ESG dimensions. To underpin this ambition, we aim to become a certified B-Corp as one of the first fintech companies in our markets.

The future for Payments and Fintech is to become ever-more empowering, inclusive and sustainable, to build a world without financial borders where everybody can prosper.

Edtech

Transforming the way people learn, through technology.

Performance highlights

	2021	2022
Revenue[1]	US$115m	US$425m
Trading loss[1]	-US$14m	-US$117m

From April 2021, Edtech became our newest core segment, graduating from our Ventures arm.

Edtech grew revenue by 270% (55%) to US$425m. Following M&A, most notably the acquisition of a controlling stake in Stack Overflow and M&A within the BYJU'S group, trading losses increased to US$117m from US$14m in the prior year.

Education remains a significant and high-potential sector with compelling secular tailwinds such as population growth in emerging markets, improving education levels worldwide and workforce reskilling and upskilling on the back of digital economy transformation trends.

Investing early in the edtech opportunity

Through Ventures, we have been investing in edtech businesses since 2016, including Brainly, Codecademy and Udemy. As early investors in the sector, we believed in the potential of edtech to deliver improvements in accessibility, personalisation, impact and enjoyment. Not everybody learns at the same pace or wants to learn the same content in the same way. Edtech can cater to these differences, transform how much people can learn, improve the experience and efficacy of learning, and increase the number of people able to learn.

Continuing to grow and transform

From the start, our Edtech investments performed well, growing year after year. Covid-19 accelerated growth exponentially. The massive increase in working and studying from home that came with the pandemic was an accelerator, with people turning to online learning like never before. The pandemic has revealed an even greater societal need for technology innovation and a higher willingness to pay for tech-enabled education. The education sector will be a US$7.3tn global opportunity by 2025 and we see a lot of room for further growth with the transformation of the sector with technology. The global edtech market is now forecast to grow at 16% per year to reach approximately US$404bn by 2025.

Taking a big step forward

FY22 saw us taking a big step forward – investing more in edtech in that year than we had in all previous years put together. This included two major acquisitions: Stack Overflow and GoodHabitz. To date, we have invested over US$3.8bn in 12 businesses 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. We reach 90% of the Fortune 100 companies across our enterprise learning companies, including Stack Overflow, Skillsoft, GoodHabitz, Udemy, Platzi, EduMe and Codecademy. People look for lifelong learning and their job satisfaction depends on the skills, experiences and knowledge they gain. So, workplace learning is growing in importance and value, with revenue opportunities to match. Global corporate e-learning spend is estimated at US$22bn and is forecast to increase to US$28bn by 2025.

In addition, we have built a strong presence in K–12 (kindergarten to grade 12), with Brainly now reaching 300 million+ users a month, GoStudent serving customers in 23 countries, and BYJU'S quickly expanding from India into the West. We want to be part of the foundational edtech of future generations.

Focusing on workplace learning

Stack Overflow

Since acquisition in August 2021 for US$1.7bn, Stack Overflow has grown total bookings by 62% year on year, excluding the legacy talent business which was discontinued ahead of the acquisition. Stack Overflow, one of the 50 most popular websites in the world, has built a global, highly engaged developer and technologist community over the past 13 years and now serves more than 100 million people across the world every month.

Since acquisition, the business has contributed revenue and trading losses of US$54m and US$34m respectively, driven by growth in Stack Overflow for Teams, which enables organisations to build their own communities on top of the open platform. By March 2022, Stack Overflow had more than 1 000 paying teams, generating an annual recurring revenue (ARR) of US$42m, and representing growth of 61% compared with the prior period.

Trading losses for the year increased, reflecting increased investment in engineering and product development initiatives, sales headcount and marketing programme expenses and general and administrative costs associated with growing the business.

1 Presented on an economic-interest basis.

Edtech continued

Key Edtech investments

skillsoft

90m+

learners across the world

ERUDITUS

470+

programmes in partnership with 68 universities

udemy

11 600

enterprise customers in Q1 2022

BRAINLY

300m+

students, parents and teachers from across the world

Skillsoft
During the year, we concluded a US$500m investment for 38% of Skillsoft, a global leader in digital workplace learning. Skillsoft is listed on the New York Stock Exchange on 11 June 2021 (SKIL.N) and was a rare Edtech investment opportunity that combined scale and profitability.

For the year to 31 January 2022, Skillsoft grew bookings by 7%, meaningfully above original guidance, returning the company to a revenue positive growth of 1%. Skillsoft's client base is centred on large, blue-chip enterprises, representing over 75% of Fortune 1000 companies and its services are used by almost 90 million learners globally across 160 countries. Prosus started equity-accounting Skillsoft results from 1 October 2021, given a three-month lag period for reporting financial information. Accordingly, six months of equity-accounted results for Skillsoft are included in the current financial year. In April 2022, Skillsoft acquired Codecademy, which was an investment within Prosus's Edtech portfolio, to accelerate growth for both companies and strengthen technology and product development to drive incremental topline growth and value creation.

More information on Skillsoft is available at https://investor.skillsoft.com.

GoodHabitz
In June 2021, we invested US$258m for a 62% interest in GoodHabitz, a fast-growing European provider of online training for corporates and small and medium-sized enterprises. GoodHabitz offers over 1 100 courses in 12 different languages to nearly 2 260 enterprise customers. GoodHabitz continues to expand beyond its home market of the Netherlands, and is now operational in 12 other European countries.

For the year, GoodHabitz contributed revenue of US$29m and a trading loss of US$6m to segment results, reflecting the business's investment to scale. GoodHabitz is focusing on strengthening the European position via existing and new countries. Furthermore, there are investments in new countries outside Europe, focusing on Latin America, India and Indonesia. Finally, GoodHabitz is heavily investing in add-ons in the current course library, in new product market combinations and up- and cross-sell possibilities via the introduction of new and additional online services.

Udemy
We first invested in Udemy in 2016. Udemy is a global education marketplace for lifelong learners that gives over 52 million learners access to more than 196 000 courses in 75 languages. Udemy listed on the Nasdaq Stock Market (UDMY) in October 2021. The platform offers courses that can be accessed through the direct-to-consumer or Udemy Business offering, which has over 11 600 enterprise customers at 31 December 2021.

For its year ended 31 December 2021, Udemy reported strong revenue growth of 20% to US$516m with consumer revenue totalling US$329m, up 1% and Udemy Business revenue reaching US$187m, up 81% compared with the prior year. Our share of Udemy's revenue was US$70m and a trading loss of US$5m.

More information on Udemy is available at https://investors.udemy.com.

Codecademy
Codecademy is one of the foremost online interactive platform for coding education that has taught over 40 million people globally to code. We have invested US$40m in Codecademy since 2016. Codecademy was acquired by Skillsoft in April 2022 and 100% of our Codecademy shares were rolled into Skillsoft.

Eruditus
Eruditus provides executive education and short, private, online courses globally in partnership with the world's leading universities. The company makes high-quality education more accessible by offering over 470 programmes in partnership with 68 universities to a global audience covering the US, Latin America, Asia, the MENA region and Europe. We invested US$197m in Eruditus since October 2020. Our current stake is 13%.

Platzi
Platzi is a coding platform in Spanish and Portuguese that offers training in tech skills, interpersonal skills and language training, and hosts a vibrant community where learners network with peers who help them land their next job or build a business with their new skills. Platzi has produced a content library of over 1 000 courses ranging from coding, web design and marketing, to English. We invested US$50m in Platzi in late 2021 and our current stake is 19%.

eduMe
eduMe is a mobile-based training platform for the deskless workforce, used by modern companies in more than 60 countries worldwide. By providing their workforce with seamless access to relevant knowledge, eduMe's customers are enabling their people to achieve Workforce Success. eduMe is headquartered in London, UK, with offices in Palo Alto and Santa Monica, USA. We invested US$12m in eduMe and our current stake is 13%.

SoloLearn
SoloLearn is the world's largest online learning platform where over 50 million coders learn, create and share programming content with their peers. We have invested US$8m since 2018. Our current stake is 19%.

Edtech continued

Focusing on K–12

Brainly

Brainly is one of the world's leading social-learning platforms, serving more than 300 million students, parents and teachers from all across the world. Students use Brainly to strengthen their skills across core subjects such as maths, history, science and social studies. The platform allows them to connect with their peers, subject-matter experts and professional educators to discuss subjects and seek answers to tricky questions. We first invested in Brainly in April 2016 and, to date, we have invested US$77m with a current stake of 42%.

GoStudent

GoStudent is one of the leading online tutoring providers in the world. Founded in 2016, GoStudent is currently serving customers in 23 countries, providing paid, one-on-one, video-based tutoring to primary, secondary and college-aged students in 30+ subjects. In March 2022, we invested US$226m in GoStudent for an 8% stake.

BYJU'S

BYJU'S is a leader in personalised learning programmes for students in India. The country's most valuable start-up continues its rapid growth in building global operations. It targets students in grades K–12 and those taking competitive exams such as GMAT. During the year, BYJU'S expanded its offering beyond K–12 with over US$2.5bn in acquisitions in India and abroad. These include Aakash Network, one of the largest coaching institutes for high school students; US-based Epic, an online reading platform for children; a kids' coding platform called Tynker; Great Learning, one of India's leading edtech companies for professional and higher education; Toppr, an after-school learning app that provides learning courses and entrance-exam tutoring; and online test-preparation platform, BYJU'S Exam Prep (formerly Gradeup).

BYJU'S revenue grew by almost 90%, mainly off the back of these acquisitions and from enhanced offerings such as BYJU'S FutureSchool, which offers one-on-one learning for coding and maths for kids.

We have invested US$536m in BYJU'S since 2018 and hold a 10% stake.

Looking forward

We will continue to play an active role in helping our portfolio businesses to grow and innovate so that more people around the world can enjoy the benefits of tech-enabled learning. We will also look for additional opportunities to expand and strengthen our Edtech segment.

In Edtech, as in all our core segments, we are interested in real improvement for people's everyday lives, long-term impact, and sustainable value creation – fundamentally changing the world of learning for the better.

Etail – eMAG

Building a leading ecommerce ecosystem for customers across Central and Eastern Europe.

Performance highlights

	2021	2022
Revenue[1]	US$2.2bn	US$2.3bn
Trading profit/(loss)[1]	US$80m	-US$34m

In the face of a strong offline recovery and global supply chain disruption, both GMV and revenue for eMAG, our leading ecommerce platform in Central and Eastern Europe, maintained scale and grew 3%, representing revenue of US$2.3bn. Successful initiatives such as eMAG's Genius loyalty subscription programme and Easybox lockers improved the overall customer experience and contributed to the growth. Genius subscriptions topped 335 000 from just 201 000 at September 2021 and now account for nearly one third of eMAG's sales in Romania. The business also deployed around an additional 1 500 Easybox lockers, totalling around 2 500 by March 2022 in Romania.

eMAG's core etail business delivered a trading profit of US$17m for the period. eMAG is taking advantage of its scale and momentum and investing to build the largest and fastest delivery network and to expand into online food and grocery delivery with its new verticals Tazz and Freshful.

Tazz, eMAG's food delivery service, is scaling fast and has quickly become one of the top players in the highly competitive Romanian market, growing orders fourfold compared with a year ago. The business has made significant investments to build its brand and customer base and is now focused on expanding to new cities and integrating into eMAG's Genius programme.

eMAG also launched Freshful to serve the under-penetrated and high-growth online grocery sector as a natural extension of eMAG's core etail business. By leveraging eMAG's brand, purchasing scale and delivery capabilities, Freshful is well positioned to delight customers and become a leader in the grocery space.

Given the additional investment, overall, eMAG reported a trading loss of US$34m for the year.

The opportunity

The etail opportunity across Central and Eastern Europe is substantial. The pandemic boosted previous low levels of etailing, spurring growth across the region. Pre-pandemic ecommerce penetration in Romania was just 7% compared with 15% in the US and 26% in China. Rates in Hungary (5%) and Bulgaria (3%) were even lower. The ecommerce sector is expected to grow by 7% annually in Romania, 16% in Bulgaria and 2% in Hungary.

Succeeding in Central and Eastern Europe

eMAG is dedicated to becoming Central and Eastern Europe's one-stop ecommerce platform. The group operates a structured first-party/third-party (1P/3P) business-to-consumer (B2C) ecommerce platform in Romania, Hungary and Bulgaria under the eMAG brand, as well as the fashion-shopping destination in Romania under the Fashion Days brand. In addition, the company operates Sameday (courier delivery services); Tazz (on-demand food and multi-vertical delivery); Freshful (specialises in fresh food delivery); PC Garage (specialised online retailer focused on gamers); Depanero (repair service); and Conversion Marketing (performance marketing).

Giving customers the best etail experience

To fulfil its mission of giving customers the best etail experience, eMAG focuses on four key pillars: delivering convenience, helping customers make the right decisions, delivering on its promise, and making the difference in society and engaging customers on this journey.

Increasing consumer engagement

In addition, eMAG grew customer engagement. The biggest business, eMAG Romania, increased orders 14% year on year. Therefore, while purchases of some high-priced items were lower than expected, there was a material increase in engagement on the platform overall. This is a key positive long-term trend for eMAG, given its commitment to play an ever-bigger role as a one-stop ecommerce shop for people's everyday needs across Central and Eastern Europe.

In addition, Genius, eMAG's premium subscription service for customers, delivered well, meeting its targets for the year of achieving 335 000 subscriptions from just 201 000 at September 2021. Genius subscribers double their business with eMAG after they join and also buy more broadly. This again fits well with eMAG's long-term ambitions. eMAG aims to build on the strength of Genius with a loyalty system that spans across all their platforms.

1 Presented on an economic-interest basis.

Etail – eMAG continued

Growing Sameday
eMAG continued to build its Sameday courier business, which aims for a 99% on-time delivery rate. During the year, Sameday grew 40%, meeting increased demand for deliveries from eMAG and other businesses in Romania and Hungary. Sameday has grown rapidly to consolidate its important presence in Romania, and aims to improve this further.

Fulfilling orders for third-party partners
The company continues to invest in and grow its Fulfilment by eMAG programme, where it manages delivery logistics for 3P partners. This enables eMAG to ensure delivery quality for customers and deepen relationships with merchants.

Expanding the Easybox network
Sameday's automated Easybox lockers remain popular – 65% of Genius orders are delivered via Easybox, for example. They give customers 24/7 service, pick-up flexibility and over 99% on-time delivery rates. Moreover, they are cost-effective to operate and more environmentally friendly as they reduce the need to deliver to multiple individual addresses.

Sameday continued to expand the Easybox network in Romania, from 1 000 to 2 500 lockers by the end of FY22. The Easybox network in Hungary grew to 450 lockers.

The Easybox service has also been enhanced. Customers can, for example, return items when they like via the lockers. The moment they close the locker door, their money is electronically refunded. Called 'magic return', this is quicker, safer and greener – a good example of improving everyday life.

In addition, the 2 000th locker was given its own solar panels – making the service even more environmentally friendly. The plan is to roll out more lockers powered by the sun.

Going from strength to strength in food delivery
Tazz, eMAG's food delivery service, is scaling fast and has quickly become one of the top players in the highly competitive Romanian market, growing orders four times compared with a year ago. The business has made significant investments to build its brand and customer base and is now focused on expanding to new cities and integrating into eMAG's Genius programme. eMAG has plans to grow and extend this service further in FY23.

Launching Freshful by eMAG
In October 2021, eMAG launched its e-grocery business, Freshful, to serve the under-penetrated and high-growth online grocery sector as a natural extension of eMAG's core etail business. It offers a comprehensive range of 20 000 items, with a focus on local produce for fresh food. Unlike alternatives in the market, it combines a dedicated warehouse with a refrigerated delivery fleet so that customers can be sure of getting exactly what they want, quickly and conveniently. The business scaled fast to 33 000 orders per month by year-end. Reflecting the range and quality of groceries on offer and the reliable ordering and delivery service, customer satisfaction is high for this new eMAG service. Available initially in Bucharest, the plan is to expand Freshful city by city.

By leveraging eMAG's brand, purchasing scale and delivery capabilities, Freshful is well positioned to delight customers and become a leader in the grocery space.

Key strategic initiatives

1 eMAG Genius Loyalty programme	**2 eMAG Easybox** Automated lockers
3 Sameday Inhouse courier service	**4 Fulfilled by eMAG** Fulfilment for 3P merchants
5 Tazz by eMAG Food and multi-vertical delivery	**6 Fintech solutions** Consumer credit solutions
7 Advertising solutions Sponsored merchant listings	**8 Freshful by eMAG** Large basket grocery delivery

Introducing financial services
eMAG has launched a partnership with PayU to offer customers flexibility by postponing a payment or paying in instalments for all categories of eMAG products or for products sold by sellers active on eMAG Marketplace. Options include the following:

- Buy now pay later (BNPL), where the shopper postpones payment for 30 days without any costs.
- Payment in four equal monthly instalments (Slice it), where the first instalment is paid at transaction date and the balance over three calendar months.

These services are currently being piloted in Romania and reflect eMAG's commitment to developing ecommerce infrastructure services to offer customers a high-quality, reliable experience across the ecosystem – one that truly delivers value and improves their everyday lives.

Investing in Flip
In 2021, eMAG invested in Flip, a Romanian start-up focused on refurbishing and reselling secondhand mobile phones. It was a natural move, given eMAG's plans to help build the circular economy in the region. It is early days, but eMAG is exploring how to build this offer to give a second life to other products such as laptops.

Offering circular services
FY22 saw sales of 'second chance' resealed products on eMAG's platform increase by 26%. With this service, eMAG checks and repackages returned products, extending their life cycle and offering them to customers at a reduced price. In addition, eMAG offers a buy-back programme where customers can return used home appliances in exchange for a voucher towards a new appliance, and eMAG takes care of the correct recycling. This service also gives customers the opportunity to replace their old devices with new, energy-efficient appliances. These are two more

Etail – eMAG continued

examples of how eMAG is acting for the benefit of customers and the environment by extending the life cycle of the products offered on its platforms.

Repairing products

Working towards a circular economy is at the heart of eMAG's repair service, Depanero. In FY22, 205 000 products in Romania were repaired by Depanero, 14 000 in Bulgaria and 8 400 in Hungary.

Achieving carbon-neutrality

As in FY21, eMAG also achieved carbon-neutrality in FY22 for scope 1 and scope 2 emissions, by reducing carbon emissions and offsetting the remaining emissions that could not have been avoided.

To reduce carbon emissions, eMAG has, for example, increased the use of electric vehicles. Sameday continued to invest in its green delivery fleet, replacing conventional fuel vehicles with electric ones. The growth of the Easybox network also made a key difference. eMAG estimates that delivering a parcel to an Easybox generates on average 14g of CO_2, a 95% reduction on the 300g generated delivering a parcel to a customer's home.

Ensuring sustainability

eMAG has ensured that its new DC2 logistics centre, which opened in October 2021, is not only state of the art in terms of automation and logistics, but also sustainable. It is powered by green energy via its rooftop 1MW photovoltaic panel grid. eMAG has opted for a 100% green energy contract for its other warehouse – reducing carbon emissions from purchased electricity.

The new centre received an 'excellent' rating under the BREEAM[1] design stage certification programme. The DC1 warehouse and the Sameday warehouses have also been certified by BREEAM in FY22.

In line with its long-term commitment to sustainability, eMAG has partnered with Foundation Conservation Carpathia (FCC). FCC is creating a wilderness reserve in the Romanian Carpathians by purchasing land and hunting rights to protect the area from deforestation and promote biodiversity. Its plan is to return the land to the public domain and promote sustainable tourism in the area. Forest conservation projects such as these play a crucial role in combating global warming.

Improving gender diversity

eMAG has prioritised improving gender diversity in the company. In FY22, eMAG's total gender diversity score rose from 43.35% to 43.60% female employees. In the technology team, the score increased from 28.8% to 29.5%, well above the benchmark of 23.2% for the Romanian tech industry.

Respecting human rights

eMAG is committed to respecting human rights and protecting the dignity of its workforce and has adopted the Prosus human rights statement. This commitment can be seen, among other ways, in how eMAG compensates its workers. For example, compensation for eMAG's warehouse workers exceeds the minimum wage.

Investing in the We Care Foundation

eMAG continues to invest in the We Care Foundation (formerly eMAG Foundation) to deliver on its commitment to social responsibility. The foundation focuses on three pillars: community support for teachers and students, the We Care programme for children at risk of dropping out of school, and the 140 Beats per Minute programme to encourage physical activity for children. For the 2021/22 school year, We Care established 52 performance centres, and reached over 5 500 students and 377 teachers.

Looking forward

eMAG will continue its growth by extending the Genius loyalty programme, expanding financial services, rolling out more Easybox lockers, repairing more products, increasing the delivery of food and groceries, and doing more to support the circular economy. eMAG's mission remains the same: giving customers across Central and Eastern Europe the best retail experience. Looking forward, the group is set to broaden and deepen this experience and provide it in ever-more sustainable ways.

eMAG

Maintained scale and grew 3%, representing revenue of

US$2.3bn

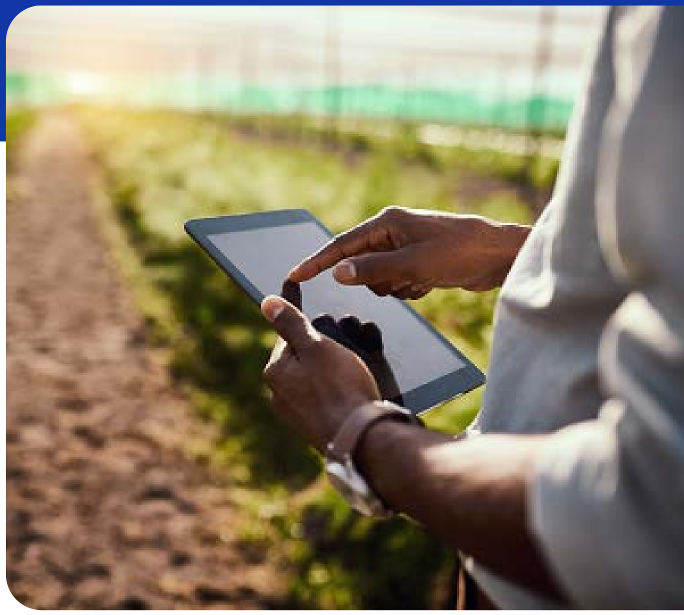
2 950

eMAG lockers throughout Romania and Hungary

1 BREEAM stands for Building Research Establishment Environmental Assessment Method, a widely used sustainability assessment certification developed by the UK-based Building Research Establishment.

Other: Ventures

Identifying and investing in the next wave of group growth.



Performance highlights
FY22 was a standout year for Ventures, with a record number of transactions. We invested US$900m in 50 closed transactions across 34 companies, compared with US$163m in FY21.

During the year, we made investments in India in agtech, ecommerce, logistics, health, personal services and more, closing transactions with an aggregate investment of US$600m.

Nurturing the next wave for the group
Ventures partners with innovative entrepreneurs around the world to build leading technology companies in high-growth markets. We act as the group's incubator for new investment areas, which in turn can become new core segments once they reach scale. Our current core Food Delivery segment was born out of Ventures in 2019. In April 2021, Edtech became our newest core segment, after being cultivated in Ventures since 2016.

By 31 March 2022, excluding Edtech and Food Delivery, Ventures had invested over US$1bn in 44 investments in key geographies around the world such as India, and across Southeast Asia, Latin America, Europe and the US, covering exciting sectors, including logistics, agtech and sustainability, healthtech, B2B, SaaS, fintech and blockchain.

Investing in future winners
We believe there are many opportunities for entrepreneurs with bright ideas and disruptive technologies to improve everyday life for people around the world. With nimble teams and the agility to implement fast-changing technology, start-ups have an increasing edge over established industry leaders across sectors. These new ideas are reimagining and remaking markets. We aim to invest in these disruptors, the next generation of tech-enabled industry titans which are being founded and funded now.

What we look for
With Ventures, as with the group as a whole, we invest in a disciplined, focused way. We look for the following three key criteria:

- We back businesses in areas of large total addressable markets (TAMs) that are addressing big societal needs in high-growth regions, and where we can really make an impact as an investor.
- We focus on sectors of the economy where technology can lead to meaningful change in consumer behaviour and economics.
- We invest in world-class entrepreneurs who want to build leading technology companies.

Focusing on greater impact
Across the range of opportunities, Ventures focuses on key areas, including India and other new markets, logistics, fintech and blockchain, agtech and sustainability, and healthtech. We are also focusing on the Software as a Service (SaaS) and B2B sectors, as these are large and attractive segments where Prosus currently has a limited presence.

India
India remains a high-focus area, given the vast opportunity for growth in the market across a number of sectors, and the competitive edge we have built there as an investor over a number of years. Several of our companies, including PharmEasy, Meesho, Urban Company and ElasticRun, have joined the ranks of Indian unicorns recently.

API Holdings/PharmEasy
API Holdings owns India's largest integrated digital healthcare platforms. In total, we have invested US$220m and currently own a 13% stake. API Holdings also owns PharmEasy, a healthtech start-up offering services such as teleconsultation, medicine deliveries, and diagnostic test sample collection. Recently, PharmEasy acquired diagnostics chain Thyrocare and cloud-based hospital supply-chain management start-up Aknamed. PharmEasy is considering an IPO.

Meesho
Meesho operates as an online commerce platform that also enables anyone to start a business without investment. It has so far helped to create over 17 million entrepreneurs across India by enabling individuals to build their own small businesses. Homemakers and women on career breaks make up more than 70% of these entrepreneurs. Meesho provides these entrepreneurs with products, logistics and payment tools to start and grow their business and invests in training and mentoring these entrepreneurs. The company has also created online and offline communities that allow these entrepreneurs to connect, share and learn with their peers.

Meesho has seen tremendous growth in the past year with its strategy shift to add a B2C business line in addition to its original reseller-based model. Over the past two years, we have invested US$162m in Meesho, including a follow-on round in August 2021 and a secondary transaction in November 2021. We currently hold a 14% stake. As of March 2022, Meesho had average daily orders of approximately 2.8 million, 3.5 times the number in March 2021. Monthly app users in March 2022 reached 123 million, an 811% increase year on year.

Ventures continued

ElasticRun
ElasticRun is a commerce platform that enables businesses to reach kiranas (small local stores) in the deep rural parts of India. The company acts as an extended arm of fast-moving consumer goods (FMCG) companies' direct distribution networks in the rural areas to generate new customers for these companies. ElasticRun also helps ecommerce companies reach their customers in far-flung areas through its network of kirana stores and brings banks and financial institutions closer to a new set of underserviced small and medium-sized enterprise customers from its rural kirana network.

Since October 2019, we have invested US$120m in ElasticRun (latest investment in series E funding in February 2022) and currently hold an effective stake of 22%. The company has performed well in its ecommerce delivery business and has rapidly scaled up its FMCG distribution business.

DeHaat
We have invested US$27m in DeHaat and currently hold an 11% stake. DeHaat is a technology-based platform offering full-stack (end-to-end) agricultural services to farmers, including distribution of high-quality agricultural inputs, customised farm advisories, access to financial services and market linkages for selling produce.

New markets

Since 2020, we have invested in a number of new markets where we see strong growth opportunities. We've since significantly expanded our presence in areas such as Southeast Asia, Latin America, Europe and the US, with new market investments in Egypt and Bangladesh.

In particular, we've grown investments in Mexico, Europe and Indonesia. In Indonesia, our investments include Shipper, a tech-enabled logistics platform; Aruna, a sustainable fisheries and marine platform; and Ula, a B2B ecommerce marketplace.

Indonesia
Shipper is a tech-enabled logistics platform in Indonesia offering a one-stop logistics solution, from a multi-courier shipping platform to distribution warehousing and a fulfilment network. Despite the massive size of the logistics market in Indonesia, it is still extremely inefficient. In tier 2 and tier 3 cities, shipping costs can often add up to 40% of ecommerce basket sizes, becoming a major barrier to mass ecommerce adoption in the country. Shipper aims to solve three major problems in Indonesia's logistics: a confusing plethora of different warehousing and shipping options; lack of price transparency; and below-average trackability. In total, we have invested US$36m in Shipper and currently own a 16% stake.

Egypt
Thndr is an Egyptian digital investment platform simplifying investment in the MENA region through its digital, multi-language app, educating and empowering investors to make their own investment decisions. Launched in late 2020, Thndr is creating investors out of members of the population who previously had limited equity market exposure. In fact, as of 2021, 87% of Thndr's user base are first-time investors and 40% of users come from rural areas. We have invested a total of US$5m in the company and currently own an 8.4% stake.

Mexico
In Mexico our broad theme this year was 'access'. Our investments include Klar; 99 Minutos, a last-mile ecommerce delivery platform; and Kovi, a start-up that is disrupting car access in Latin America. We also invested in Azos, which is expanding access to life insurance in Brazil.

Klar is a 100% digital, transparent, free and secure alternative to traditional debit and credit services in Mexico. Ageing, archaic architecture has made it difficult for traditional banks to serve the needs of the growing middle class in that country, with only 10% of adults owning credit cards. Klar has built a new banking infrastructure core that aligns with the financial needs of consumers and allows it to service a massive segment of the population in Mexico that previously did not have access to financial services. We have invested US$20m in Klar and currently own a 21% stake.

Europe
We have been active investors in the region, and our Ventures team in Europe is hyper-focused on what's next. We've invested in several companies including: BUX, Europe's fastest-growing neo-broker (subject to customary regulatory approval); merXu, an online B2B trading platform; and Collective Benefits, a benefits marketplace for independent workers.

Logistics

The logistics industry has experienced significant growth in ecommerce with rapidly changing consumer expectations and trends during the pandemic, including a surge in last-mile and same-day deliveries. We have invested in three companies in this space: Shipper, ElasticRun and, most recently, 99 Minutos.

Ventures

ElasticRun
Covers
>80 000
villages across 26 states in India

>400
brands on the platform receive access to 50 000+ kirana shops

99 Minutos
60
markets across Mexico, Colombia, Chile and Peru

Handles
>15m
packages per year

Shipper
220
large fulfilment centres

12 000
retail points

>20 000
online sellers

DeHaat
Serves
>1m
farmers providing access to over 3 200 agricultural inputs

>6 000
DeHaat centres

>300
commodity bulk buyers, including retail chains, ecommerce players, FMCG giants, and SME food processors

Active
in key agricultural regions of India

Ventures continued

99 Minutos
In total, we have invested US$36m in 99 Minutos and currently own a 23% stake. The company offers last-mile logistics services to ecommerce vendors in major markets in Latin America.

Blockchain
Blockchain is beginning to disrupt and revolutionise a number of key industries. Our investments in the sector include DappRadar and Republic.

DappRadar
DappRadar is a leading global platform for discovering and analysing blockchain-based decentralised applications (dapps). We have invested a total of US$5m in the company and currently own a 31.28% stake.

Republic
Republic is a foremost investment platform that provides access to start-up, real estate, crypto and gaming investments for both retail and accredited investors. We acquired US$2.6m worth of the Republic note, a profit-sharing digital security meant to align the incentives of the community with activity on the Republic platform.

Agtech and sustainability
Agtech and sustainability is a growing focus area for us. As climate regulation remains top of the global agenda and consumers become increasingly climate conscious, we expect more growth, innovation and adoption in this area. Our investments in this space include: Aruna, DeHaat and Biome Makers.

Aruna
Aruna is a leading fisheries and marine platform in Indonesia. Its vision is to transform Indonesia's fisheries and marine supply chain and cater to growing global demand for fishery products through technology innovation. As the fisheries vertical is highly fragmented, Aruna's tech-enabled platform serves as a one-stop shop and end-to-end supply chain aggregator, streamlining the process for the country's fishermen. We have invested a total of US$14.2m in the company and currently own a 10.77% stake.

Biome Makers
The company has developed a patented technology integrating DNA sequencing and ecological computing technologies using one of the more complex biomarkers: the soil microbiome. Biome Makers has distinguished itself as one of the foremost global agtech leaders, having spent the past few years building proprietary products to promote sustainable farming practices using soil biology standard analytics. We have invested a total of US$8m in the company and currently own a 20% stake.

Healthtech
We have invested US$58.5m in Honor and currently hold a 14% stake. Honor is a senior-care network and technology platform that offers personalised care to improve the in-home care experience. In August 2021, Honor acquired Home Instead, the largest network of independently owned and operated franchise owners for home care, significantly expanding its reach.

Looking forward
We will continue with our disciplined long-term approach, investing with conviction aggressively – but never recklessly – across sectors and markets. This allows us to continue backing the next generation of great entrepreneurs, ideas and technologies, changing everyday lives for the better.

Ventures

Aruna

100

communities of fishermen with over 26 000 registered fisherfolks

5 000

job opportunities in the rural areas of Indonesia

Operates in

27

provinces in Indonesia (70% of the country)

Other: Naspers Foundry

Investing early in South Africa's tech entrepreneurs to boost the digital economy and help address big societal needs.

Performance highlights
Since its launch in 2019, Naspers Foundry has invested in 12 South Africa-focused tech businesses, deploying close to R700m of capital. The majority of these investments were made in FY22 and the team has a healthy pipeline of prospects for the coming year.

Backing the future of tech in South Africa
Naspers Foundry is a R1.4bn investment vehicle that backs talented local entrepreneurs by investing in early-stage tech companies with high-growth potential that solve big societal needs and improve the quality of people's daily lives.

Its mission is to boost the South African early-stage technology and venture capital (VC) ecosystem, creating a lasting impact on the broader South African economy.

Investing in key sectors
Naspers Foundry invests in sectors aligned to the group's core segments, including payments and fintech, edtech and marketplaces. In line with the group's Ventures segment, Naspers Foundry also looks to invest in other sectors that address big societal needs, such as agtech and healthtech.

Capitalising on a much bigger ecosystem
During the review period, the South African tech ecosystem grew significantly, from around US$259m in calendar 2020 to over US$832m in calendar 2021 (source: 2021 Africa Tech Venture Capital Report by Partech Africa). Both the quantity and quality of investable opportunities are increasing and, to ensure that Naspers Foundry is best positioned to participate, we have bolstered the team. We have added capacity and functional expertise, and optimised processes so that we can increase both the volume and speed of our investment while continuing to give the same level of support to our portfolio companies.

The growth in the local tech ecosystem is in line with Naspers Foundry's mission, and the team continues to play a key role as South Africa's largest homegrown early-stage tech investor. As a long-term dedicated tech investor with local presence and global links, Naspers Foundry is valued both by entrepreneurs and investment partners. The investments we make help the businesses grow and encourage more investment into the ecosystem from other global investors. It is a long-term gain where everybody wins – from the entrepreneurs to Naspers Foundry, the group as a whole and the broader South African economy.

Making new investments
In FY22, Naspers Foundry added a number of companies to its portfolio.

WhereIsMyTransport
In June 2021, Naspers Foundry invested R42m (US$3m) in mobility technology company WhereIsMyTransport. The company maps formal and informal public transport networks in emerging markets and uses this data and technology to improve the public transport experience for millions of consumers in high-growth megacities globally.

Ctrl
In July 2021, Naspers Foundry invested R34m (US$2m) in Ctrl – a short-term insurance marketplace connecting consumers, brokers and insurers on a single platform.

Naked Insurance
In August 2021, Naspers Foundry invested US$8.2m (R120m) primary funding into Naked Insurance at a valuation of US$23.86m (R350m). The company conducts a digital personal-lines short-term insurance business in South Africa. This is a digital insurance platform, offering consumers comprehensive and instant cover for cars, homes, contents and standalone items. Its business model aims to make insurance more accessible and trustworthy.

Planet42
In January 2022, Naspers Foundry invested US$4m (€3m) in Planet42. Planet42 operates a rent-to-buy secondhand car platform in South Africa and has now expanded into Estonia and Mexico. To date, Planet42 has helped more than 7 000 South African families get access to cars.

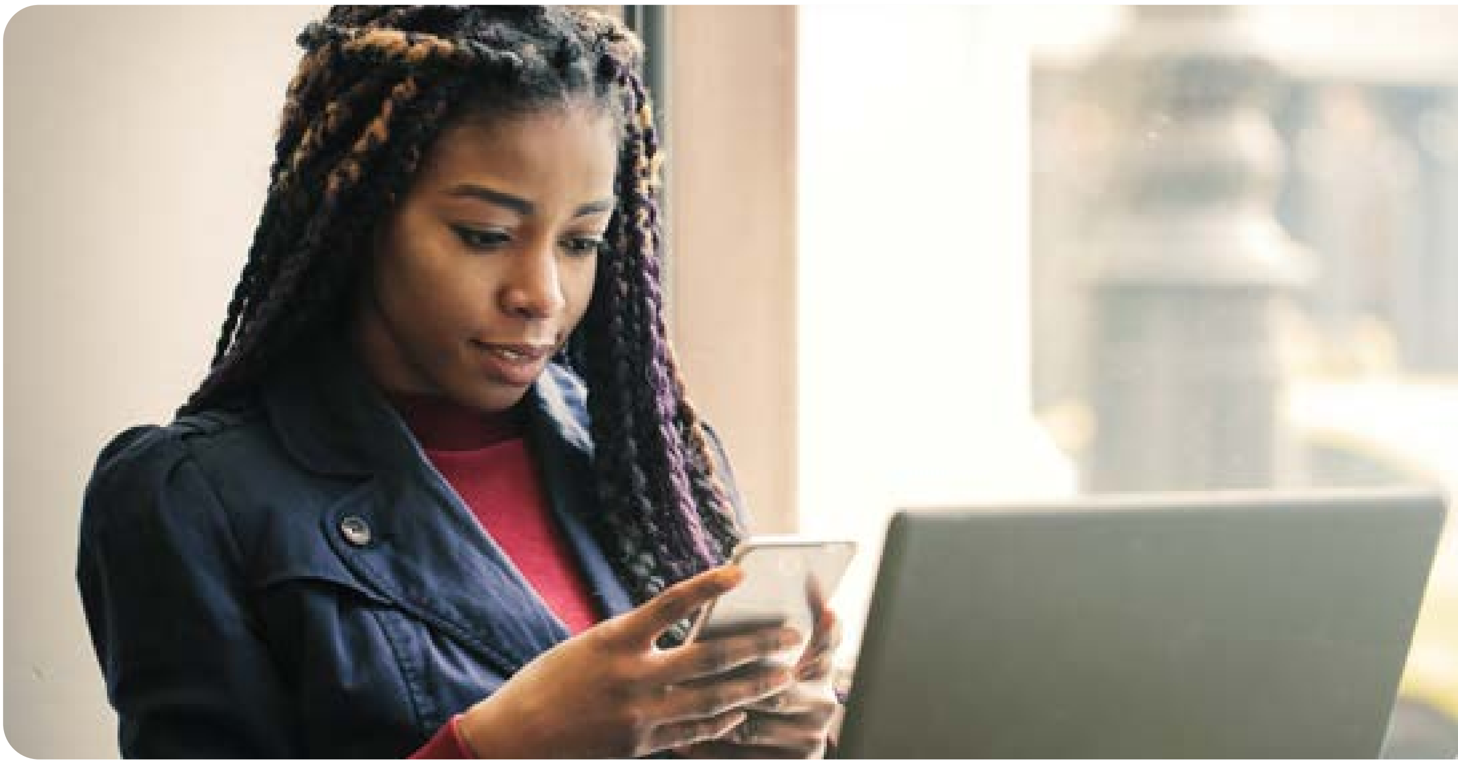
Floatpays
In January 2022, Naspers Foundry invested in Floatpays – an on-demand wage-access platform that helps employees access, spend, save and manage their money. The investment is still subject to successful regulatory approval.

LifeCheq
In February 2022, Naspers Foundry invested R40m (US$3m) in LifeCheq – a technology platform offering end users access to holistic, personalised financial advice across different product categories.

Nile.ag
In March 2022, Naspers Foundry invested R40m (US$3m) in Nile.ag – a B2B marketplace that enables direct trade between buyers and sellers of fresh produce and supports the flow of goods sold between regions.

Valenture Institute
In March 2022, Naspers Foundry invested R108m (US$7m) in Valenture Institute – a global private online high school – offering a curriculum that is recognised and endorsed by the world's leading universities, broadening access to quality and affordable education to students in emerging markets like South Africa.

Naspers Foundry continued



Helping existing investments to grow

In line with the group, Naspers Foundry takes a long-term view – backing businesses and helping them grow and succeed through a highly collaborative approach and active portfolio management. In FY22, the team played a key part in helping portfolio companies raise additional funding to support their growth ambitions.

The Student Hub

In November 2020, Naspers Foundry invested R45m (US$3m) in The Student Hub, a fast-growing business that is having a big social impact through the way it is helping to transform student-learning at tertiary level. The Student Hub partners with public technical and vocational education training (TVET) colleges to provide two bespoke solutions – a comprehensive online platform that supports the on-campus learning activities of students and lecturers at physical colleges; and a fully fledged digital learning solution for remote students who would otherwise not have been able to enrol due to physical infrastructure constraints at colleges. The company makes TVET education more cost effective and accessible. It also enhances outcomes, with a marked increase in pass rates at colleges employing its solution. There are more than 30 000 students registered on its platform. In FY22, Naspers Foundry helped The Student Hub raise additional capital and provided follow-on funding to continue its strong growth trajectory.

SweepSouth

In June 2019, Naspers Foundry invested R30m in SweepSouth, Africa's first online home-cleaning-services marketplace, which connects clients to vetted domestic cleaners who benefit from flexibility and receive fair pay. SweepSouth has 5 000 domestic cleaners on its platform and has provided employment opportunities for over 20 000 women to date. Having weathered the challenges of the pandemic, SweepSouth continues to grow.

In December 2021, SweepSouth acquired the Egyptian start-up Filkhedma. Filkhedma is Egypt's home services marketplace operating across three cities and serving tens of thousands of customers with cleaning, maintenance, and beauty services, while empowering over 2 000 service providers through technology with consistent incomes and professional development.

Looking forward

The ecosystem is set to continue growing, and Naspers Foundry will maintain its path – investing in exciting new tech-enabled businesses and helping portfolio companies to keep on growing and, in turn, having an ever-bigger impact on the economies and societies.

Naspers Foundry

Naspers Foundry is a

R1.4bn

investment vehicle

Social and Internet Platforms

Connecting people in everyday life through innovative technology.

Performance highlights

	2021	2022
Revenue[1]	US$22.5bn	US$25.8bn
Trading profit[1]	US$6.2bn	US$6.3bn

Tencent

Tencent achieved stable growth in a challenging year of 2021, thanks to the strength of its diversified portfolio of products, businesses and investments. For the year ended 31 December 2021, Tencent's revenue grew 16% to RMB560bn. Non-IFRS profit attributable to shareholders (Tencent's measure of normalised performance) grew 1% to RMB124bn.

The opportunity

China achieved 8.1% annual gross domestic product (GDP) growth in 2021, amid global supply chain disruptions due to the coronavirus pandemic. The World Bank estimates China's GDP will grow at 5% in 2022[2]. China is the world's largest consumer internet market and continues to grow ahead of many other large internet markets. There were 1 032 million internet users in China in December 2021 (989 million in December 2020), 99.7% of whom were mobile users. With a highly mobile-penetrated population, growing middle class and increased investment in the digital transformation of industries – the opportunity in the China internet industry remains vast.

The pandemic established and accelerated certain industry and user trends, including enterprise digitalisation, online healthcare, and social and video commerce. These trends will have a sustained impact in 2022 and beyond, presenting Tencent with ample opportunities in consumer and industrial internet verticals. The China internet industry is also shifting from a short-term growth-focused paradigm to a new paradigm that seeks sustainable growth via user value, technological innovation and balanced benefits for all stakeholders.

Long-term sustainability reinforced amid changes

The regulatory environment of China's internet industry continues to evolve, reflecting the expanding economic and social importance of the industry. Tencent embraced the market challenges and regulatory changes by managing costs, increasing efficiency, sharpening its focus on key strategic areas, and repositioning itself for sustainable long-term growth.

Continuing to lead

Tencent is a leading internet and technology company in China. Weixin, the largest mobile community in China, continues to play a pivotal role in the daily lives of over 1.2 billion users via transformative innovation with a focus on user experience.

Revenues from value-added services increased by 10% to RMB292bn, with domestic games growing 6% to RMB129bn, international games increasing 31% to RMB46bn and social networks rising 8% to RMB117bn. Revenues from fintech and business services increased 34% to RMB172bn, and revenues from the online advertising business rose 8% to RMB89bn.

The combined monthly active users (MAU) of Weixin and WeChat increased 3.5% to 1.27 billion. Weixin's in-app short video services, Video Accounts, doubled its per-user time spent and total video views in the prior year. The Weixin Mini Programs ecosystem continued to grow, with daily active users (DAU) passing 450 million and independent merchants' annual transaction volume of physical goods more than doubling from the prior year.

Tencent sustained its domestic game-industry leadership as it cultivated its key IP franchises more deeply and broadly. In 2021, Tencent Games also achieved notable progress in global markets, developing and operating five of the top 10 mobile titles by DAU outside China. League of Legends World Championship remained the world's most popular eSports tournament, with 74 million peak concurrent viewers on its finals. Level Infinite, a new international game publishing brand, was launched to target international gamers.

1 Presented on an economic-interest basis.
2 Based on the latest China Economic Update by the World Bank.

Social and Internet Platforms continued

Tencent continued to enhance its differentiated advertising solutions, with Weixin's daily active advertisers growing by over 30% year-on-year in the fourth quarter of 2021. Subscriptions for fee-based registered value-added services increased by 8% in 2021 to 236 million. Tencent maintained its leading position in long-form video with 124 million subscriptions.

Tencent's mobile payment platform continued to benefit from expanded use cases and increased transactions. Weixin Pay strengthened its support to small and medium merchants and deepened its cooperation with the Peoples' Bank of China and UnionPay.

For communication and collaboration SaaS, Tencent upgraded the integration among WeCom, Tencent Meeting and Tencent Docs to provide enhanced solutions for enterprises. Tencent has also enabled differentiated CRM functions in WeCom via deepened connection with Weixin.

Tencent will continue to adhere to its strategy of delivering superior experiences to users, assisting enterprises to digitalise their operations and contributing to the society at large.

Looking forward

Tencent will continue to adhere to its strategy of delivering superior experiences to users, assisting enterprises to digitalise their operations and contributing to society at large.

Tencent is listed on the Hong Kong Stock Exchange. Further information is available on its website at www.tencent.com.

VK Company Limited

Since the outbreak of the Russia-Ukraine conflict, international sanctions have been imposed on many Russian entities and individuals. These include sanctions on the CEO and controlling shareholders of the online platform VK Group (VK) (previously Mail.ru), in which Prosus holds a minority stake. As a consequence of these sanctions, Prosus asked its directors on the VK board to resign their positions.

We have also written down the full carrying value of the VK asset in the current reporting period.

Weixin, the largest mobile community in China, has over

1.2bn

users

Tencent's online advertising business rose to

RMB89bn

Tax

Being a responsible global citizen sits at the core of everything we do. We consider paying taxes as an important economic contribution to the societies in which we operate. This also underpins our approach to managing and paying taxes.

Paying taxes is a normal consequence of doing business. We support the establishment of a harmonised international tax system where there is a level playing field and all players pay their fair share of taxes in the jurisdictions where they operate.

To understand our approach to paying taxes and interpret the taxes-paid information, it is important to understand our operating model. As a global technology investor, our portfolio of businesses is well diversified by sector and geography. We operate on a decentralised basis in numerous countries. The businesses are based in the countries where their operations, their users and consumers are. All our subsidiaries, associates and investees pay taxes locally, in the jurisdictions where our companies operate and our products and services are consumed. We regard paying taxes as an integral part of our business operations. Overall, our aim is to improve the lives of the people who live in the countries where we operate. Paying taxes locally is an extension of our commitment to the improvement of our customers' lives through technology. Our businesses directly improve people's lives. Indirectly, through the taxes paid locally, people's lives are further improved. Locally paid taxes assist governments to fund the needs of the populations in their countries.

Prosus shows a meaningful normalised effective tax rate of 23.6% for the 2022 financial year (24.4% for the 2021 financial year).

The group accounts for its share of the results of its equity-accounted investments net of the taxation recognised by those investments. In order to provide a more comparable effective tax rate, the tax recognised as part of the group's share of the results from equity-accounted investments is included, for purposes of the calculation of the normalised effective tax rate. Furthermore, exceptional items like tax-free capital gains on the sale of subsidiaries are excluded from the profit before tax to arrive at the normalised effective tax rate of 23.6%.

Compliance

As a family of essentially local businesses, the principles we apply across our portfolio are consistent. We take tax compliance seriously. This is embedded in the culture of our group and is an element of the KPIs of finance and tax team members.

Our tax team comprises experienced and effectively equipped tax specialists. Regular training ensures that all tax team members maintain their optimal tax skill sets. Subsidiaries, associates and investees are accountable for managing tax and adhering to our group policy of zero tolerance for non-compliance.

Compliance with laws and regulations in the countries where we do business is essential to the integrity of our businesses and all our actions. Ensuring that we are compliant with tax legislation in the territories where we operate is non-negotiable. We have to be – and we want to be – fully compliant: no exceptions. This is how we do business and why our stakeholders can have confidence in the integrity of our actions.

All tax planning is decided and effected in the context of the business: the tax consequences flow from the business operations. Business structures and operational models dictate our tax strategy, not vice versa.

Of course, we ensure that we manage our tax costs, as we manage any other business costs, as efficiently as possible. This is part of our responsibility to our shareholders and our businesses. But we do not seek to abuse opportunities to unreasonably reduce the tax cost of the business. All tax planning, whether driven due to acquisitions, rationalisations, disposals or disinvestments, operational restructuring or legislation changes, is carried out in line with our tax policy and our approach to tax. Where relevant, we will take into account the intention and objective of the tax legislation or policy in how we apply the legislation. Our appetite for tax risk is low. When this causes a dilemma, the business prevails and it is the business that sets the boundaries for tax planning.

We do not engage with tax authorities to obtain special dispensations. When obtaining advance tax rulings we do this via standard, transparent dispensations available to all taxpayers, to create certainty as to the application and tax consequences of business transactions. In line with our commitment to tax transparency, we support making any ruling contents publicly available.

Operating a decentralised model means that transfer pricing is not the most significant factor in our tax management. To the extent that it does apply, we ensure that there is adherence to the arm's length principle at all times.

Taxes paid in FY22

In FY22 Prosus paid US$1.4bn in direct and indirect taxes globally. Details of taxes paid in our geographies are set out below:

Region/Country	Corporate income and withholding Taxes	Payroll taxes and social security contributions	Other direct taxes	Total direct taxes	VAT, service and consumption taxes	Other indirect taxes	Total indirect taxes	Total tax contribution
Europe	108	201	8	**317**	284	3	**287**	**604**
The Netherlands	156	43	0	**199**	(12)	0	**(12)**	**187**
Americas	168	188	61	**417**	105	0	**105**	**523**
Middle East and Asia	17	29	0	**47**	20	0	**20**	**67**
Other	8	4	0	**12**	7	0	**7**	**18**
Total	**457**	**465**	**69**	**992**	**404**	**3**	**407**	**1 399**

Tax continued

Prosus has grown organically and by acquisition. In the course of these acquisitions, we inherited a number of legacy structures, including some companies located in low tax jurisdictions. These structures are under constant review and most have been eliminated. In FY22, four companies in low or no tax jurisdictions (two in the British Virgin Islands and two in Mauritius) were liquidated. Some further legacy companies are either in the process of being liquidated or have been identified for liquidation. Presence in such jurisdictions is retained only in exceptional cases where business reasons dictate our presence in that particular location. We do not attempt to engineer tax advantages by creating business entities in low tax or no tax jurisdictions in which Prosus does not operate or have business substance.

Further guidance regarding how we manage taxes is publicly available in our group tax policy.

Governance

We attach the highest priority to fairness, integrity and transparency – in short, doing the right thing. This approach is built on the following elements:

- Board accountability through the group CFO and audit and risk committee for tax.
- A clear tax risk matrix.
- A tax control framework with robust controls.
- Experienced tax professionals with the right skills.
- Training and regular communication and engagement between everyone with responsibility for tax.
- Use of technology to automate tax processes.

Ultimate responsibility for tax is vested in our group CFO who is accountable to the Prosus board with oversight from the audit and risk committees. Our group tax policy is reviewed annually by the audit and risk committees, approved by the board and published on our website.

Maintaining a tax risk matrix assists us to identify and monitor where tax risks may arise. This guides our decision-making, by focusing our activity on actions required to manage and mitigate tax risks efficiently and effectively.

Tax risks, tax challenges, interactions with revenue authorities and other issues are under constant review and reported regularly to our group CFO and the audit and risk committees. We aspire to a 'no surprises' approach in managing taxes: that is, there should be no tax surprises at any level – whether in relation to tax costs to a business, accounting to revenue authorities or supplying relevant information to stakeholders.

Our tax control framework sets out the operational details for managing tax risk in accordance with the criteria established in our tax policy. We implement this framework consistently across our controlled portfolio and operations, to ensure tax compliance in all the jurisdictions where we operate. Our tax control framework is also shared with relevant tax authorities.

All group tax professionals are appropriately skilled for their roles and are provided with ongoing training. These tax team members are assisted by reputable external advisers with specialist tax expertise who provide input for all significant and many other tax matters, advise on the tax consequences of transactions, review tax filings and support the group tax team wherever necessary.

The process for the disclosures of any improper conduct or concerns of wrongdoing is outlined in the group whistleblower policy and available to all regarding any matter, including tax behaviours.

Technology

Efficient tax management is enhanced by the use of technology. As the requirement by tax authorities and other regulators to report substantive data increases, it is essential to harness the power of technology for data extraction, gathering and collation. Technology is paramount to eliminate human errors that can arise in the collation of tax-relevant data and the tax compliance process. Where possible, we have automated tax processes such as the controlled foreign company compliance and country-by-country reporting. Automation contributes to enhanced data integrity and reduces the man-hours involved in these processes. We will continue to expand the reach of automation and technology in our tax management processes, where we are confident of increased efficiency and integrity of information. This focus is included in the KPIs of our tax team members.

At the same time, we recognise there are, and always will be, many areas in tax that require the ongoing attention of and input by skilled tax professionals. Where technology can be implemented to enhance data collection and collation, and to share tax-relevant information with tax authorities, we believe a reduction in man-hours required for these tasks can enable our group tax specialists to spend their time more effectively.

We will continue to invest time in assessing how technology can assist in streamlining processes to effectively manage our taxes and tax compliance.

Transparency

It is one of our KPIs to at all times constructively engage, in a transparent manner, with all our stakeholders, both external and internal. These stakeholders include investors, customers, employees, regulatory authorities, governments and tax authorities.

We regard tax authorities as significant stakeholders. Like with all other stakeholders, it is important for us and our companies to engage proactively and transparently with tax authorities. Our approach, wherever possible, is to follow the principle of cooperative compliance. We engage regularly with tax authorities to explain our business model and we are proactive in sharing information with tax authorities. While recognising that at times our views and those of the tax authorities may differ in relation to the application of specific tax rules and legislation, we aspire to a relationship of mutual trust. This, at times, creates a dilemma. But our aim remains for stakeholders, including revenue authorities, to have confidence in the integrity of our actions, in the way we do business and in the information we provide.

Disclosure of taxes paid is an important step in tax transparency. We are supportive of this initiative to demystify and reduce the stigma that may be attached to tax contributions by companies, particularly multinationals. We believe that the move towards public country-by-country reporting is a positive development. In our view, disclosure demonstrates responsible corporate citizenship and facilitates meaningful engagement with stakeholders in the regions and countries where we operate.

We will continue to take proactive steps to enhance the scope of tax information relevant to our stakeholders. Our intention is for all stakeholders, including revenue authorities, to have confidence in the integrity of our actions and the information we provide.

Regulatory risk

Managing tax efficiently means effectively managing risk. This important focus area is another KPI of tax team members. As we operate in many jurisdictions, tax policy and legislative changes are an ongoing risk. We need to be aware of impending policy or legislative changes and be ready to implement these when they arise. But this also means that we need to constructively engage

Tax continued

with policy-makers and legislators to ensure that our messages are heard when policies or legislation is changed. Our reputation as a responsible corporate citizen contributes to us being heard by these bodies. Where we are able to build relationships of trust, we do so. We believe that this gives us credibility and will further enhance our reputation as a taxpayer with integrity.

Prosus continues to provide constructive and reliable feedback to tax policy-makers and other stakeholders through submissions to public consultations or direct engagement at national and international levels.

Level playing field

As a global investor, we subscribe to certain tax policy fundamentals: we believe it is in the interest of every jurisdiction to establish a level playing field in which local, regional and global companies are subject to the same taxes in the countries where they operate.

In our view, taxes should be fair, balanced and uniform. To create a level playing field, we believe that taxation of profits and local tax systems should be governed by a harmonised international framework. We actively support international efforts led by the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting to develop a global policy to modernise and remove imbalances from the international tax system. These align with our approach to where taxes should be paid.

The level playing field will ensure that each business is subject to the same taxes, irrespective of whether it operates globally, regionally or locally. We engage in discussions where we believe we can contribute to ensuring that this harmonised global tax system with a level tax playing field is created.

Certainty, transparency, fairness, integrity and doing the right thing – these are fundamentals in our approach to tax management at Prosus. We want to ensure that we, at all times and in all jurisdictions, pay the correct and appropriate amount of tax commensurate with the business operations in that geography and that we can openly demonstrate this to our stakeholders.

Choosing the right opportunities and balancing risks

At heart, we are entrepreneurs. We seek to create sustainable value by investing in and operating leading technological companies that empower people and enrich communities.

Our success is driven by our culture in which people – within clearly defined authority levels – are encouraged to take decisions that are right for the business and our stakeholders. We acknowledge that success also depends on how well we understand and manage risks, so that we can accept them responsibly: weighing risk for reward.

We are committed to applying principles and best practices of good governance. Our governance structures, policies and processes are designed to accomplish this.

Refer to note 40 "fair value of financial instruments" on pages 238 to 243.

How we select the right opportunities and optimise for the risks we accept

To understand how we create sustainable stakeholder value, we consider the six capitals transformation model useful. Per the model, business processes consummate and produce specific capitals interactively, which capitals are thus transformed through strategy execution. Value is created (and, created value is preserved) in a sustainable manner when processes, in transforming the capitals involved, deliver an overall net positive outcome.

Sustainability elements, being included in the six capitals, are a primary consideration in setting our strategic priorities. We aim to achieve net positive capitals transformation both directly, and indirectly, by strengthening our business to secure our future performance.

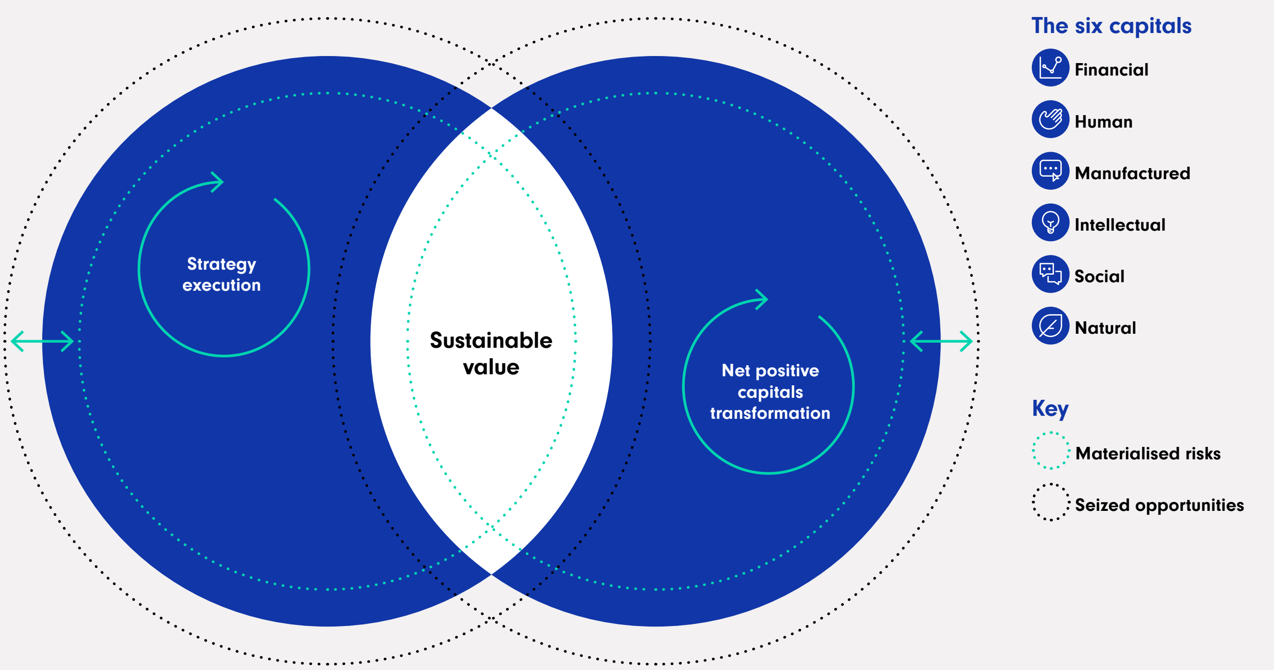
Uncertainty being a given, goal-setting in any business introduces the element of risk, while unexpected opportunities to benefit from may also arise. We seek to grow our existing businesses and from time to time we acquire interests in those with potential for future growth, which involves a constant evaluation of risks and opportunities. We expect management to apply a methodical approach to manage these. At the same time, we promote a culture in which risk is also well considered in any ad hoc decision to be made in the day-to-day management of operations. We proactively manage broader sustainability risks from both an investor and an operator perspective. Our policies, governance guidelines and statements on ESG-related issues, responsible investment considerations and human rights are guiding principles that govern our practices.

Applying the six capitals transformation model, risks we identify and assess present themselves as either potential overconsumption or underproduction against plan of any of the capitals in the process of transformation. In contrast, while executing on our strategy we may also discover opportunities for increasing efficiency (ie use less than anticipated) or improving effectiveness (ie produce more than planned) in any of the capitals and, therefore, by responding well to these exceed in our performance against priorities and objectives.

How we define roles and responsibilities and monitor risks

Plans and parameters to create value for our stakeholders are approved and monitored by our board of directors and

Sustainable value



Choosing the right opportunities and balancing risks continued

supporting governance committees (refer to overview of governance on page 95). We acknowledge that our success depends for a large part on our ability to be agile and move fast. Therefore, our structure and processes are designed to drive accountability and to support responsible and sustainable decision-making at the level in the organisation closest to the respective issues. Policies, standards and guidelines govern our risk management and compliance processes.

Significant risks are evaluated at the appropriate level against tolerance levels considered acceptable and, together with any noteworthy developments in the business, reported to the board. The risk committee assists the board to ensure that risks and opportunities are governed as intended to achieve desired outcomes against key priorities and objectives.

Management and the board are accountable for the choices and decisions we make, how we execute on these, for delivering value in its broadest definition of the six capitals model, and to maintain the risk profile regarded as acceptable. Risk tolerance levels are set top-down, and management is accountable to deliver results while managing risk within these levels.

The responsibility for managing risk lies with the owner of risk: in most cases operational management, assisted by the finance function and, where considered useful in our businesses, specialised risk management and support functions. Internal audit is housed centrally to provide management and the board with independent assurance over risk management processes and controls.

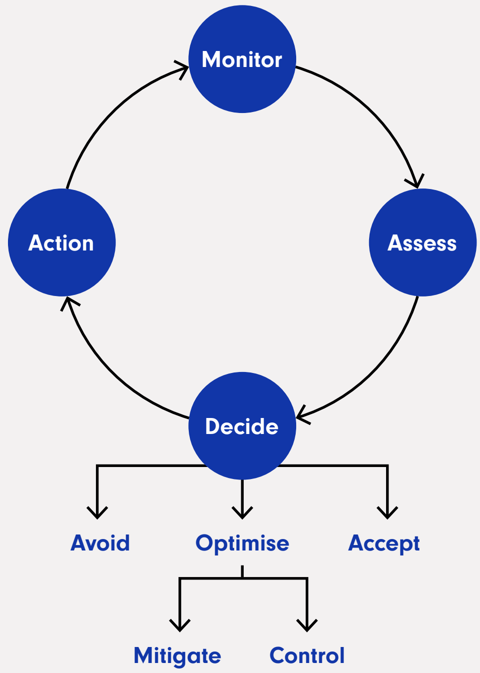
Review of key events in relation to risks and opportunities

Over the past year, several key events and developments have demanded our close attention.

1. **Absorbing the Russia–Ukraine conflict shock**
   The invasion of Ukraine by Russian military forces has caused unprecedented local and global turbulence. We were primarily concerned with the safety of our Ukraine OLX staff and their families. We have done everything we can to provide logistical and financial support on the ground and to facilitate evacuations. Shortly thereafter, work began to decouple Avito from OLX Group, which now operates independently within an overall governance framework that applies to all our subsidiaries and is an independent Russian entity run by a local management team and governed by its own board of directors. Following completion of the operational separation, Prosus has now decided to exit the Russian business. We have made public announcements on the measures that we have taken in that respect. These measures, however necessary, are having a meaningful impact on our finances, which is explained elsewhere in this annual report, and we have been working since to absorb the impact and adjust our plans based on the new realities. At the same time, indirect consequences on the global economy such as rising inflation and interest rates are increasing risk levels for our businesses, which we are navigating.

2. **Engineering financial capital**
   Over the year we have taken advantage of capital markets tailwinds and, ahead of markets turning, successfully raised over US$9bn of debt to fund our ambitions. We have continued to invest meaningful amounts in our businesses to support growth opportunities and announced several financial investments and acquisitions, the largest ones being our US$4.7bn acquisition of BillDesk in India (subject to regulatory approval) and Stack Overflow (US$1.7bn – in August 2021). We have also completed our consecutive share repurchase programmes to return cash to our shareholders. Hardening economic conditions towards the end of the financial year resulting from the Russia–Ukraine

Applying a methodical approach



Our key established success factors and primary objectives steer us in understanding, managing, and monitoring risks.

We assess and evaluate the potential impact of identified risk factors and decide, based on our goals, if we can accept (and tolerate) these, both individually and combined, or, alternatively, if we move to reduce our vulnerability and/or apply risk mitigation strategies. We then monitor the effectiveness of our actions and correct them if necessary. Wherever we find a risk we cannot manage within acceptable levels, we consider ways to avoid the risk altogether, for example, by declining an opportunity or by choosing an exit strategy.

In managing our overall risk profile, we take full advantage of our (global) scale and diversified portfolio: we are thus well positioned to spread uncorrelated risks in many ways and by doing so we achieve effective risk reduction overall.

Depending on the importance and the type of the risks, active management – optimisation – thereof takes various shapes and varies in extent:

Control: We implement and operate (automated) control and monitoring measures that either prevent or detect the materialisation of a risk at the earliest stage. Whenever direct controls are considered insufficient, we seek to operate compensating ones.

Mitigate: Where we can, we seek ways to boost our resilience to potential risk events (eg by reducing supplier-related risks and value-chain dependencies, and by deploying smart cyber-risk mitigating measures). We furthermore consider ways to share or transfer risk (eg through contractual arrangements and by buying insurance cover for insurable risks).

Choosing the right opportunities and balancing risks continued

conflict (see above), as well as evolving shareholder expectations, intensified our risk awareness and caution in allocating capital. In this respect, we have also seen that various developments have caused the discount to grow between our market capitalisation and the sum of the parts of the value of our businesses. We consider this a key risk that comes with many complexities, and this has become a primary focus for us.

3. Dealing with regulation

Ever-increasing global regulation presents both risks and opportunities. Some regulation and increased activity by regulators may impact on our operations and growth ambitions in various territories, particularly in the fields of anti-trust and foreign direct investment restrictions. Industry regulation by Chinese authorities has depressed investors' outlook on Tencent's growth prospects. The result of that has been a considerable drop in its share price and, consequently, in ours. Notwithstanding, we remain confident in our investment in Tencent and its outlook.

We have welcomed the recent regulatory developments at the OECD on the taxing of digital services. We expect this will level the competitive landscape and will work to our advantage due to our localised operations and correspondent tax structure.

4. Navigating the Covid-19 pandemic aftermath

While in some territories Covid-19 is still a disruptive problem causing the health and safety of our people to be at risk, on a global scale, the pandemic is becoming increasingly manageable. For many of our businesses, this meant that throughout the year we had to navigate between employees working from home and organising a transitional return to the office, while hybrid ways of working and shifting expectations from employees about remote working have become a trend. Particularly in the field of technological engineering, people have embraced the working-from-anywhere concept during the Covid-19 restrictions, and this has become a factor in recruiting and retaining scarce technical talent. While we continue to practice the view that, in general, productivity, innovation and effective collaboration, employee wellbeing, inclusion and health, and a shared positive culture are best fostered in an office environment, we also acknowledge that some changes compared to pre-Covid-19 will be permanent and are adapting to that reality and its challenges.

Going forward, we have welcomed and used the opportunity to support climate action and uphold important reductions in business travel compared to pre-Covid-19, and, with that, our contribution to CO_2 emissions. Further to this, we have announced our carbon-neutrality ambitions, which have become a primary goal, and risks associated with that are closely managed. Our sustainability efforts are discussed elsewhere in this report.

Monitoring key risks

As entrepreneurs, our effectiveness in identifying and responding to opportunities and risks is key to our success.

Financial capital	At heart, we are entrepreneurs. Within the parameters set by the board, we continuously pursue growth and set ourselves ambitious goals that create sustainable value for our stakeholders. We actively seek opportunities to improve and strive to preserve the value created within our existing businesses.
We aim to	• Focus on investments in business models and technologies that hold promise for future growth and have the potential to scale globally and align with global sustainable development agendas. • Benefit the countries we operate in by creating business for local suppliers, employing people and giving governments their dues via taxes and levies. • Manage our assets and liabilities with regard to the interests of our investors and other stakeholders and in accordance with board-approved risk appetite. • Comply with relevant company law and securities exchanges regulations. • Report accurately on our financial position and performance in accordance with applicable accounting standards and regulated disclosure requirements. • Avoid obsolescence of products and services. • Minimise our investments in working capital.
Key risks	• Global and political market disruptions. • Insufficient funding to realise our ambitions. • Unexpected changes in the value of our assets. • Currency exchange fluctuations as well as navigating applicable exchange controls. • Failing to compete effectively. • Credit and counterparty risk. • Fraud-related crimes and theft. • Financial misstatement and/or failure to accurately disclose in our public reports. • Most of our businesses are subject to extensive laws and regulations – legal or regulatory developments, including changes in tax laws, may have an adverse impact on our businesses. A number of new laws and regulations around consumer protection and privacy have been passed globally. • In recent years investors' awareness of ESG issues, such as climate change, pushes them to invest in funds that benefit society in addition to generating returns. The continued focus on ESG performance scores will mean that businesses that do not meet certain ESG-based criteria will not attract investment. • Our capital allocation disciplines underlying our investment strategy may not deliver the (above-average) sustainable return our investors seek in return for the risk they appreciate. We may not find investment opportunities that fit our strategy and deliver an expected return more than our cost of capital. Portfolio risk may prove to be higher than we assumed to accept, which could negatively impact internal rate of return and lead to a decline in the valuation of Prosus. • Some of our businesses increasingly engage in the provision of credit services to customers.
Measures to respond to opportunities and manage risk	• We do not tolerate risk levels that impose an immediate threat to the group as a going concern. We tolerate currency translation risk as it is uncontrollable and, while short- and mid-term movements may be volatile, in the long run, they are expected to be less impactful. • We promote the operation of an effective internal control environment (no major failings have occurred to the knowledge of the directors) in our businesses, and the audit committee oversees that the overall assurance sourced from various providers is sufficient to be based on the board's assessment of key risks in the overall risk profile, including the risk of fraud-related crimes. • We allocate significant resources to analyse market developments and invest in early-stage opportunities to stay ahead. • We act early to ensure we have the funds and resources to realise our ambitions over the longer term and we manage the balance sheet conservatively. We currently have a large cash position and spread the maturity of debt facilities. • We invest funds and manage our cash and currencies in accordance with our group treasury policy, which, among other aspects, sets minimum standards to mitigate risk of counterparty default. • In exercising our business strategy, we perform regular country and business reviews. We periodically perform and report on impairment of our investments. • Leading advisers are used for reviewing markets or businesses, including due diligence processes, and legal and/or compliance-related risks are managed in consultation with external lawyers and specialist advisers within specific legal jurisdictions. • We perform regular reviews of tax compliance and specific risk areas and apply responsible corporate citizenship as taxpayers while operating within tax control frameworks. • We execute on a communication strategy for our shareholders and other stakeholders. Published segmental results enable the investment community to form an opinion of the valuation of the individual businesses in the group. • We comply with IFRS-EU accounting standards. • The audit committee and our external auditors (PwC) rigorously apply regulations around audit independence. Regular reviews of the effectiveness of auditors and their independence are performed. • Both at group level and at individual business level, we operate insurance programmes for various classes of risk and place cover with reputable underwriters. • We engage with investors and ESG analysts on our ESG ratings and investor expectations and focus on enhancing our ESG performance. • Any investments we make are carefully considered, including responsible investment elements, and significant ones require board approval in accordance with delegation of authorities. • Corrective action is taken if an investment deviates materially from the business plan and financial targets, including options to divest. • We closely manage and monitor credit risk within tolerable loss ratio parameters.
Changes to risk to be considered	Global market disruptions and economic downturn with rising inflation and interest rates, mainly as a result of the war in Ukraine and global political tensions, may impact our ability to grow our businesses and deliver returns for our financial capital providers. In addition, we have lost the benefits of our Russia-based businesses and operations and have fully impaired our investment in VK.

Monitoring key risks continued

Human capital	We acknowledge that our employees' competencies, capabilities and experience, as well as their drive and engagement, are key to our success.
We aim to	• Protect our employees and promote social cohesion. • Foster a safe and healthy working environment where people feel cared for, heard and supported in their ambitions. • Provide financial and operational support to those employees (and their families) affected by war violence. • Attract and retain high-calibre individuals to execute on strategy and build sustainable businesses. • Back entrepreneurs and local teams by providing them with resources to accelerate growth. • Provide our employees with focused career development and training. • Benefit the economies and societies in which we operate by creating employment opportunities. • Reinforce the leadership pipeline and accelerate the growth of top talent. • Support the ongoing development and growth of our businesses and equip our people with new skills for tomorrow. • Develop core business skills in the segments we invest in. • Be fair and responsible in our remuneration practices and have a pay-for-performance remuneration strategy. • Encourage diversity in our teams and thinking and build inclusive workplaces. • Comply with relevant labour laws in the countries where we operate.
Key risks	• Human rights violations, including unfair treatment and remuneration, or engaging in practices that may adversely affect humans in any of the six capitals. • Global shortage of high-calibre (digital) talent. • Employees are actively seeking out employers that reflect a higher sense of purpose and choose to be part of a company that contributes positively to society. • Non-compliance with applicable occupational health and safety (OHS), and labour and economic empowerment laws. • Our food delivery businesses use a large pool of drivers that in many cases are also external contractors. Due to shifting public opinion and/or regulation, our businesses are increasingly expected to take responsibility for the safety of drivers (and the general public) and provide increased benefits. • Societal restrictions related to the Covid-19 pandemic have subdued but have taken their toll on employee wellbeing, which is yet to be fully overcome. In some territories, health and safety in the work environment is still an issue. • Shifting habits and expectations around hybrid working models demand adaptation and need to be settled.
Measures to respond to opportunities and manage risk	• Provide ongoing support to our Ukraine-based staff and their families. • We respect human rights and protect the fundamental dignity of our workforce. We are committed to providing a respectful, safe and secure environment that is free from any form of human rights abuse. We expect everyone to behave in a way that supports this commitment wherever they work, and in all situations directly related to work. • This commitment extends to the board and all people who work at Prosus and Naspers, including temporary and permanent employees, contractors, consultants, agents, trainees and/or job applicants. Where an individual is employed by an operating company, this group commitment supports any local policies that may be in place. • Our food delivery businesses apply specific procedures to the hiring and monitoring of independent contractors. • Strategies to develop employees and attract talent to meet the business's objectives, including learning and development initiatives, training, and employee wellness initiatives across the group. A global talent function focuses on attracting, retaining, developing and engaging people with key skills and rewarding exceptional performance. • We prepare and table succession plans annually to the human resources and remuneration committee. • We benchmark our remuneration practices and structure them to attract and retain critical talent necessary to achieve our objectives. These practices are overseen by the human resources and remuneration committee. • Human resources policies and procedures to address talent attraction, management and retention, development, succession planning, fair and responsible remuneration, working conditions, grievance procedures and diversity, among other aspects, to protect employees from human rights violations. We monitor labour legislation in the various countries we operate in and ensure we comply. • Our businesses increasingly put insurance programmes in place to cover relevant drivers' (health) liabilities. The insurance markets are, however, still in development in this respect. Our businesses are closely monitoring the development of regulations and our compliance with them. **Covid-19 (aftermath)** • During the pandemic, our priority has been to maintain the health and safety of our people, and to act responsibly. • We have managed risks and adhered to government requirements by moving knowledge workers to work predominantly from home, closing offices where required and limiting occupancy where offices remain open. Where not possible, we have taken additional measures and maintained social distancing protocols. • Support materials have been provided to people managers and individuals on working effectively from home. • We have put restrictions on business travel. We continue to maximise technology and alternative ways of collaboration to reduce pre-Covid-19 travel intensity meaningfully and sustainably. • Through our employee assistance programme, our people and their families have access to confidential support/counselling for emotional, legal and financial problems. • Our business continuity protocols have proved effective during the current pandemic and we have meaningfully limited negative business impact. • Where possible, we are now carefully managing a return to the office, with consideration of shifted employee habits and preferences.
Changes to risk to be considered	The Ukraine war has caused direct safety threats to our local staff and their families. The effect of the global Covid-19 pandemic outbreak has subdued.

Monitoring key risks continued

Manufactured capital	Manufactured capital is key to our services and operations. Across the group, manufactured capital may include: • Office, service centre and warehouse buildings and equipment. • Information and technology infrastructure and equipment. • Distribution networks (such as customer service centres, retail outlets and courier services). • Public infrastructure such as roads for delivering goods. • Vehicles. • Inventory/stock.
We aim to	• Ensure that office buildings, warehouses, retail outlets, vehicles and equipment are efficient, well maintained and adequately insured against relevant risks. • Maintain and/or occupy buildings and facilities with low-carbon impact and green-certified, where possible. • Ensure our operations do not negatively impact on the societies in which we operate. • Operate and/or source green fleet solutions. • Operate a secure and resilient technological infrastructure. • Manage our outsource partners to deliver on agreed service levels. • Avoid obsolescence of products and services held for sale by procurement and inventory management.
Key risks	• Natural or human-induced disaster and political risk. • Most of our businesses have buildings (eg offices, outlets, warehouses) and various types of IT equipment, office furniture, vehicles and other assets. Failure to operate these assets efficiently and/or to maintain these adequately could result in service interruption or write-offs and affect profitability. Furthermore, such assets are subject to potential theft and damage, which could result in losses should they not be appropriately insured. • Service-availability risks such as failure of software, systems, or infrastructure (eg due to technical failures or cyber-attacks) could disrupt continuous services to our customers, affecting satisfaction. The risk is higher in some of the countries that we operate in where the energy grid infrastructure may fail to provide consistent and reliable levels of power supply. • Certain business segments operate in locations that are likely to be impacted by physical climate-related hazards such as floods and sea-level rise in the longer term (eg in Mumbai). More broadly, logistics (upstream from suppliers and downstream to customers) of some of our companies might be impacted due to storms and localised risks. • Some of our businesses, especially in the Etail segment, carry significant inventory. Our Classifieds segment engages in car trading and may hold meaningful investments in cars for sale at points in time. Such inventory is subject to a wide range of risks, such as obsolescence, shrinkage and theft (including robbery of warehouse premises) and damage.
Measures to respond to opportunities and manage risk	• The group's subsidiaries are required to act in line with the group's good governance guidelines, which, among other aspects, aim to ensure effective management of IT- (and cyber-) related risks across the group. This includes risks of data/information security breach and business interruption, for instance by implementing and testing disaster recovery plans as part of their overall business continuity planning. • Robust business planning, including working capital. • We maintain adequate short-term insurance cover for our assets and loss of income due to business interruption. • Asset maintenance programmes. • Contracting with and regular performance evaluations of our service providers (including service-level agreements with outsourcing parties). • We run SAP in most of our Etail businesses and invest in other support systems to optimise our inventory planning and management and to ensure efficient warehouse operations. • Our warehouse operations and procedures include strict access control, separate storage of high-value goods, camera observation, and other security measures. • As part of their overall business continuity planning in territories where continuous power supply is a risk, our businesses have contingency backup in the form of generators. • We conducted a groupwide assessment of climate-related transition and physical risks to help assess vulnerabilities and be better prepared to respond. The outcome was that most of these risks are located in specific operations and countries and are unlikely to disrupt the operations of businesses as a whole.
Changes to risk to be considered	Moving our IT operations to the cloud makes us asset-lighter and more resilient against cyber-attacks but increases our dependency on outsourced services suppliers. Cybercrime remains and requires significant focus and investment to protect our data and manage cybersecurity risks.

Monitoring key risks continued

Intellectual capital	Intellectual capital (knowledge-based intangibles) includes IP such as patents, copyrights, trademarks, domain names, confidential information, as well as institutional knowledge, systems, procedures and culture.
We aim to	• Use intellectual capital to drive customer-focused development and innovation strategies. • Strategically protect our intellectual capital and take reasonable steps to avoid infringing or misappropriating third-party rights. • Cultivate positive, innovative, ethical cultures within the group, including measures like adoption of groupwide IP guidelines and open-source software guidelines to educate employees on appropriate protection and use of IP rights. • Build intellectual capital through continuous investment in our people and knowledge-sharing programmes throughout the group. • Maintain adequate cybersecurity programmes commensurate to business size and workforce.
Key risks	• Cybersecurity risks: Our systems and the data they store are subject to various IT security threats, which target sensitive information, integrity and continuity of our services and the reputation of our businesses. • Data privacy risks: A failure in or breach of our operational or security systems or those of third parties with which we do business could disrupt our businesses, result in the disclosure or misuse of personal, confidential, or proprietary information, damage our reputation, increase our costs, and cause losses. • Failure to properly protect and enforce our businesses' IP rights against any unauthorised use or infringement by third parties may lead to loss of market share, revenue opportunities and reputation. • Ineffective response, including insufficient innovation, to meet our customers' changing demands and consumption patterns.
Measures to respond to opportunities and manage risk	• Consistent with global group policies and in-country legislation, individual businesses directly manage cybersecurity risk and IT operations. Management teams ensure cyber-risk resilience is on their agenda, that adequate crisis (and communication) plans are implemented and tested and that disaster recovery plans are in place. Annually, in-business CEOs and CFOs sign off on this. • The group, through the central risk and audit function, periodically checks the security fitness of the businesses and requires semi-annual and security status reports from the risk function, the CTOs, and heads of security. The reports are aggregated and shared with the group executives, and the risk committee. • Insofar as economically justifiable, the group expects the business to procure adequate cyber-insurance, which is in place for our larger businesses and at corporate level. • Legal functions provide legal advice on cybersecurity and data privacy, communicate legal requirements to internal stakeholders, and establish a privacy framework and relevant policies for implementation. • Through risk and audit working together with human resources and through businesses' own initiatives, around the group we run security awareness programmes (eg by way of phishing awareness campaigns) and deploy training sessions on security in the workplace. • Our businesses comply with in-country data-protection laws, and where applicable, Payment Card Industry – DIGITAL Security Standards form part of management's responsibilities. • Our policy on data privacy governance sets out the responsibilities, principles and programmes to manage data privacy across the group. • We have appointed a group head of data privacy, who has implemented a data protection and privacy programme that incorporates incident response, training and assigning responsibilities to resources within the businesses to ensure capacity to report and coordinate on incidents with relevant regulatory bodies. • We have appointed a group head of IP, who developed our IP strategy designed to provide freedom to operate and grow our businesses. • The strategy focuses on the creation of critical IP assets – trademarks, domain names, patents and copyrights – to protect what we know and what we create. • Any relationships with employees, consultants or third parties where IP is created or used – our business agreements include terms to ensure ownership of or licences to any necessary IP rights for our companies. • We extensively monitor internet and social media platforms for infringement of our trademarks and copyrights that may be an indication of competitors attempting to unfairly trade on our companies' goodwill to develop their own business, or bad actors attempting to misuse the trust our businesses have earned for dishonest or illegal purposes. • When we discover third-party use of our IP rights that is deemed to be improper or unauthorised, we quickly take remedial measures such as initiating a takedown of the infringing activity by working with the platform operator. In the case of bad actors who carry out organised and widespread infringement of our brands for criminal purposes (eg phishing), we work with the authorities to determine whether they can eliminate the threat at the source. • Research and development spend strategies are linked to value creation. We hold regular strategy and operations reviews, also to assess product and service development.
Changes to risk to be considered	Increasing investments in online service platforms and data-driven technologies and heightened risk of technology obsolescence or falling short in building AI/ML solutions for our service and product offering.

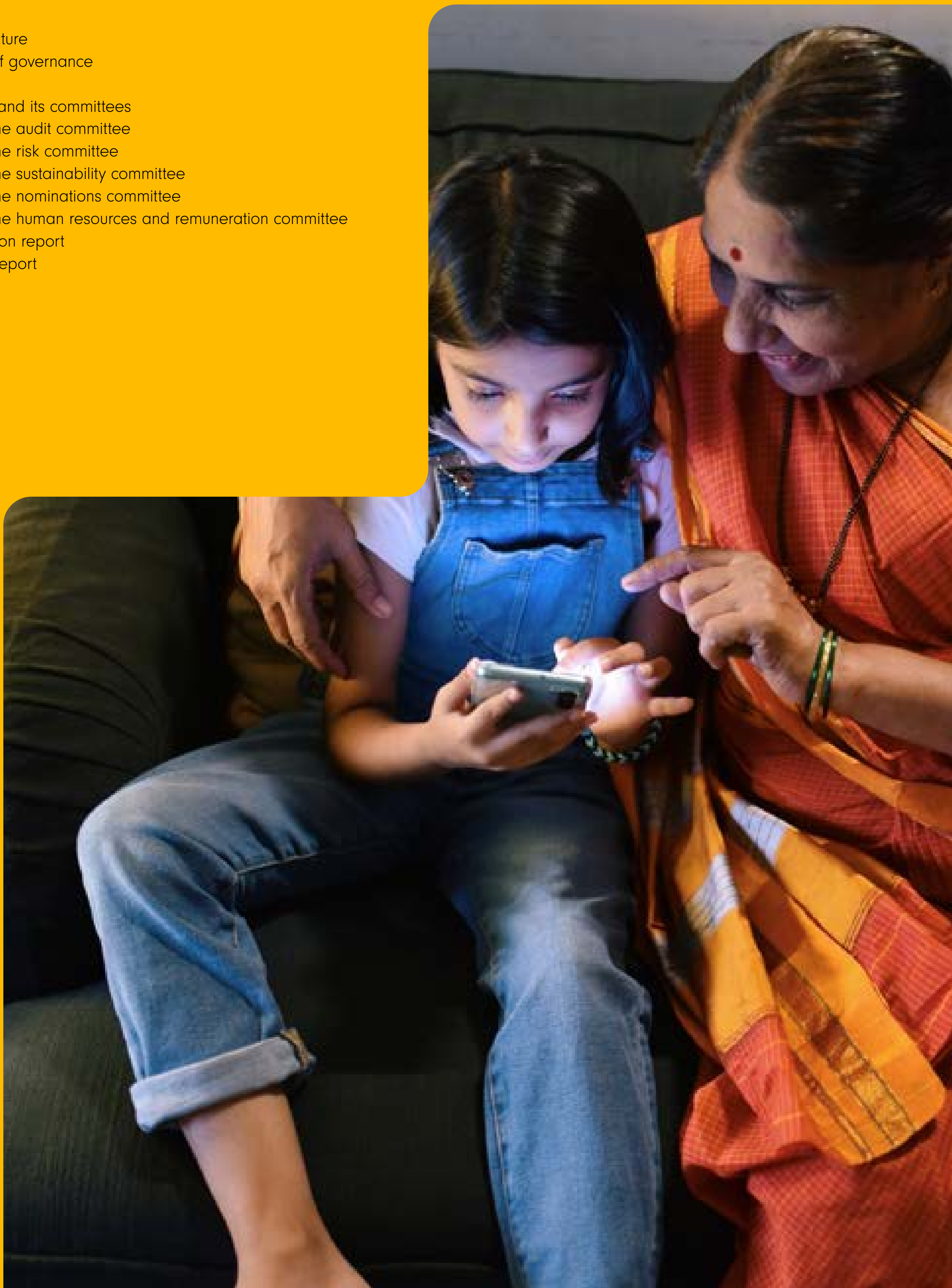
Monitoring key risks continued

Social capital	We acknowledge that we are required to act in line with our values and code of business ethics and conduct, and carefully manage both internal and a wide array of external stakeholder relationships.
We aim to	• Respect human rights. • Safeguard the health, safety and wellness of our people. • Cultivate an ethical culture. • Comply with relevant company and other applicable laws. • Meet the requirements of regulatory and financial authorities (including securities exchanges) and participate in the development of policies beneficial to societies and markets in which we operate. • Build trust and maintain the businesses' licences to operate, our brands and reputation. • Engage with our stakeholders and respond to legitimate and reasonable issues raised. • Benefit the countries we operate in by investing in local entrepreneurs, creating business for local suppliers, employing people, and giving governments their dues via taxes and levies. • Focus on hiring local employees and growing local talent. • Give our people meaningful jobs with the opportunity to learn and grow professionally in a purpose-driven environment where they are recognised for a job well done and are paid fairly in line with personal and company performance. • Create a diverse and inclusive workplace. We think about diversity and inclusion broadly and respect the dignity and human rights of individuals and communities where the group operates in the world. We promote safe reporting of feedback or issues with our people, processes and practices. • Articulate a social impact framework and strategy for Prosus. • We encourage our employees to contribute to the sustainability and innovation initiatives in the group.
Key risks	• Infringement on human rights contrary to the group's human rights statement. • Unethical behaviour in breach of our code of business ethics and conduct. • Loss of consumer trust, for example, failing to deliver on our service promise, data security breaches, non-compliance and inferior product offerings. • A breach in customer-, employee- or business partner-sensitive data resulting in identity theft, discrimination or possible financial losses. • Non-compliance with laws and regulations in the countries where we operate, specifically, but not limited to company law, data privacy, anti-bribery and anti-corruption, taxes and duties, licence conditions, consumer protection, anti-money-laundering and international sanctions. • Non-compliance with the rules of the Euronext Amsterdam, JSE, A2X Markets or Euronext Dublin stock exchanges could result in the suspension of Prosus shares and bonds from trading. • Negative impact as a result of our business operations or products in societies in which we operate. • Regulatory requirements in relation to governance are well established globally and regulation of environmental and social topics is on the rise. • A listed company is expected to demonstrate responsible business conduct in line with stakeholder expectations of its ability to impact and be impacted by material issues. Lack of transparency and information in the public domain on topics important to stakeholders can lead to reputational damage. • Digital inclusion is a global risk and prevalent in the countries in which we operate. As a global technology investor and operator, we are exposed to markets where information and communications technology (ICT) is slow to develop, and uptake as well, due to specific in-country constraints. • Perception of inaction on community investments for social impact can lead to reputational damage.
Measures to respond to opportunities and manage risk	• Our associates and investees are required to comply with applicable laws and regulations. • Mindful of the opportunity that we have to influence our supply chain partners through our supplier and purchase decisions, we expect a commitment to minimum human rights standards, that is compatible with our own commitments, by companies who seek to qualify as a supplier to Prosus and Naspers. • Management is committed to setting the right tone at the top and we communicate our values as per our code of business ethics and conduct and through ethics awareness initiatives. • Anti-bribery and anti-corruption training and programmes as part of the legal compliance programme. • We make our Speak Up facility available to employees to report suspected unethical behaviour. • Measuring and monitoring strength of customer relationships (such as Net Promoter Score) and strategy to ensure customer satisfaction. • The group actively manages stakeholder relationships and responds to legitimate and reasonable issues raised by major stakeholders. We strive to provide increasing transparency, primarily through our annual report and various stakeholder meetings, presentations and leadership interviews throughout the year. • We continue to strengthen our public policy teams, increase engagement with regulators and invest in corporate affairs, government relations and communication while operating a robust legal compliance programme. • Adopting measures to protect customers (including frameworks and policies in place, and training and awareness) and ensuring customer privacy and data security are managed and monitored. This includes measures to protect against cyberthreats. • Data privacy is managed by our data privacy team and measures are taken to protect sensitive data, including compliance with laws per territory. We further ensure our platforms conform to data privacy requirements. • Corporate social investment programmes that benefit the community and the business, such as providing learning and internship opportunities to students, contributing to the community and improving employment in the country, but also contributing to the human, intellectual and financial capitals of the business in the long term. We have a number of social responsibility and social impact projects that aim to uplift communities in which we operate – these projects are based on the needs identified per territory. • The company secretary manages compliance with stock exchanges' rules where Prosus securities are traded, including required submissions of reports and updates. • The group's tax department proactively engages with tax authorities and has developed a tax control framework to enhance transparency and respond to increased scrutiny from tax authorities. • We periodically survey employee engagement and take corrective action where needed. • Selection, onboarding and evaluation of drivers and running safety (awareness) programmes. • Management of our businesses runs crisis-simulation exercises from time to time. • The sustainability team monitors applicable requirements and assists businesses where required – for example measurement of footprint and carbon tax assessment. • We proactively engage with stakeholders to identify topics that are important to them that can have an impact on and be impacted by our business and strategy. • Our sustainability policy provides the guidelines for responsible business conduct in our role as an investor and as an operator, allowing for the diversity of business models, resources, culture and legal and regulatory requirements across the group. • Proactively addressing climate-related issues, including by setting and publicly communicating strategy and progress made for the company, as well as subsidiaries. • Our business models are aligned with promoting digital inclusion, by virtue of using our products and services. • All entities in our group currently fall below the threshold of a carbon tax and tend to be relatively low impact in terms of the carbon footprint of their direct operations. However, if the world is to meet its 2050 climate targets, eventually some of our businesses may be affected. • We develop and use AI, among other aspects, to counter fraud and platform abuse. • We operate a legal compliance programme, focusing, among other aspects, on bribery and corruption and anti-money-laundering. We implement specific controls, such as diligent know-your-customer (KYC) processes and fraud detection. • Consistent and robust disclosures on outcomes of social impact programmes.
Changes to risk to be considered	No change.

Monitoring key risks continued

Natural capital	The environmental impact of our businesses is central to our ability to create sustainable value. As a digital technology group, our businesses are software-driven, asset-light and low-carbon, reflecting the carbon profile of this sector. Applying our principle of 'solving for local needs', we support our portfolio companies to identify and manage risks and pursue opportunities in the context of local operating environments. However, overall, the group's global exposure to climate-related policy and legal, market, technology and reputation risk is low; and the analysis revealed opportunities for the group to differentiate in local markets by being proactive with a strong position on climate change. Further details on the finding of this analysis can be found in our full TCFD report on www.prosus.com/investors/annual-reports.
We aim to	• Enhance the environmental performance of our businesses by applying a standardised approach. • Take climate action by reducing our corporate and group GHG footprint and decouple our operations and businesses from fossil fuel use. • Minimise our impact on the environment, and address emission hot spots such as delivery transportation and packaging waste. • Comply with laws and regulations that relate to the environment. • Invest in high-growth markets and credible sustainable products and services that may offer new revenue streams.
Key risks	• We assess the potential risks from factors, including: legal or regulatory processes; fees, such as emission fees; financial impact, such as insurance terms and conditions; reputational damage, company image and relationships with stakeholders; and changing customer and employee preferences. • Many of our businesses operate in high-growth markets and regions that are most vulnerable to the physical risks presented by climate change. These include extreme weather events ranging from drought to flooding, triggering climate disasters on an increasing frequency. These could adversely impact from our employees to our customers in the communities where our businesses operate. • For instance, floods in South Africa impacting communities, to high temperatures disrupting the work of our delivery partners in Brazil and India. • The IT sector is poised to exceed 2% of global GHG emissions, driven by data centre reliance. • Our food delivery and etail businesses are navigating rising concerns about waste and pollution from packaging with a lack of uniform regulatory environment to create a level playing field across boundaries. • Growing body of disclosure regulations and standards. • Increasing scrutiny and changing expectations from investors, lenders, regulators and other market participants on ESG brings additional disclosure obligations and risks of adverse reputational impact that could limit access to capital. • Expansion of the OLX business to include used-car trade on the platform can lead to a perception of a significant increase in the carbon footprint of the business. • Substantial increase in pricing of carbon credits (doubled in 12 months).
Measures to respond to opportunities and manage risk	• Continue to keep asset-light, digital businesses at the heart of our investment thesis, which reduces physical risks to operations and builds climate-resilient companies with a lower carbon footprint compared with traditional business sectors. • All our businesses are required to adhere to our group sustainability policy and assess the extent to which natural capital may significantly affect current or future operations. • Setting a science-based net-zero target that will drive the reduction of our operational footprint and engaging with our portfolio companies to set their own science-based targets. • Implementation of carbon reduction initiatives, through the use of energy-efficient offices, operations and fleets. Continue to maximise technology and alternative ways of collaboration to reduce pre-Covid travel intensity meaningfully and sustainably. • On issues such as waste, water and biodiversity, we review investees' activities on a case-by-case basis for issues and potential remedies relevant to their specific business model and operating context. • Deepen our understanding by quantifying how digitisation can help users transition to low carbon consumption patterns. In FY23, we will conduct a comparative assessment (LCA) to help us quantify the impact of digital payment services compared with offline, analogue and physical financial services. • Our food delivery businesses are committed to addressing packaging waste through reducing single-use plastic and promoting sustainable packaging. • Call for a comprehensive, circular global policy response to ensure scalable solutions for single-use plastic. • Advocate for responsible selection of suppliers for cloud services and discourage ownership of inefficient data centres by group companies. • We are also implementing a project at OLX to further understand and substantiate the opportunity for digital platforms for the used-car trade to contribute to the reduction of GHG emissions from cars. • Continuously monitor for upcoming ESG regulations. • Compliance with environmental laws and regulations. • See our TCFD report and CDP submission for detailed disclosures of risk and opportunities associated with climate-related risks. • Shifting approach from offsetting emissions to absolute reductions will mitigate risk of price increases in the carbon market.
Changes to risk to be considered	• Though climate risk is low for the group, with the rapidly evolving market expectations on climate action and disclosures there may be a movement on either regulation/policy or physical risks to operations. • The nature of material environmental impacts, and how to define them, can vary between companies, leading to changes in the level of risk in their own business and operating models. For example, there is a higher physical risk to the food delivery business in India with extreme temperatures disrupting delivery operations.

Governance



Group structure

Introduction

Prosus N.V. is a public limited liability company incorporated under the laws of the Netherlands in 1994 as a private limited liability company. On 16 May 2019, it was converted into a public limited liability company.

The company is governed by Dutch corporate and securities laws, in particular the Dutch Civil Code (*Burgerlijk Wetboek*) and the Financial Supervision Act (*Wet op het Financieel Toezicht*), its articles of association and various internal policies approved by the board of directors. Furthermore, the Dutch Corporate Governance Code (dated 8 December 2016) applies to the company. A code of business ethics and conduct (the code) and related internal policies that apply to its employees have also been implemented. The documents referred to are published on the company's website.

In this section, the main elements of the corporate governance structure and how Prosus applies the principles and best practices of the Dutch Corporate Governance Code are discussed. Information required by the Dutch Decree on Corporate Governance (*Besluit inhoud bestuursverslag*) and the Dutch Decree on Article 10 Takeover Directive (*Besluit artikel 10 overnamerichtlijn*) are also reported on.

Share capital

The authorised share capital of Prosus amounts to four hundred and one million euros (€401 000 000), eight billion ten million ten thousand (8 010 010 000) shares, of which:

- ten million (10 000 000) are ordinary shares A1 with a nominal value of 5 euro cents (€0.05) each
- ten thousand (10 000) are ordinary shares A2 with a nominal value of 50 euro (€50) each
- three billion (3 000 000 000) are ordinary shares B with a nominal value of 5 euro cents (€0.05) each, and
- five billion (5 000 000 000) are ordinary shares N with a nominal value of 5 euro cents (€0.05) each.

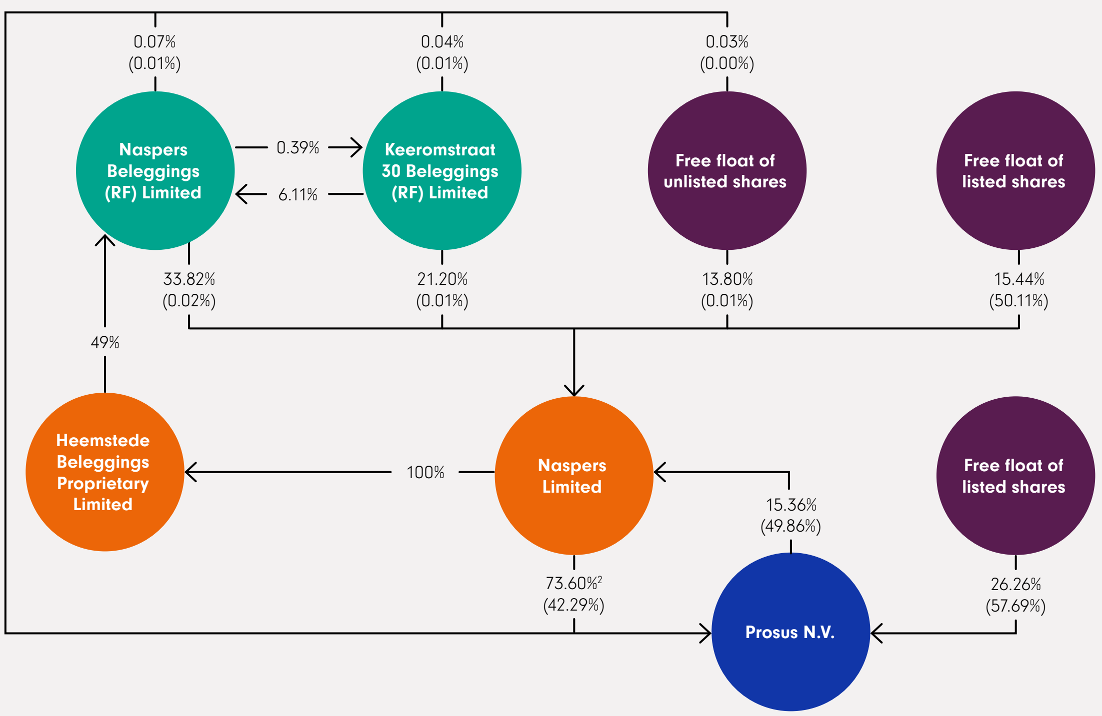
As at 31 March 2022, the issued share capital of Prosus comprises three classes of shares:

- 4 456 650 unlisted ordinary shares A1 that have one vote per share and entitled to one fifth (1/5) of the amount of a distribution made on each ordinary share N, multiplied by the free-float percentage
- 1 128 507 756 unlisted ordinary shares B that have one vote per share and each ordinary share B is entitled to one millionth (1/1 000 000) of the amount of a distribution made to each ordinary share N. All ordinary shares B in issue are held by Naspers Limited, and
- 2 073 643 605 listed ordinary shares N that have one vote per share. Naspers Limited holds 1 180 250 012 ordinary shares N.

Right to hold and transfer shares

Prosus's constitutional documents place no limitations on the right to hold or transfer ordinary shares A1 and A2 and ordinary shares N. Other than in relation to a transfer of ordinary shares B by Naspers to any of its wholly owned subsidiaries or vice versa, a transfer of ordinary shares B can only take place with respect to all, and not part, of the ordinary shares B held by the holder of such ordinary shares B.

Shareholding structure[1]



1 Economic interest shown in brackets where different from voting interest. Voting interest calculated in accordance with the South African Companies Act, 2008.
2 This includes the ordinary shares B held by Naspers.

Group structure continued

Delegated authorities
On 24 August 2021, Prosus shareholders designated the board as the competent body to issue shares in Prosus, and to grant the rights to subscribe for shares. In addition, the board was authorised to issue shares and rights to subscribe for shares up to 10% of the issued capital for a period of 18 months.

Prosus shareholders also designated the board as the competent body to acquire fully paid-up shares in its own capital, up to a maximum of 10% of the total issued share capital.

On 14 March 2022, the board of directors decided to cancel 69 825 860 ordinary shares N that Prosus held in its own capital. This cancellation was effected on or around 12 June 2022.

Listing and regulatory environment
Since 11 September 2019, Prosus has had a primary listing on Euronext Amsterdam (ISIN NL0013654783 and ticker symbol PRX) and a secondary listing on the JSE Limited, Johannesburg's stock exchange. Since December 2020, the ordinary shares N are also listed on A2X Markets in South Africa. It is, therefore, primarily regulated by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten, AFM*).

Prosus has a level 1 American Depository Receipt (ADR) programme. This ADR programme does not create new capital in the US but provides an opportunity to develop and expand the US shareholder base. Level 1 ADRs are traded in the US on an over-the-counter (OTC) basis. The ratio between ordinary share N and ADR is 1:5. The symbol for the Prosus ADR is PROSY, CUSIP number 74365P108.

The Prosus shares are included in a number of leading indices, including the AEX, EURO STOXX 50, STOXX 600 and MSCI Pan Euro.

Significant shareholders
As at 31 March 2022, Naspers holds 56.92% of the ordinary shares N and 100% of the ordinary shares B, which on a combined basis represents 73.60% of the voting rights of Prosus. As a result of the cross-holding between Prosus and Naspers, the economic interest attributable to Naspers is 42.29%. 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.

Protection structure
The aim of the Prosus protection structure is to ensure the continued independence of the group.

The protection structure has not been activated as Naspers currently controls approximately 73.60% of Prosus. The protection structure would only be activated 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. In such event, the A1 ordinary shares, carrying one vote per share, automatically convert to ordinary shares A2 carrying 1 000 votes per share.

Keeromstraat 30 Beleggings (RF) Limited (Keerom) and Naspers Beleggings (RF) Limited (Nasbel) hold such ordinary shares A1 that, if the protection structure was activated, together they would control more than 50% of the ordinary shares A and the ordinary shares N. These two companies exercise such rights in consultation with one another in accordance with a voting pool agreement. No other entities are part of the protection structure.

To provide shareholders with a complete understanding of how the group's continued independence is ensured, we set out an outline of the Naspers voting control structure.

Naspers voting control structure
Naspers also has two classes of shares, being (listed) N ordinary shares carrying one vote per share and (unlisted) A ordinary shares carrying 1 000 votes per share. Nasbel and Keerom hold such A class ordinary shares that together they control more than 50% (55% as at 31 March 2022) of the voting rights in Naspers. These two companies exercise such rights in consultation with one another in accordance with a voting pool agreement. If they vote together, then they can vote the majority of the voting rights in Naspers, including in respect of any takeover offer. No other entities are part of the voting control structure. Heemstede Beleggings Proprietary Limited, a subsidiary of Naspers, holds 49% of the shares in Nasbel.

Relationship with Naspers
Following the implementation on 16 August 2021 of an exchange offer in which holders of Naspers N ordinary shares could exchange these shares for Prosus ordinary shares N, as at 31 March 2022, Naspers holds a 73.60% voting interest in Prosus, representing a 42.29% economic interest. Prosus holds a 15.36% voting interest in Naspers, representing a 49.86% economic interest.

Cross-holding agreement
Naspers and Prosus entered into a 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 are received as a result of a distribution by Prosus. The cross-holding agreement gives shareholders certainty that the full extent of Prosus's free-float shareholders' economic interest in the underlying Prosus portfolio in distributions will be paid directly and efficiently at the Prosus level.

In terms of this cross-holding agreement, Prosus's free-float shareholders' economic interest in the underlying Prosus portfolio (the Prosus free-float's economic interest) is 57.69% (larger than the 39.72% Prosus free-float direct holding of Prosus ordinary shares N). The Naspers free-float shareholders' economic interest in the underlying Prosus portfolio (the Naspers free-float's economic interest) is 42.29%.

To ensure efficient and effective ongoing interaction between Prosus and Naspers, distributions are made on a 'terminal economic value' basis. This provides shareholders with certainty that the full extent of the Prosus free-float's economic interest in distributions is paid directly and efficiently at the Prosus level. The term 'terminal economic value' refers to a terminal (ie effective) economic value distribution that requires that both Naspers and Prosus free-float shareholders receive distributions based on their ultimate underlying interests in the group as if a distribution had been made continuously a number of times through the cross-holding.

Group structure continued

A terminal (ie effective) economic value distribution requires that both Naspers and Prosus free-float shareholders receive their ultimate underlying interests. This means that Naspers will automatically distribute any distribution it receives from Prosus under the cross-holding agreement to its free-float shareholders and Prosus waives in advance any entitlement to the onward distribution declared by Naspers.

General meeting of shareholders

The general meeting of shareholders holds all powers that have not been granted to other company bodies. The annual general meeting will be held within six months after the end of the financial year. The annual general meeting is authorised to appoint directors to the board and to dismiss them. It also adopts the financial statements, releases directors from liability, adopts distribution proposals, appoints an external auditor and approves the remuneration policy for directors. Other general meetings will be held when the board of directors deems necessary.

Furthermore, certain decisions are subject to the approval of the general meeting of shareholders, including decisions entailing a significant change in the identity or character of the company or its business and corporate matters, such as amendments to the company's articles of association, a (de)merger or the dissolution of the company, and the issuance of shares or reduction of the issued capital of the company.

Within four months of the end of every fiscal year, the board of directors must prepare the financial statements. The financial statements are put to the annual general meeting for adoption. The board of directors sets the agenda for the general meetings of shareholders. Shareholders who individually or collectively represent at least 3% of the issued capital are entitled to propose items for the agenda, within the boundaries of the law. Every shareholder is entitled to attend a general meeting. Subject to certain exceptions provided by Dutch law and/or the articles of association, resolutions of the general meeting of shareholders are passed by an absolute majority of votes cast and do not require a quorum.

General meetings are convened by public notice via the company's website, and registered shareholders are notified by letter or by electronic means of communication at least 42 days prior to the day of the relevant meeting. Shareholders who wish to exercise the rights attached to their shares in respect of a shareholders' meeting are required to register for such meeting. Shareholders may attend a meeting in person, vote by proxy (via an independent third party) or grant a power of attorney to a third party to attend the meeting and vote on their behalf.

Pursuant to Dutch law, the record date for the exercise of voting rights and rights relating to shareholders' meetings is set at the 28th day prior to the day of the relevant meeting. Shareholders registered on such date are entitled to attend the meeting and to exercise the other shareholder rights (at the relevant meeting), notwithstanding any subsequent sale of their shares after the record date.

The 2022 annual general meeting of Prosus shall be held on 24 August 2022. As questions asked tend to focus on business-related matters, governance and the remit of our board committees, the chair, chief executive and the chief financial officer and the chairs of our board committees shall attend the annual general meeting. In accordance with provision 4.1.8 of the Dutch Corporate Governance Code, we also require all directors up for re-election to (virtually) attend the annual general meeting. The external auditor is welcomed to the annual general meeting and is entitled to address the meeting.

Further information can be found in the notice of annual general meeting, available on our website.

Amendment to articles of association

At the annual general meeting of Prosus, a resolution may be passed to amend the articles of association of Prosus, but only on a proposal from the board.

A resolution made at the annual general meeting amending the articles of association of Prosus such that rights attributable to ordinary shares A or ordinary shares N are adversely affected, is subject to approval by holders of the relevant class of shares.

The resolution can be adopted by an absolute majority of votes cast, until the ownership of Prosus shares by Naspers falls below 50%. Then, a resolution made at the annual general meeting amending the articles of association requires a majority of at least 75% of the votes that may be cast at the annual general meeting.

More detailed information can be found in Prosus's articles of association at www.prosus.com.

Overview of governance

Governance structure

The governance structures of Prosus and Naspers substantially mirror each other. Prosus and Naspers have an identical one-tier board structure of executive and non-executive directors. Executive directors are responsible for the group's day-to-day management, which includes formulating its strategies and policies and setting and achieving its objectives. Non-executive directors supervise and advise executive directors. Each director has a duty to the company to properly perform their assigned responsibilities and to act in its corporate interest. Under Dutch law, Prosus's corporate interest extends to the interests of all its stakeholders, including its shareholders, creditors and employees.

The audit and risk committees of the board monitor compliance with the Financial Supervision Act, Dutch Civil Code and the Dutch Corporate Governance Code, and the Euronext Dublin requirements applicable to the Prosus bonds listed on that exchange.

The board's projects, audit, risk, human resources and remuneration, nominations, and sustainability committees fulfil key roles in ensuring good corporate governance.

The group uses independent external advisers to monitor regulatory developments, locally and internationally, to enable management to make recommendations to the board on matters of corporate governance.

Long-term value creation and strategy

The board ensures that a culture of business ethics and conduct aimed at long-term value creation is promoted to underpin the group's activities as a responsible corporate citizen. This includes adopting values and a code of business ethics and conduct, leading by example, and monitoring implementation to make the required disclosures on incorporation, compliance and effectiveness. In this regard, the board is responsible for group performance by steering and providing strategic direction to the company, taking responsibility for the adoption of a view on long-term value creation and aligned strategy and plans (such strategies and plans to originate in the first instance from management). The board must approve the annual business plan and budget compiled by management, for implementation by management, taking cognisance of sustainability aspects in long-term planning.

How we integrate governance into our business

We recognise the value of an integrated approach to assurance and compliance. The adopted governance, risk and compliance framework is the basis for how we manage governance.

This framework illustrates how we achieve a sustainable business integrated with governance, assurance, risk management and compliance, in line with legislated requirements and Dutch Corporate Governance Code recommendations and reported through the relevant structures.

Our subsidiaries, associates and investees are required to comply with applicable laws and regulations. A risk-based legal compliance programme (including anti-bribery and anti-corruption) has been implemented as per this framework in all subsidiaries.

In applying our capital allocation strategy, we look very carefully at the risks relating to the countries and sectors in which we invest. We undertake a review of potential investees and their founders and/or major shareholders; it is important for us to know with whom we are doing business. Our traditional due diligence looks at the commercial and financial position of the investee, but also covers legal (including IP, privacy and litigation) and tax aspects of their business. This is supplemented by contact between our team and the founder(s) and their management teams that help us to understand the culture of the investee. More recently, for acquisitions of majority ownership stakes in larger businesses, we formally assess the investee's ethics and legal compliance framework and HR policies against our own framework and policies to see what actions (if any) will need to be taken for the investee to meet our minimum requirements, if we require them to do so. The governance frameworks of investees differ depending on their scale and maturity: some are simply too small or at too early a stage to have a fully built and mature governance and compliance framework. In each case, however, we believe that our contact with the founders and management team and our additional due diligence help us to understand the purpose and culture of the company. For a discussion of our approach to responsible investments, please see pages 17 to 19.

Our largest associates, many of which are of significant size, have adopted their own appropriate governance standards. A number of these companies have listings on leading stock exchanges and, therefore, need to comply with both local law and the requirements of the relevant exchange and this is reflected in the standards that they adopt. If members of our team serve on the boards of investees, they are sometimes able to help shape the investee's governance standards. They do this by sharing the governance standards that we have adopted on relevant topics and offering support to the associates through training or workshops and generally sharing our knowledge and expertise. Periodically, teams of employees of the company and associates meet to discuss governance standards and share their experiences.

Group governance framework

The board is the focal point for, and custodian of, the group's corporate governance systems.

It conducts the group's business with integrity and applies appropriate corporate governance policies and practices in the group.

The board, its committees, and the boards and committees of subsidiaries, are responsible for ensuring the appropriate principles and practices of the Dutch Corporate Governance Code are applied and embedded in the governance practices of group companies.

A disciplined reporting structure ensures the board is fully apprised of subsidiary activities, risks and opportunities. All subsidiaries in the group are required to subscribe to the principles of the Dutch Corporate Governance Code. Business and governance structures have clear approval frameworks.

Overview of governance continued

The group has a governance committee comprising the segment chief executive officers, chief financial officers of Naspers and Prosus as well as the group company secretary, group general counsel, group head of risk and audit, global head of sustainability, global head of governance and global ethics and compliance lead. The committee was tasked to ensure the group's governance structures and framework are employed across the consolidated entities in the group during the financial year.

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

As the companies in our group are diverse and at different maturity stages, a one-size-fits-all approach cannot be followed in implementing governance practices. All good governance principles apply to all types and sizes of companies, but the practices implemented by different companies to achieve the principles may be different. Practices must be implemented as appropriate for each company, in line with the overarching good governance principles.

Improved chief executive and financial director assurance process

We recognise the value of an integrated approach to assurance and compliance. The adopted governance, risk and compliance framework is the basis for how we manage governance.

As part of this framework, this year we continued to strengthen our CEO/CFO certification in order to ensure that business practices and procedures are aligned to what the group expects of its subsidiaries. This revised process ensures that assurance can be obtained from the businesses and segments in the group regarding the manner and extent to which they comply with the group's governance standards.

The CEO/CFO certification broadly covers areas such as financial, tax, culture of ethics and compliance, sustainability, risk management, health and safety, technology and information governance, assurance, internal audit, internal controls, stakeholders and remuneration – each of these being key areas of focus for the group.

Details of choosing the right opportunities and balancing risks (including principal risks) appear on pages 82 to 90 of the annual report. Furthermore, the board's responsibility statement on risk management appears on page 143.

Our approach to applying Dutch Corporate Governance Code and statement by the board

Prosus is required to report its application of the principles of the Dutch Corporate Governance Code. The board, to the best of its knowledge, believes the group has satisfactorily applied the principles of the Dutch Corporate Governance Code.

The group considers proportionality when we apply corporate governance. This means we apply the practices needed to demonstrate the group's governance as appropriate across the group.

As required, Prosus regularly assesses the independence of the non-executive directors for purposes of the Dutch Corporate Governance Code, considering all the relevant facts (including whether or not the protection structure has been activated). 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.

As at 31 March 2022, Prosus does 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. Our Corporate Governance Statement and explanation of the deviations from Dutch Corporate Governance Code, 2016, can be found at www.prosus.com/news/investors-annual-reports.

For reference purposes, the full text of the Dutch Corporate Governance Code is available on their website at www.mccg.nl/dutch-corporate-governance-code.

Decree article 10 EU Takeover Directive

According to the Decree Article 10 EU Takeover Directive, we are required to report on, among other things, our capital structure; restrictions on voting rights and the transfer of securities; significant shareholdings in Prosus; the rules governing the appointment and dismissal of members of the board of directors and the amendment of the articles of association and the powers of the board of directors.

The information required by the Decree Article 10 EU Takeover Directive is included in this Corporate governance section and remuneration report.

Overview of governance continued

Focus areas this year

Focus areas for the 2022 financial year included additional reporting to our board committees and board on how we implement good corporate governance in the group in light of the Dutch Corporate Governance Code and improved corporate governance disclosures in the annual report.

Governance of information and technology, particularly data privacy and cybersecurity, remained focus areas along with sustainability.

We updated and enhanced multiple key group policies, including the code and the Speak Up policy.

Following approval at a special general meeting in July 2021, the voluntary share exchange offer by Prosus to Naspers shareholders was implemented. More detail regarding the structure of the group following the share exchange offer can be found on page 155.

Following this, Prosus launched a repurchase programme of up to US$5bn to buy back ordinary shares N from its free-float shareholders.

In addition, Prosus priced US dollar and euro notes in an aggregate principal amount totalling US$5.25bn equivalent under its global medium-term note programme on 11 and 12 January 2022 respectively. These issuances consist of US$1bn 3.257% notes due 2027, US$1bn 4.193% notes due 2032, US$1.25bn 4.987% notes due 2052, €500m 1.207% notes due 2026, €600m 2.085% notes due 2030, and €650m 2.778% notes due 2034.

Prosus made an offer that started on 6 July 2021 for any and all of the US$1.2bn 5.500% notes due 2025 and the US$1bn 4.850% notes due 2027, each issued by Prosus and guaranteed by Naspers for cash. The terms and conditions of the offer are described in an offer to purchase.

Long-term value creation and strategy

The board ensures that a culture of business ethics and conduct aimed at long-term value creation is promoted to underpin the group's activities as a responsible corporate citizen. This includes adopting values and a Code, leading by example, and monitoring implementation to make the required disclosures on incorporation, compliance and effectiveness. In this regard, the board is responsible for group performance by steering and providing strategic direction to the company, taking responsibility for adopting a view on long-term value creation and aligned strategy and plans (such strategies and plans to originate in the first instance from management). The board must approve the annual business plan and budget compiled by management, for implementation by management, taking cognisance of sustainability aspects in long-term planning.

For more information on the group's strategic approach, please refer to page 12.

Internal controls, risk and audit

Internal control systems

Our system of internal controls aims to prevent or detect material risks and to mitigate material adverse consequences. The system provides reasonable assurance on achieving company objectives. This includes the integrity and reliability of the financial statements; safeguarding and maintaining accountability of its assets; and to detect fraud, potential liability, loss and material misstatements while complying with regulations. The directors representing Prosus on boards of entities where the company does not have a controlling interest, seek assurance that significant risks are managed and systems of internal control are effective.

Management, with assistance from risk and audit, regularly reviews risks and the design and operating effectiveness of internal controls, seeking opportunities for improvement.

The board reviewed the effectiveness of controls on key risks for the year ended 31 March 2022. This assurance was obtained principally through a process of management self-assessment, including formal confirmation via representation letters by executive management. Consideration was also given to other input, including reports from risk and audit, compliance and the risk management process. Where necessary, programmes for corrective actions have been initiated and progress is being monitored.

While we work towards continuous improvement of our processes and procedures regarding financial reporting, no major failings have occurred to the knowledge of the directors and, therefore, directors are of the opinion that these systems provide reasonable assurance that the financial reporting does not contain material inaccuracies.

Risk and audit

A central risk and audit function is in place for the group and provides independent, objective assurance and risk support services in relation to the system of risk management and internal control to help management preserve and create sustainable value. The head of risk and audit reports to the chair of the audit committee, with administrative reporting to the financial director.

The function's core competency lies in risk-based technology and business process assurance work. Through its specialised cybersecurity team, risk and audit also supports our businesses to continuously enhance their technology and cyber-capabilities to ensure resilient and secure platforms in response to evolving cyber-risks.

The risk and audit function operates in conformance with the International Professional Practice Framework of the Institute of Internal Auditors and, in line with these, submits itself regularly to an external quality review.

Among other aspects, risk and audit is responsible for providing a statement annually on the effectiveness of the group's governance, risk management and control processes to the board of directors and, to the audit committee specifically, of the results of its review of financial controls.

Overview of governance continued

Non-audit services

The group's policy on non-audit services provides guidelines on dealing with audit, audit-related, tax and other non-audit services that may be provided by the independent auditor to group entities. It also sets out services that may not be performed by the independent auditor.

The audit committee preapproves audit and non-audit services to ensure these do not impair the auditor's independence and comply with legislation. Under our guiding principles, the auditor's independence will be deemed impaired if the auditor provides a service where they:

- function in the role of management of the company, or
- audit their own work, or
- provide services that are prohibited under applicable independence standards, or
- serve in an advocacy role for the company.

Relations with shareholders and investors

Investor relations

Prosus's investor relations policy (refer to www.prosus.com) describes the principles and practices applied in interacting with shareholders and investors. Prosus is committed to providing timely and transparent information on corporate strategies and financial data to the investing public. In addition, we consider the demand for transparency and accountability in our non-financial (or sustainability) performance. We recognise that this performance is based on the group's risk profile and strategy, which includes non-financial risks and opportunities.

The company manages communications with its key financial audiences, including institutional shareholders and financial (debt and equity) analysts, through a dedicated investor relations unit. Presentations and conference calls take place after publishing interim and full-year results.

A broad range of public communication channels (including stock exchange news services, corporate websites, press agencies, news wires and news distribution service providers) are used to disseminate news releases. These channels are supplemented by direct communication via email, conference calls, group presentations and one-on-one meetings. Our policy is not to provide forward-looking information. Prosus also complies with legislation and stock exchange rules on forward-looking statements.

Closed periods

Prosus would typically be in a closed period on the day after the end of a reporting period (30 September or 31 March) until releasing results.

General investor interaction during this time is limited to discussions on strategy and/or historical, publicly available information.

Analyst reports

To enhance the quantity and quality of research, Prosus maintains working relationships with stockbrokers, investment banks and credit-rating agencies – irrespective of their views or recommendations on the group.

Prosus may review an analyst's report or earnings model for factual accuracy of information in the public domain but, in line with regulations and group policy, we do not provide guidance or forecasts.

The board encourages shareholders to attend the general meeting where shareholders have the opportunity to put questions to the board, management and chairs of the various committees.

The company's website provides the latest and historical financial and other information, including financial reports.

Our board

A Audit committee
R Risk committee
S Sustainability committee
P Project committee
N Nominations committee
H Human resources and remuneration committee

● Executive
● Non-executive
● Independent non-executive
* Chair

Koos Bekker
69, male, South African and Dutch
Non-independent non-executive chair

Date of first appointment	14 August 2019
Start and end of current term	AGM 2019 – AGM 2022

Koos Bekker is the non-independent non-executive chair of the board. He led the founding team of M-Net/MultiChoice pay-television and later its international expansion. He was a founder of MTN, the African mobile telecoms group. From 1997, as chief executive of Naspers, he headed the group's transition to the internet. In 2019 he was appointed chair of the board. He holds a BAHons and honorary doctorate in commerce from Stellenbosch University, an LLB from the University of the Witwatersrand and an MBA from Columbia University, New York.

Bob van Dijk
49, male, Dutch
Chief executive and executive director

Date of first appointment	16 May 2019
Start and end of current term	Not applicable

Bob van Dijk is our chief executive and an executive director. He was appointed chief executive 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 of 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 etail segments. Prior to that, he was a founder of an online financial derivatives marketplace. In June 2020, Bob was appointed to the board of Booking Holdings Inc. He started his career at McKinsey & Company, focusing on mergers and acquisitions, and media. He holds an MBAHons from Insead and MSc (cum laude) in econometrics from Erasmus University, Rotterdam.

Basil Sgourdos
52, male, South African and Greek
Financial director and executive director

Date of first appointment	16 May 2019
Start and end of current term	Not applicable

Basil Sgourdos is our financial director and an executive director. He was appointed financial director of Naspers in July 2014. He worked at PricewaterhouseCoopers Inc. from 1989 to 1994. He then joined Naspers as finance manager of the South African operations division in MultiChoice before being appointed 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 general manager of video-entertainment business development globally before becoming financial director of MIH Holdings Proprietary Limited in January 2009. He held this position until his appointment as financial director of Naspers. He is a qualified South African chartered accountant and holds a BCom from the University of the Witwatersrand and BAccHons from the University of South Africa.

Sharmistha Dubey
51, female, American
Independent non-executive director

Proposed for appointment at AGM

Sharmistha Dubey is currently a board member and member of the compensation committee and nominations and governance committee for Fortive Corporation. She is also a board member for Match Group. Sharmistha has recently stepped down as CEO and president for Match Group, where she was responsible for overseeing growth of the portfolio of brands including Tinder, Match, Meetic, OkCupid, Hinge, Pairs, Plenty of Fish, and OurTime. Sharmistha holds an undergraduate degree in engineering from the Indian Institute of Technology and an MSc in engineering from Ohio State University, USA (1996).

Hendrik du Toit
60, male, South African and British
Non-executive director and lead independent director

Date of first appointment	14 August 2019
Start and end of current term	AGM 2021 – AGM 2024

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 Group in 1991, founding Investec Asset Management which rebranded to Ninety One in 2020. He also served as joint chief executive officer of the Investec Group from October 2018 until the demerger and listing of Ninety One in March 2020. Hendrik is a World Benchmarking Alliance ambassador. Previously, he 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, the Impact Investing Institute and commissioner of the Business and Sustainable Development Commission. Hendrik holds an MPhil in economics and politics of development from Cambridge University and an MCom in economics (cum laude) from Stellenbosch University.

Emilie Choi
43, female, American
Resigned

Date of first appointment	14 August 2019
Resigned with effect from	26 August 2021

Emilie Choi is an independent non-executive director. She serves as chief operating officer at Coinbase Inc., the world's largest regulated cryptocurrency exchange. She oversees operations in seven countries across three continents. Since joining Coinbase in early 2018, she has overseen more than 10 acquisitions and 50 venture investments. Prior to that, she spent over eight years at LinkedIn Corporation as vice president of corporate development and led all M&A deals in the company's history, including its biggest deal to date, Lynda, as well as leading a number of joint ventures in China. She has also worked in corporate development and strategy roles at Warner Bros Entertainment Inc. and Yahoo Inc. She serves on the board of ZipRecruiter Inc., a marketplace for jobseekers and employers. She holds an MBA from the Wharton School of the University of Pennsylvania and a BA in economics from Johns Hopkins University.

Our board continued

Craig Enenstein
53, male, American
Independent non-executive director

Date of first appointment	14 August 2019
Start and end of current term	AGM 2021 – AGM 2024

Craig Enenstein is an independent 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. Founded by Craig in 2005, Corridor Capital is based in Los Angeles, USA. He is a member of the Wharton School of the University of Pennsylvania executive board. He holds an MBA in finance from the Wharton School of Business, an MA in international studies from the Lauder Institute, University of Pennsylvania and a BA from the University of California, Berkeley.

Manisha Girotra
52, female, Indian
Independent non-executive director

Date of first appointment	1 October 2019
Start and end of current term	AGM 2020 – AGM 2023

Manisha Girotra is an independent non-executive director. She is the chief executive officer of Moelis India. She has over 30 years of investment banking experience, with cross-border M&A expertise across a range of industries. Prior to Moelis & Company, she was chief executive officer and country head of UBS AG in India, managing its investment bank, commercial bank, markets, equity research and wealth management divisions. Before that, she was head of North India of Barclays Bank plc. She began her investment banking career at ANZ Grindlays in London. She serves on the boards of Ashok Leyland Limited and Mindspace REIT. She holds a BAHons in economics from St Stephen's College, India and a masters in economics from the Delhi School of Economics.

Rachel Jafta
61, female, South African
Independent non-executive director

Date of first appointment	14 August 2019
Start and end of current term	AGM 2020 – AGM 2023

Rachel Jafta is an independent 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, member of the management committee of the Bureau for Economic Research at Stellenbosch University and member of the international advisory board of Fondação Dom Cabral Business School, Brazil. She was appointed chair of the Media24 board in April 2013 and chairs its nominations committee. She is also a director of Naspers Beleggings (RF) Limited. She holds an MEcon and a PhD from the University of Stellenbosch.

Angelien Kemna
64, female, Dutch
Independent non-executive director

Date of first appointment	24 August 2021
Start and end of current term	AGM 2021 – AGM 2024

Angelien Kemna is an independent non-executive director. She is an independent board member and chair of the audit committee of Friesland Campina, senior independent board member of AXA Investment Managers 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 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 a PhD in finance from Erasmus University. She was a visiting scholar at Sloan School MIT (Boston, USA).

Nolo Letele
72, male, South African
Independent non-executive director

Date of first appointment	14 August 2019
Start and end of current term	AGM 2021 – AGM 2024

Nolo Letele is an independent non-executive director. He joined M-Net in 1990 and pioneered MultiChoice's expansion into Africa. In 1999, he led MultiChoice as chief executive officer for 11 years, and then as executive chair for another 10 years. He stepped down as chair with effect from 1 December 2021. He pioneered the highly successful Phuthuma Nathi scheme, which has brought financial empowerment to black people. He has won several awards, the most notable being the Lifetime Africa Achievement Prize for media development in Africa (Millennium Excellence Foundation). He is a chartered engineer and member of the IEE. He holds a BScHons in electronic engineering from the University of Southampton.

Debra Meyer
55, female, South African
Independent non-executive director

Date of first appointment	14 August 2019
Start and end of current term	AGM 2019 – AGM 2022

Debra Meyer is an independent 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 regularly contributes to several newspapers and magazines. She serves as a trustee or board member for a number of organisations. She is also a director of Naspers Beleggings (RF) Limited. She holds an MSc in biochemistry from the University of Johannesburg and a PhD in biochemistry and molecular biology from the University of California, Davis, which she attended as a Fulbright scholar.

Our board continued

Roberto Oliveira de Lima
71, male, Brazilian
Independent non-executive director

Date of first appointment	14 August 2019
Start and end of current term	AGM 2021 – AGM 2024

Roberto Oliveira de Lima is an independent 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 (a Citigroup company), chief executive officer of Vivo S.A., the largest mobile telecommunications company in Brazil (a Telefónica SA and Portugal Telecom company), chair of Publicis Brazil and president of Natura S.A. He was previously a board member of Edenred S.A. in France, Pão de Açúcar S.A. (Casino), Natura S.A. and BR Distribuidora (Petrobras company) in Brazil. He is a board member of RNI Negócios Imobiliários S.A. and AES Tietê S.A. In April 2019, he left the board of Telefônica Brasil S.A. after 14 years, 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
67, male, South African
Independent non-executive director

Date of first appointment	14 August 2019
Start and end of current term	AGM 2019 – AGM 2022

Steve Pacak is an independent 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 an executive director of Naspers in 1998 and non-executive director in January 2015. He retired as Naspers's financial director in June 2014 and remained on the Naspers board as non-executive director. He is a qualified South African chartered accountant and holds a BAcc from the University of the Witwatersrand.

Mark Sorour
60, male, South African
Non-independent non-executive director

Date of first appointment	14 August 2019
Start and end of current term	AGM 2020 – AGM 2023

Mark Sorour is a non-independent non-executive director. He joined the Naspers group in 1994, leading business development and corporate finance globally. After assignments in Hong Kong and Amsterdam, he was responsible for all global investment activities as the Naspers group chief investment officer. In March 2018, he retired after over 20 years with the Naspers group but remained on the board as a non-executive director. He is a qualified South African chartered accountant and holds a BCom and DipAcc from the University of KwaZulu-Natal.

Cobus Stofberg
71, male, South African
Independent non-executive director

Date of first appointment	14 August 2019
Start and end of current term	AGM 2019 – AGM 2022

Cobus Stofberg is an independent 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 at Coopers & Lybrand (now PricewaterhouseCoopers Inc.). He is a qualified South African chartered accountant and holds a BComLaw and LLB from Stellenbosch University and BComptHons from the University of South Africa.

Ben van der Ross
75, male, South African
Independent non-executive director

Date of first appointment	14 August 2019
Resigned with effect from	1 April 2022

Ben van der Ross is an independent non-executive director. He was chair of Strategic Real Estate Management Proprietary Limited, managers of the Emira Property Fund. He served on the boards 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 Naspers Beleggings (RF) Limited. 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
58, female, Chinese
Independent non-executive director

Date of first appointment	18 August 2020
Start and end of current term	AGM 2020 – AGM 2023

Ying Xu is an independent non-executive director. She is the president of Wumei Technology Group (Wumei or Wumart), a technology-driven retailer in China. Deeply engaged in the retail business for 15 years, she has strong insight and knowledge of consumers in China, especially in online and offline retail. Prior to joining Wumei, she was vice president of LG (a joint venture) at Tianjin International Trust & Investment. She holds a BA in English from Tianjin University, China and an MBA from Meinders School of Business, Oklahoma City University.

The board and its committees

Appointment and dismissal

Directors are appointed at the annual general meeting. A director will be appointed either as an executive director or as a non-executive director.

Each non-executive director will be appointed for a term of not more than three (3) years.

The board may nominate one or more candidates for each vacancy. A resolution of the annual 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 the issued capital of Prosus.

A director may be removed at the annual general meeting at any time, subject to the applicable laws and regulations. A resolution to suspend or remove a director, other than on the proposal of the board, may only be adopted at the annual general meeting with an absolute majority of the votes cast, representing more than one third of the issued capital of Prosus.

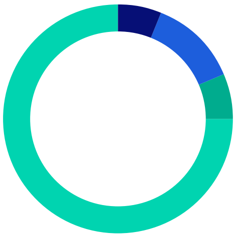
Composition

Details of directors at 31 March 2022 are set out on pages 99 to 101.

Prosus has a unitary board, which provides oversight and control. The board charter sets out the division of responsibilities. The majority of board members are independent non-executive directors and are independent of management. To ensure that no one individual has unfettered powers of decision-making and authority, the roles of chair and chief executive are separate.

The independence of each director is evaluated annually in accordance with the Dutch Corporate Governance Code. Although Prosus deviates from best-practice provisions 2.1.9 and 5.1.3 of this code, the board is of the opinion that the chair's experience and industry knowledge benefit Prosus and its shareholders and outweigh any perceived disadvantage of non-independence. The board believes that it is in the best interests of the group and its shareholders that the governance structures of Naspers and Prosus mirror each other.

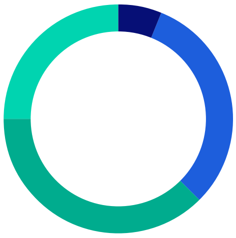
Directors' classification[1]



Chair	1
Executive director	2
Non-independent non-executive director	1
Independent non-executive director	12

1 Determined in accordance with the Dutch Corporate Governance Code.

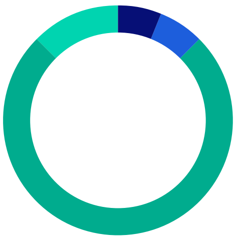
Age of directors[2]



Younger than 50 years	1
Between 50 and 60 years	5
Between 60 and 70 years	6
Older than 70	4

2 There is a standard deviation of 8.3 years between the ages of directors.

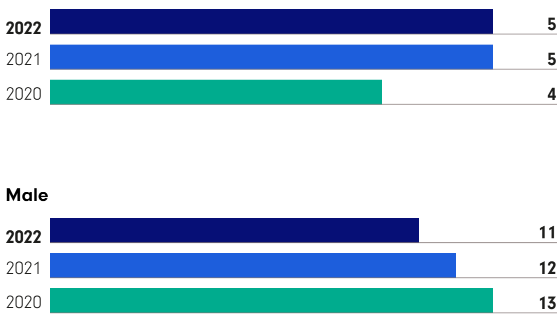
Tenure as a director[3]



0 years	1
1 year	1
2 years	12
3 years	2
>3 years	0

3 The average tenure of directors is two years.

Gender diversity



Nationalities[3]

South African	10
Dutch	2
US	1
Brazilian	1
Indian	1
Chinese	1

The board and its committees continued

The board diversity policy addresses the Dutch Corporate Governance Code for all listed companies to have a policy on how they address gender diversity at board level. The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence.

As set out in the board diversity policy, the board aims to achieve 30% female (and male) representation. Over the past three years, all new appointments of directors have been women, bringing the female representation on the board to over 30% as at 31 March 2022. Subject to shareholders approving the appointment of Sharmistha Dubey as new director, over one third of directors will be women. This demonstrates the board's ongoing commitment to transformation in line with its board diversity policy.

The group recognises and embraces the benefits of having a diverse board and sees diversity at board level as an essential element in maintaining a competitive advantage. A diverse board will include and make good use of differences in the skills, geographical and industry experience, background, race, gender, and other distinctions between members of the board.

These differences will be considered in determining the optimum composition of the board and, when possible, will be balanced appropriately. All board appointments are made on merit, in the context of skills, experience, diversity, independence and knowledge, that the board as a whole requires to be effective.

The nominations committee reviews and assesses board composition on behalf of the board and recommends the appointment of new directors. This committee also oversees the annual review of board effectiveness.

Roles and responsibilities

The board

The board is responsible for the continuity of the company and its affiliated enterprises. The board focuses on long-term value creation of the company and its affiliated enterprises and considers the stakeholder interests that are relevant in this context. The board serves as the focal point and custodian of corporate governance and is responsible for the corporate governance of the company, including: (i) determining what business we are building, what we offer users and key objectives; and (ii) ensuring and monitoring that a culture of business ethics and conduct aimed at long-term value creation is promoted to underpin the group's activities as a responsible corporate citizen. This includes adopting values and a Code, leading by example, and monitoring implementation to make the required disclosures on incorporation, compliance and effectiveness.

The board acknowledges that the group's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process. In this regard, the board is responsible for the group performance by steering and providing strategic direction to the company and ongoing oversight of the implementation of the strategy and business plan.

A charter setting out its responsibilities can be found at www.prosus.com/about/policies.

The chair

The chair, Koos Bekker, is a non-independent non-executive director who previously served as an executive director of the company.

The responsibilities of the chair are set out in the board charter and include, among others:

- Providing overall leadership to the board without limiting the principle of collective responsibility for board decisions, while at the same time being aware of individual duties of board members.
- Ensuring a culture of openness and accountability within the board.
- In conjunction with the chief executive, representing the board in respect of communication with shareholders, other stakeholders and, indirectly, the general public.
- Monitoring how the board works together and how individual directors perform and interact at meetings. The chair meets with directors annually to evaluate their performance.

The chief executive

The chief executive reports to the board and is responsible for the day-to-day business of the group and implementing policies and strategies approved by the board. Chief executives of the various businesses assist him in this task. Board authority conferred on management is delegated through the chief executive, against approved authority levels. The board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities.

Bob van Dijk is the appointed chief executive. He has no other professional commitments outside the group, except for his appointment to the board of Booking.com.

Succession planning for the chief executive is considered annually.

The functions and responsibilities of the chief executive are set out in the board charter and include, among others:

- Developing the company's strategy for consideration, determination and approval by the board.
- Developing and recommending to the board yearly business plans and budgets that support the company's long-term strategy.
- Monitoring and reporting to the board about the performance of the company.

Lead independent director

Hendrik du Toit was appointed to act as lead independent director in all matters where there may be an actual or perceived conflict.

The responsibilities of the lead independent director are set out in the board charter and include, among others:

- Dealing with shareholders' concerns where contact through the normal channels has failed to resolve them, or where such contact is inappropriate.
- Strengthening independence of the board if the chair is not an independent non-executive member of the board.
- Chairing discussions and decision-making by the board on matters where the chair has a conflict of interest.

Independent advice

Individual directors may, after consulting with the chair or chief executive, seek independent professional advice, at the expense of the company, on any matter connected with discharging their responsibilities as directors.

The board and its committees continued

Company secretary
The group company secretary, Lynelle Bagwandeen, and David Tudor, group general counsel (and legal compliance officer), are responsible for guiding the board in discharging its regulatory responsibilities.

Directors have unlimited access to the advice and services of the persons noted above whose functions and responsibilities include (as appropriate):

- Playing a pivotal role in the company's corporate governance and ensuring that, in line with pertinent laws, the proceedings and affairs of the board, the company and, where appropriate, shareholders are properly administered.
- Monitoring directors' dealings in securities and ensuring adherence to closed periods.
- Attending all board and committee meetings.

The performance and independence of the company secretary are evaluated annually.

The board has determined that the company secretary, an admitted attorney with over 10 years of JSE-listed-company experience, has the requisite competence, knowledge and experience to carry out the duties of a secretary of a public company and has an arm's length relationship with the board. The board is satisfied that arrangements for providing corporate governance services are effective.

Board meetings and attendance
The board meets at least four times per year or more as required. The projects committee attends to matters that cannot wait for the next scheduled meeting. Non-executive directors meet at least once annually without the chief executive, financial director and chair present, to discuss the performance of these individuals.

The company secretary acts as secretary to the board and its committees and attends all meetings.

Board rotation
All non-executive directors are subject to retirement and re-election by shareholders every three years. A director's term of office will lapse in accordance with the rotation schedule drawn up by the board.

Neither the chief executive nor the financial director has a fixed appointment term.

Indemnification
The Prosus articles of association include provisions regarding the indemnification of current and former directors against liabilities, claims, judgements, fines and penalties (claims) incurred by such director as a result of any expected, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative, of or initiated by any party other than Prosus itself or a group company, in relation to any acts or omissions in or related to his capacity as an indemnified person. However, there shall be no entitlement to reimbursement if the act or failure to act of the person concerned may be characterised as wilful misconduct (*opzet*) or intentionally recklessness *(bewuste roekeloosheid)*. The company has also taken out liability insurance for the persons concerned.

Board committees
While the whole board remains accountable for our performance and affairs, it delegates to committees 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 to ensure integrated thinking.

The board has constituted six committees from among the directors to assist it to discharge its duties: an audit committee, a risk committee, a sustainability committee, a nominations committee, a human resources and remuneration committee and a projects committee.

Each committee acts within agreed, written terms of reference. The chair of each committee reports at each scheduled board meeting. The terms of reference of each of the board committees can be found at www.prosus.com/about/policies.

The chairs of the audit, risk, sustainability, human resources and remuneration, and nominations committees are non-executive directors and are required to attend annual general meetings to answer questions.

The established board committees in operation during the financial year are set out below and the names of the members who were in office during the financial year, as well as details of the committee meetings attended by each of the members, are shown in the table on page 106.

Audit committee
The audit committee seeks to support the board in assessing the integrity of the group's financial reporting and by providing constructive challenges and oversight of the group's activities and of its audit functions. It comprises a majority of independent non-executive directors and is chaired by Steve Pacak, an independent director.

Risk committee
The purpose of the risk committee is to assist the board to discharge its responsibilities regarding the governance of risk through formal processes, including an enterprisewide risk management process and system. The committee is chaired by Steve Pacak.

The board and its committees continued

Sustainability committee
The primary objective of the sustainability committee is 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 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.

The committee comprises a majority of independent non-executive directors, the chief executive and the financial director (alternate member). It is chaired by Debra Meyer.

Nominations committee
The nominations committee assists the board to determine and regularly review the size, structure, composition and effectiveness of the board and its committees, in the context of the company's strategy.

The committee comprises a minimum of three non-executive directors, the majority of whom are independent. It is chaired by Rachel Jafta.

Human resources and remuneration committee
The main objective of the human resources and remuneration committee is to fulfil the board's responsibility for the strategic human resources issues of the group, particularly focusing on the appointment, remuneration and succession of the most senior executives. The committee comprises a majority independent non-executive directors. It is chaired by Craig Enenstein.

Projects committee
The projects committee is an ad hoc committee acting on behalf of the board in managing urgent issues when the board is not in session, subject to statutory limits and the board's limitations on delegation. The majority of the projects committee are non-executive directors. It is chaired by Koos Bekker.

Evaluation
The nominations committee carries out the evaluation process, which is not externally facilitated, on an annual basis in accordance with the Dutch Corporate Governance Code.

As part of the review, the performance of the board and its committees, as well as the performance of the chair of the board, is considered against their respective mandates in terms of the board charter and the charters of its committees. The committees perform self-evaluations against their charters for consideration by the nominations committee and the board.

For the FY22 annual formal inhouse self-assessment, the performance of each director was evaluated by the other board members, using an evaluation questionnaire. The chair of the board discussed the results with each director and agreed on any training needs or areas requiring attention by that director. Where a director's performance is not considered satisfactory, the board will not recommend their re-election.

A consolidated summary of the evaluation was reported to and discussed by the board, including any actions required. The lead independent director leads the discussion on the performance of the chair, with reference to the results of the evaluation questionnaire, and provides feedback to the chair.

The board is satisfied that the evaluation process improves its performance and effectiveness.

The formal annual evaluation process showed that the board and its committees had functioned well and discharged their duties as per the mandates in their charters. The results of the board evaluation indicated that board members, collectively and individually, effectively discharged their governance roles. There were no remedial actions identified.

Induction and development
An induction programme is held for new members of the board and key committees, tailored to the needs of individual appointees. This involves industry and company-specific orientation, such as meetings with senior management to facilitate an understanding of operations. Board members are exposed to the main markets in which the group operates as well as relevant evolving trends in technology and business models.

The company secretary assists the chair with the induction and orientation of directors and arranges specific training if required.

The company will continue with directors' development and training to build on expertise and develop an understanding of the businesses and main markets in which the group operates.

Conflicts of interest
Potential conflicts are appropriately managed to ensure candidates and existing directors have no conflicting interests between their obligations to the company and their personal interests. All directors are required to declare personal interests annually. Declaration of directors' interests is a standing item on the board's agenda. Directors who believe there may be a conflict of interest on a matter are to advise the company secretary and are recused from the deliberation and the decision-making process. Directors must also adhere to a policy on trading in securities of the company.

If the conflict of interest concerns all directors, the declaration must be made to the annual general meeting as well. We confirm that there have been no conflicts of interests that need to be reported at this time. Furthermore, there have been no transactions with shareholders that need to be disclosed.

Other than the share exchange offer between Prosus and Naspers that was approved by shareholders on 9 July 2021, there have not been material transactions in the 2022 financial year between any member of the board or with Naspers that involved any conflicts of interests, or any transactions that would be considered related party transactions in the meaning of Dutch law.

Best practice provisions 2.7.3, 2.7.4 and 2.7.5 of the Dutch Corporate Governance Code have been complied with.

The board and its committees continued

Related party transactions
In the course of its ordinary business activities, the group's members regularly enter into agreements with other companies in the 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. Prosus believes that all transactions with subsidiaries, associates 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.

To protect relevant stakeholders' interests, the audit committee monitors all related party transactions and, depending on the size of the transaction, may be required to give approval to these transactions, or refer matters above certain thresholds to the board for approval. Naspers and Prosus have also undergone a cost-allocation exercise. This will ensure that both companies' interests are adequately protected.

Refer to note 41 'Related party transactions and balances' on page 244 of the consolidated financial statements, which sets out the details of all related party transactions and balances.

Discharge of responsibilities
The board is satisfied that the committees properly discharged their responsibilities over the past year.

Directors	Board	Audit committee	Risk committee	Sustainability committee	Nominations committee	Human resources and remuneration committee	Projects committee
JP Bekker	10*				4	5	–*
B van Dijk	10		5	3			–
V Sgourdos	10		4	3			–
EM Choi[1]	7		1			3	
HJ du Toit	10				4		
CL Enenstein	10				4	5*	
DG Eriksson[2]	–	–	–	–			
M Girotra	7	3					
RCC Jafta[3]	10	1	5	3	4*		–
AGZ Kemna[4]	1	3	4				
FLN Letele	10			2			
D Meyer	9			3*			
R Oliveira de Lima	10				4	5	
SJZ Pacak[5]	10	4*	5*				–
MR Sorour	10						–
JDT Stofberg	10			3			
BJ van der Ross[6]	10	–	–	3			
Y Xu	10						
Total meetings	**10**	**4**	**5**	**3**	**4**	**5**	**–**

* Chair
1 Resigned as a director with effect from 26 August 2021.
2 Retired as a director with effect from 1 April 2021.
3 Resigned from the audit committee with effect from 25 August 2021.
4 Appointed as a director and to the audit committee with effect from 24 August 2021 and appointed to the risk committee with effect from 9 September 2021.
5 Appointed as chair of the audit committee with effect from 1 April 2021.
6 Retired as a director with effect from 1 April 2022.

Report of the audit committee

Members of the committee
- SJZ Pacak (chair)[1]
- M Girotra
- RCC Jafta[2]
- AGZ Kemna[3]

I am pleased to present the report of the audit committee for the year ended 31 March 2022.

The committee assists the board of directors in fulfilling its supervisory responsibilities for, among others, ensuring the quality and integrity of the company's financial statements, reviewing the company's internal controls and risk management.

Composition and attendance
This committee comprises independent non-executive directors.

Don Eriksson retired as a board member with effect from 1 April 2021 and Steve Pacak was appointed as chair of this committee. All members are financially literate and have business and financial acumen. The committee held four meetings during the past financial year. The chief executive and financial director attend committee meetings by invitation.

The names of members in office during the financial year and details of meetings attended by each member are shown on page 106.

The committee has unrestricted access to company information falling within its mandate and will liaise with management on the information it requires to carry out its responsibilities. Both internal and external auditors have unrestricted access to the committee. The internal and external auditors also have the opportunity at two meetings per year to report to the committee in the absence of management, or when appropriate to do so.

The chair of the board is not a member of the committee but may attend meetings by invitation. Board members are entitled to attend committee meetings as observers. However, non-committee members are not entitled to participate without the consent of the chair, do not have a vote and are not entitled to fees for attendance.

Responsibilities
The functions and responsibilities of the committee are set out in the audit committee charter and include, among others:

- Review and approve for presentation to and approval by the board, the company's annual report, including non-executive director reports, financial statements, interim reports and consolidated financial statements, and any other company press releases with material financial or internal control impacts.
- Annually review external audit and disclose the committee's views on the quality of the external audit and independence, when required, with reference to audit quality indicators such as those that may be included in inspection reports issued by external audit regulators.
- Based on the information provided by the various assurance providers, evaluate the effectiveness of internal financial controls.

1 Appointed as the chair of the committee with effect from 1 April 2021.
2 Resigned with effect from 25 August 2021.
3 Appointed with effect from 25 August 2021.

Key focus areas during the year
During the financial year, the committee focused on:

- Discharging its functions in terms of its charter.
- Assessing the impact of the changes to accounting standards.
- Mandatory audit firm rotation.
- Ensuring group reporting meets the Dutch Civil Code (*Burgerlijk Wetboek*) and the Financial Supervision Act (*Wet op het Financieel Toezicht*) requirements as supervised by the Authority for the Financial Markets (AFM) and to the extent required, JSE Listings Requirements.
- Considering a reported deviation from the provision of services by independent auditor policy and assessing the impact of the independence of PricewaterhouseCoopers Accountants N.V.
- Assessing the economic impact of the war in Ukraine on the group.
- Reviewing and approving the new US dollar and euro bonds issued in both July 2021 and January 2022.
- Continued implementation of the Dutch Corporate Governance Code recommendations.

Financial statement reporting matters
The committee's main responsibility for the group's financial reporting is to review, with both management and the external auditor, the appropriateness of the group's financial statements with its primary focus on the following:

- The quality and acceptability of accounting policies and practices.
- Material areas where significant judgements have been made, along with any significant assumptions or estimates, or where significant issues have been discussed with or challenged by the external auditor.
- An assessment of whether the financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for stakeholders to assess the group's position and performance, business model and strategy.

The significant judgements and matters and conclusions reached/actions taken by the committee in relation to the consolidated financial statements are outlined on page 154. Each of these matters was discussed with the external auditor and, where appropriate, has been addressed as a key audit matter in the report of the audit of the consolidated and company financial statements on page 272.

Internal audit
The committee has oversight of the consolidated and company financial statements and reporting process, including the system of internal financial control. It is responsible for ensuring that the group's risk and audit function is independent and has the necessary resources, standing and authority in the organisation to discharge its duties.

The committee oversees cooperation between internal and external auditors, and serves as a link between the board of directors and these functions. The head of risk and audit reports functionally to the chair of the committee and administratively to the financial director. An assessment of the effectiveness of the risk and audit function, as well as the head of risk and audit, is performed annually by the committee. Based on the assessment, the committee is of the opinion that the risk and audit function, as well as the head of risk and audit, is effective.

Independence and effectiveness of the external auditor
PricewaterhouseCoopers Accountants N.V. (PwC) was reappointed as auditor of the company until the next annual general meeting. The committee believes that the auditor has observed the highest level of business and professional ethics. The committee is satisfied that the auditor has at all times acted with unimpaired independence.

Report of the audit committee continued

Details of fees paid to the external auditor are disclosed in note 14 to the consolidated financial statements on page 181.

All non-audit services were approved by the committee during the current financial year in accordance with the board-approved policy on non-audit services performed by the external auditor. The partner responsible for the audit is required to rotate every five years. The committee meets with the auditor independently of senior management.

A breach of the independence rules pertaining to a non-audit service provided by a PricewaterhouseCoopers member-firm in Bulgaria was outlined to the committee. The service consisted of an unsigned tax advisory memorandum provided to an entity within the Payments and Fintech segment. The fee value was not billed and is less than 0.05% of PwC's audit fees for the financial statements for 2022. Following a detailed review of the matter, the audit committee concluded that the deviation from the provision of services by independent auditor policy did not compromise PwC's independence. It was confirmed that the controls and processes around adherence to the provision of services by independent auditor policy are being enhanced and reviewed in conjunction with the governance team.

During the year, the audit committee reviewed the representations by the external auditor and, after conducting its own review, confirmed the independence of the auditor. The quality of the external audit was reviewed, focusing on a range of factors considered relevant to audit quality and feedback from PwC on their performance against their own objectives, and the committee concluded the external audit to be satisfactory.

It was confirmed that no unresolved issues of concern exist between the group and the external auditor.

Auditor rotation

Following an extensive tender process under leadership of the committee, the company announced its proposal to appoint Deloitte as the company's new auditor for a term of four years starting 1 April 2023.

At the start of the tender process, a number of selection criteria were defined, including: the proposed audit team, the organisation of the audit team, the technical consultation process, the audit approach, fee structure, flexibility and ability to respond to a changing environment, the transition plan, reputation and credentials and ability to mobilise relevant expertise and resources. The tender process included site visits to the most important markets and workshops with the group functions and business groups, which provided the opportunity to evaluate who the next auditor should be. These impressions, together with a comparison of the written tender offers, followed by presentations to the executive directors, senior management and members of the committee, led to a decision by the board to propose and recommend the appointment of Deloitte to the shareholders.

The decisive factors to recommend Deloitte were the consistent strong performance of the proposed team, the best perceived integrated audit approach and competitive fee proposal. The company's current auditor will remain in function until the conclusion of the audit for the 2023 financial year.

The committee held confidential meetings between its committee members and the internal and external auditors during the year. The committee held four meetings with the internal and external auditors.

Expertise and experience of the financial director and the finance function

The committee has satisfied itself that the financial director has appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skill set of the finance function met the group's requirements.

Based on an assessment performed annually, the committee is of the opinion that the finance function, as well as the financial director, is effective.

Discharge of responsibilities

The committee determined that, during the financial year under review, it had discharged its legal and other responsibilities as outlined in terms of its remit. The board concurred with this assessment.

Key focus areas going forward

The committee's key focus for the 2023 financial year includes the following:

- Discharging its functions in terms of its charter.
- Assessing the impact of changes to accounting standards.
- Ensuring group reporting is in accordance with Dutch corporate and securities law, including the Dutch Civil Code (*Burgerlijk Wetboek*) and the Financial Supervision Act (*Wet of het Financieel Toezicht*).
- Ongoing compliance with the Dutch Corporate Governance Code.
- Overseeing the mandatory audit firm rotation process.
- Focusing regularly on the group's working capital requirements and ensuring that the group and its subsidiaries continue to operate as going concerns.
- Reviewing and monitoring the accounting for potential mergers, acquisitions and disposal and the conduct of impairment tests.

Steve Pacak
Chair: Audit committee

25 June 2022

Report of the risk committee

Members of the committee

- SJZ Pacak (chair)[1]
- EM Choi[2]
- RCC Jafta
- AGZ Kemna[3]
- V Sgourdos
- B van Dijk

I am pleased to present the risk committee's report for the year ended 31 March 2022.

Composition and attendance

The committee comprises a minimum of three independent non-executive directors, as well as the chief executive and financial director. The chair of the board may be a member of the committee and may serve as chair of this committee. Don Eriksson, previously chair of the committee, retired as a board member with effect from 1 April 2021 and Steve Pacak was appointed as chair of this committee. Board members are entitled to attend committee meetings as observers. However, non-committee members are not entitled to participate without the consent of the chair; do not have a vote; and are not entitled to fees for attendance.

The names of members in office during the financial year and details of meetings attended by each member are shown on page 106.

Unless expressly noted, all members served on the committee for the full financial year. The committee held four meetings during the past financial year.

The committee has unrestricted access to company information falling within its mandate and will liaise with management on the information it requires to carry out its responsibilities.

Members of the committee have risk management skills and experience.

Responsibilities

The functions and responsibilities of the committee are set out in the risk committee charter and include, among others:

- Review and approve a risk management policy and plan developed by management and recommend such policy and plan to the board for approval. The risk policy and plan must be reviewed annually.
- Monitor the implementation of the risk management policy and plan, ensuring that an appropriate enterprisewide risk management system and process is in place with adequate and effective risk management processes that include strategy, ethics, operations, reporting, compliance, IT and sustainability.
- Make recommendations to the board concerning risk indicators, levels of risk tolerance and risk appetite (namely the board's propensity to take appropriate levels of risk) as well as the limit of the potential loss that the group has the capacity to tolerate.

The committee assists the board in recognising material risks to which the group is exposed and ensuring that the culture, policies and systems are implemented and are functioning effectively.

Management is accountable to the board for implementing and monitoring the processes of risk management and for integrating this into day-to-day activities. The PayU risk advisory committee reports to the risk committee to ensure that PayU management receives external independent advice and acts as an independent guardian to the risk committee on PayU-related matters.

An ongoing enterprisewide risk assessment process supports the group. This ensures risks are adequately identified, evaluated and managed at the appropriate level in each business and that their individual and joint impact on the group is considered.

Risk and audit assists in evaluating the effectiveness of the risk management process and comments on this in its own assessment report.

Key focus areas during the year

Recognising material risks to which the group is exposed and ensuring that the culture, policies and systems are implemented and functioning effectively.

- Implementing and monitoring the processes of risk management and for integrating this into day-to-day activities.
- Assessed the impact of the invasion of Ukraine by Russia on the group and adjusted the heat map and risk register accordingly.
- Ensuring risks are adequately identified, evaluated and managed at the appropriate level in each business, and that their individual and joint impact on the group is considered via the enterprisewide risk management process.
- Particularly focusing on data privacy, cybersecurity, sustainability, tax and IP.

Details of how we manage, govern and monitor information and technology, and compliance appear on pages 30 to 37.

Details of how risk, compliance, and information and technology are managed to result in the objectives recommended by the Dutch Corporate Governance Code are explained on page 88.

Key focus areas going forward

An ongoing focus on the management of changes in the risk environment, particularly for legal compliance, tax, sustainability and information, and technology-related risks such as cybersecurity, data privacy (specifically the implementation of the EU's General Data Protection Regulation) and the use of data-driven technologies.

Discharge of responsibilities

The committee determined that, during the financial year under review, it had discharged its responsibilities as outlined in terms of its remit.

The board concurred with this assessment.

The committee has presented the risk summary on pages 82 to 90.

Steve Pacak
Chair: Risk committee

25 June 2022

1 Appointed as the chair of the committee with effect from 1 April 2021.
2 Resigned with effect from 26 August 2021.
3 Appointed with effect from 9 September 2021.

Report of the sustainability committee

Members of the committee

- D Meyer (chair)[1]
- RCC Jafta
- FLN Letele
- V Sgourdos
- JDT Stofberg
- B van Dijk
- B van der Ross[2]

I am pleased to present the sustainability committee's report for the year ended 31 March 2022, where we outline how the committee has discharged its responsibilities as set out in the committee charter.

This committee comprises a majority non-executive directors, the chief executive officer and the financial director.

The committee held three meetings during the past financial year. The names of the members who were in office during the financial year and the details of the committee meetings attended by each of the members are shown on page 106.

Responsibilities

The functions and responsibilities of the committee are set out in the sustainability committee charter and include, among others:

- Overseeing and reporting on business ethics and sustainability, taking into account best practice, specific requirements of regulators and environmental, social and governance (ESG) reporting standards and frameworks.
- 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 whistleblowing (including in both instances those matters recommended by the Dutch Corporate Governance Code 2016) and other relevant stakeholder interests.

Key focus areas during the year:

- Stakeholder interests and relevant sustainability aspects and matters relating to business ethics and culture and the Speak Up policy.
- Training on sustainability.
- Skills and other development programmes aimed at the educational development of employees.
- Employment philosophy and how it is founded on promoting equality and preventing unfair discrimination.
- Labour practices and policies, and how these compare to the International Labour Organization on decent working conditions.
- Corporate social investment programmes, including details of donations and charitable giving.
- The progress of addressing the principles of the UN Global Compact and OECD guidelines.
- Consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws.

Key focus areas going forward

The committee recognises that the areas within its mandate are evolving and that management's responses will also adapt to changes in the ESG agenda.

Management will continue to improve reporting techniques in how it reports to the committee on responsible corporate citizenship and sustainability, using reporting frameworks such as the six capitals reporting framework and the United Nations Sustainable Development Goals (UN SDGs). Accordingly, the group will continue to enhance the way it reports on corporate citizenship and sustainability to its stakeholders in the annual report.

Conclusion

The committee is of the view that the group takes its ethics, social and governance responsibilities seriously.

Appropriate policies, plans and programmes are in place to contribute to management and governance of an ethical business culture, stakeholder relationships, social and economic development and good corporate citizenship.

No substantive non-compliance with legislation and regulation, or non-adherence with codes of best practice, relevant to the areas within the committee's mandate has been brought to its attention. Based on its monitoring activities to date, the committee has no reason to believe that any such non-compliance or non-adherence has occurred.

The committee determined that, during the financial year under review, it had discharged its legal and other responsibilities as outlined in terms of its remit, details of which are included on page 105. The board concurred with this assessment.

Debra Meyer
Chair: Sustainability committee

25 June 2022

1 Appointed chair with effect from 16 April 2021.
2 Retired with effect from 1 April 2022.

Report of the nominations committee

Members of the committee

- RCC Jafta (chair)
- JP Bekker
- HJ du Toit
- CL Enenstein
- R Oliveira de Lima

I am pleased to present the nominations committee's report for the year ended 31 March 2022. The committee has a charter approved by the board.

Membership and meetings attendance

The committee comprises a minimum of three directors, the majority of whom are independent. All members of the committee must be non-executive directors, the majority of whom are independent.

The committee held four meetings during the past financial year. The chair is an independent non-executive director.

The names of members in office during the financial year and details of meetings attended by each member are on page 106.

Board members are entitled to attend committee meetings as observers.

However, non-committee members are not entitled to participate without the consent of the chair; do not have a vote; and are not entitled to fees for attendance.

This committee has unrestricted access to company information falling within its mandate and will liaise with management on the information it requires to carry out its responsibilities.

Responsibilities

The functions and responsibilities of the committee are set out in the nominations committee charter and include, among others:

- Review annually the structure, size and composition of the board and, where appropriate, make recommendations to the board in respect thereof.
- Make recommendations to the board with regard to the appointment of new directors.
- Identify and nominate candidates to fill board vacancies.

Key focus areas during the year

During the financial year, the committee focused on the following:

- Assessment of the composition of the board to execute its duties effectively, inclusive of the changes made during the year.
- Assessment of compliance with the committee's charter.
- Assessment of the impact of the newly enacted gender diversity legislation in the Netherlands.
- Assessment of the effectiveness of the board, its members and the committees through a board evaluation process.
- Evaluation of the performance and independence of the company secretary.

Key areas of focus going forward

Focus areas for the committee going forward will include the following:

- Assessment of the composition of the board to execute its duties effectively.
- Evaluation of the board, including structure, size, composition, balance of skills, experience and diversity of the board and its committees.
- Ensuring there is a succession plan in place for the position of the chair of the board.

Conclusion

Following the review by the committee for the year ended 31 March 2022, the committee is of the view that, in all material respects, it has fulfilled its remit for the financial year.

The board concurred.

Rachel Jafta
Chair: Nominations committee

25 June 2022

Report of the human resources and remuneration committee

Members of the committee
- CL Enenstein (chair)
- JP Bekker
- EM Choi[1]
- R Oliveira de Lima

I am pleased to present the human resources and remuneration committee's report for the year ended 31 March 2022. The committee's main objective is to fulfil the board's responsibility for strategic human resources and remuneration aspects of the group.

The committee has a charter that encompasses Dutch Corporate Governance Code recommendations and is approved by the board.

Composition and attendance

The committee comprises a minimum of three directors. All members must be non-executive directors, the majority of whom are independent.

Board members are entitled to attend committee meetings as observers.

However, non-committee members are not entitled to participate without the consent of the chair; do not have a vote; and are not entitled to fees for attendance.

The chair of the committee is an independent non-executive director. The committee held five meetings during the past financial year.

The names of members in office during the financial year and details of meetings attended by each member are on page 106.

The committee has unrestricted access to company information falling within its mandate and will liaise with management on the information it requires to carry out its responsibilities.

Responsibilities

The functions and responsibilities of the committee are set out in the human resources and remuneration committee charter and include, among others:

- Every four years, submit a clear and understandable proposal to the board of Prosus of a remuneration policy for directors of Prosus.
- Review and approve annually the remuneration packages of the most senior executives, ensuring they are appropriate and in line with the remuneration policy.
- Review annually the company's code of business ethics and conduct.

Key focus areas during the year

Please refer to the remuneration report to see key focus areas of the committee during the financial year.

Key focus areas going forward

Key focus areas for the year ahead include the following:

- Continued engagement with shareholders on remuneration topics.
- Ongoing monitoring of market developments to ensure our remuneration structure allows us to compete globally for talent and that our offering is compelling, fair and responsible.
- Achieving an appropriate mix of longer-term incentives, including those to which performance conditions are attached.

Remuneration report

Having achieved its objectives for the financial year, the committee sets out the remuneration disclosure in the remuneration report, comprising our overarching remuneration policy for executive directors and non-executive directors and commentary on how it has been implemented during the year. The remuneration report is prepared in accordance with the requirements of the Dutch Corporate Governance Code and Dutch law. It is divided into three sections (background statement, remuneration policy and implementation) and is detailed on pages 113 to 141.

Craig Enenstein
Chair: Human resources and remuneration committee

25 June 2022

1 Resigned with effect from 26 August 2021.

Remuneration report

Craig Enenstein
Chair: Human resources and remuneration committee

'We aim to attract, motivate and retain the best people to create sustainable shareholder value.'

Members of the committee

- CL Enenstein (chair)
- JP Bekker
- EM Choi[1]
- R Oliveira de Lima

Key focus areas during the year

- Reflecting the business performance in the FY22 remuneration decisions.
- Ensuring correct pay-for-performance mix is applied.
- Setting short-term incentive (STI) targets, including environmental, social and governance (ESG) goals that are measurable, sufficiently stretched and linked to the group's strategy.
- Establishing high weighting of performance share units (PSUs) in the long-term incentive (LTI) mix for executive directors, ensuring alignment between executive remuneration and shareholder outcomes.
- Improving disclosure of executive remuneration in the annual report, in a bid for greater transparency.
- Continued engagement with shareholders on remuneration topics.
- Ongoing monitoring of market developments to ensure our remuneration structure allows us to compete globally for talent, and that our offering is compelling, fair and responsible.
- Considering independent external advice on non-executive directors' fees.

Dear Shareholder

On behalf of the board, I am pleased to present our remuneration report, covering the 2022 financial year (FY22).

Despite a year of global turmoil and uncertainty, the past financial year has seen a solid operational performance at the group. We have focused on building strong momentum in our Ecommerce portfolio and investing in our businesses to capture the significant market opportunities that we see.

Business performance[2]

The group has delivered a solid set of financial results for FY22. Group revenue, measured on an economic-interest basis, grew 24% (24%) to US$35.6bn. The Ecommerce segment revenue grew strongly, increasing 58% (51%) to US$9.8bn. Tencent's contribution to group revenue grew 14% (16%). Group trading profit reduced 10% (6%) to US$5.0bn, reflecting investment to expand the market opportunity for each segment and strengthen the customer ecosystems of our businesses. Tencent's contribution to the group's trading profit improved 2% (4%). Consolidated free cash outflow was US$562m, a decrease on the prior year's free cash inflow of US$126m, as we stepped up operational and working capital, and capital expenditure investment across our businesses. Core headline earnings were US$3.7bn, a reduction of 23% (20%), which reflects ongoing investment in our Ecommerce portfolio and a period of slower growth at Tencent.

Major transactions

In April 2021, we trimmed our shareholding in Tencent, selling 2% of Tencent's issued share capital, raising US$14.6bn and reducing our holding to 28.9%. Proceeds were used to support our investment programme and two US$5bn share buyback programmes that enhanced our net asset value (NAV) per share.

In August 2021, Prosus completed an exchange offer for 45.8% of Naspers N ordinary shares. This transaction has created a capital structure that, over time, is designed to allow the inherent value of the group to be better reflected in the share prices of Naspers and Prosus.

Global markets

Despite a solid operational performance across our portfolio, like many technology companies, we have faced significant and growing macroeconomic and geopolitical headwinds, particularly in the second half of the year. Weakening global markets, faced with higher inflation and rising interest rates, were plunged into turmoil when Russia invaded Ukraine. The combination of the appalling war in Ukraine, slowing growth and increased global uncertainty, has led to valuations of global technology companies declining sharply as investors' risk appetite has reduced.

Discount to net asset value

On the back of a confluence of negative factors, the discount in the Prosus and Naspers trading value relative to a sum-of-the-parts valuation grew to its highest level in FY22. While we continue to believe in focusing a material portion of executive directors' incentives on the non-Tencent portions of the group over the long run, we recognise there is a critical benefit to applying attention to reduction of the discount.

Remuneration report continued

For FY23, we are materially increasing the CEO's and CFO's short-term variable compensation exposure to the reduction of the discount. Given the potential of value creation for shareholders through discount reduction, we have designed a special incentive, focused exclusively on reduction of the discount. At the same time, we have very materially reduced the balance of annual compensation in order to emphasise the importance of this discount-centric incentive and align remuneration with shareholder performance. Where this requires a change in our remuneration policy, we will present this to shareholders for review and approval.

We believe strongly that discount reduction is fundamental to maximising shareholder returns and desire to ensure the CEO's and CFO's incentives are aligned with those of our shareholders. It is in this light that the committee decided not to award LTIs for FY23.

Details of the FY23 remuneration for the executive directors can be found on page 134 of this report.

Vesting of first PSU awards

Performance share units (PSUs) were awarded for the first time in FY20 and were introduced following feedback from our shareholders, to better incentivise long-term value creation in our underlying internet businesses, as well as close the discount to NAV. The first PSU awards were due to vest in June 2022 and will be settled in Naspers shares[3], based on the set number of shares at the time of grant. The performance condition as defined for the PSUs, measures the three-year CAGR valuation of the Ecommerce portfolio against a basket of global peers. Given the announcement of our intention to decouple Avito operationally from the group prior to the end of the financial year and the subsequent announcement of our intended sale of Avito, the board cannot yet determine the achievement of the PSU performance condition until the sale of that business has been concluded, even though the Avito business represents only a limited percentage of the Ecommerce valuation. We will inform shareholders as soon as practicable of the impact on the FY20 PSUs. The vesting for participants will be delayed until such time.

Disclosures

We have made considerable effort in improving disclosure of executive remuneration, in a bid for greater transparency. We have disclosed the STI goals and achievements for FY22. Showing our competitors details of the STI targets before the end of the financial year is not in the best interests of our shareholders, but from FY23 onwards, we will be disclosing these targets retrospectively.

Structure of report

In compliance with article 2:135b of the Dutch Civil Code, the European Shareholder Rights Directive (SRD II) and the Dutch Corporate Governance Code, this report is split into the following sections:

1. Background and policy: Provides a detailed overview of our approach to remuneration and information on the components of our executive pay packages.
   Read more on page 115

2. Implementation of the remuneration policy: Sets out information on how we implemented our policy for FY22.
   Read more on page 123

We conclude with an Additional information section on page 140.

It is noted that all remuneration is presented at 100%, including the cost that is apportioned to Naspers.

Our stakeholder engagement

We engage openly and frequently and take extensive input from our investors and advisers, including meetings directed specifically to discussing remuneration with shareholders, to clearly demonstrate the link between Prosus's strategy, business performance and our remuneration philosophy. The results of the prior year's advisory vote and the feedback from investor meetings were taken into account and debated by the remuneration committee, leading to a number of changes in remuneration design and disclosure, including adding a discount-linked STI as well as being committed to disclosing retrospective STI targets starting in 2023.

We strive for a higher level of N shareholder support for the remuneration resolutions and in that spirit, we will continue to make appropriate changes to our remuneration design and disclosures. We will continue to engage with our shareholders on a frequent basis.

I thank you for your feedback and support and look forward to our future interactions.

Craig Enenstein
Chair: Human resources and remuneration committee

25 June 2022

1 Emilie Choi resigned as member of the Prosus and Naspers board, effective 26 August 2021.
2 In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals. Numbers included in brackets represent the equivalent measure on the basis of growth in local currency, excluding acquisitions and disposals.
3 Includes the Prosus shares linked to Naspers PSUs as a result of the Prosus capitalisation issue in 2019.

Background and policy

Our philosophy

Our remuneration philosophy underpins our group's strategy and enables us to achieve our business objectives. Our commitment to pay for performance and alignment with shareholder value creation drives all our remuneration activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world. We believe in a level playing field for our people. We strive to pay fairly and responsibly. As much as possible, the structure of our pay is consistent, regardless of the seniority of the employee, ensuring equality of pay structures across all employees. In the committee's view, the remuneration policy achieved its stated objectives in the year under review.

Five key principles to guide our remuneration approach

Paying for performance

We believe in pay for performance: we are comfortable with bigger rewards for those that make the highest contribution.

Shareholder alignment

Remuneration must be aligned with shareholder outcomes.

Incentivisation

Remuneration must incentivise the achievement of strategic, operational, sustainability and financial objectives, in both the short and longer term.

Consistency

We are consistent: our reward package elements are broadly the same, regardless of seniority*.

Attracting and retaining talent

Our reward systems must help us attract and retain the best talent around the world in a fair and responsible way.

Fair

- Equitable: Free from discrimination
- Relevant: Linked to personal and company performance
- Rational: Easy to explain

Responsible

- Independent: With oversight, top-down via the board
- Managed: All employee pay decisions are properly overseen
- Considered: Judgement is applied; we shy away from solely formulaic appraisals that could lead to unacceptable outcomes
- Sustainable: Remuneration designed with sustainability in mind

We strive to deliver fair and consistent remuneration across all our business operations and this includes permanent and temporary employees, contractors, consultants and trainees.

Maintaining pay equality is embedded in our ways of working, and through regular analyses we compare compensation levels of groups of people, for example women versus men, performing in similar jobs. We conduct calibrations across the group as a standard process before (annual) reward decisions are taken, working towards closing unjustified pay gaps, should they exist.

* LTI is an important part of compensation for most employees, except those in junior roles.

Background and policy continued

Our competitive environment for talent

A global market for talent

We are a global rather than a Dutch company, operating in a highly competitive international environment. Most of our competitors are not listed in Amsterdam or included in the AEX index. Our remuneration practices are aligned within a global technology landscape and may differ from what is customary in a Dutch context. Executive talent comes from other international, often leading US-listed companies in the consumer internet sector, which forms the basis of our executive remuneration benchmarking.

Making executive pay decisions

OUR PAY PRINCIPLES

Pay for performance
Achieve the business plan

Attract and retain talent
Fair and responsible

Shareholder alignment
Longer term

INPUTS

Market situation – benchmarking

Individual performance as per STI	Business performance	Willis Towers Watson (WTW) data high-tech sector and general industry	AON Radford data high-tech sector	Peer group	Scenario analysis

When making executive pay decisions, we consider the individual's performance and the performance of the business.

We partner with local data providers in the countries in which we operate and with these two global providers of benchmarking information. Survey coverage is specifically strong in the US, Western Europe and in high-growth markets. We access its general industry and high-tech surveys (including media and technology).

Where appropriate and available, we look at publicly disclosed data that are more or less comparable in the ecommerce, consumer internet, food delivery and social media sector. The peer companies for remuneration benchmarking are referenced below[1].

The committee undertakes a thorough assessment to ensure that targets on variable incentives are sufficiently stretched in the context of potential remuneration delivered, and applies judgement so that the remuneration policy continues to achieve its objectives of aligning pay with the long-term performance of Prosus and shareholder outcomes.

Committee deliberation

OUPUTS

Pay decision

1 Amazon, Alphabet, Meta, PayPal Holdings, Netflix, Uber, Booking Holdings, Snap, Adyen, Twitter, Doordash, eBay, Wayfair Inc, Zillow Group, Zalando SE, Expedia Group Inc, Ocado Group, IAC/InterActiveCorp, Just Eat Takeaway.com, Adevinta and Auto Trader Group.

Background and policy continued

Our remuneration structure: Pay for performance

Remuneration for our executive directors consists of base salary, STI, LTI, pension and other benefits. The approach is similar for the CEO's other direct reports.

<table>
<tr><th colspan="6">FY22 Pay elements</th></tr>
<tr><th rowspan="2"></th><th colspan="5">Our pay design links to our pay principles</th></tr>
<tr><th>Pay for performance</th><th>Shareholder alignment</th><th>Incentivisation</th><th>Consistency</th><th>Attract and retain talent</th></tr>
<tr><td rowspan="2">Fixed remuneration</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td colspan="5">• Base salary reflects the contribution of the individual and market value of the role.
• Paid monthly in cash.
• May be reviewed annually; any increase is typically effective from 1 April each year.
• Benefits typically include pension, medical insurance, and life and disability insurance.</td></tr>
<tr><td rowspan="2">STI – Annual performance-related incentive</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td colspan="5">• Discretionary annual performance-related incentive with performance measures that are tailored to the executives' roles and responsibilities.
• At least 50% of the bonus opportunity is based on delivery of financial performance ahead of the board-approved business plan.
• Strategic and operational goals include an objective to address the holding company discount and additional financial performance metrics for the underlying businesses.
• Environmental and sustainability goals are set for the short and longer term. Target and maximum bonus opportunity are the same (no payout for over-performance against the target), and the standard STI is set at 100% of base salary for both the CEO and CFO.
• The committee undertakes a thorough assessment to ensure that targets are rigorous and sufficiently stretched. STI payout is typically below the maximum 100% opportunity.
• Any STI payout is made in cash.
• The committee may apply judgement with discretion to make appropriate adjustments to the annual bonus.</td></tr>
<tr><td rowspan="2">LTI – Performance share units (PSUs)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td colspan="5">• PSUs are designed to incentivise the increase in the value of internet businesses (excluding Tencent*), and deliver superior returns to shareholders.
• Three-year cliff-vesting, subject to the achievement of the performance condition.
• Performance condition is the three-year compound annual growth rate (CAGR) of the Global Ecommerce SAR scheme*, relative to a group of industry peers.
• Vested PSUs are settled in shares.
• Further details are available on page 118.

* It is noted that VK never was part of our Global Ecommerce SAR Plan. We announced in March our intention to write down the full carrying value of the VK asset.</td></tr>
<tr><td rowspan="2">LTI – Share appreciation rights (SARs)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td colspan="5">• SARs incentivise the growth in value of the business units or an aggregation of underlying assets. See page 120 for details on the valuations process and the valuation performance of the Ecommerce portfolio linked to the SARs plan.
• Any value upside delivered by individual businesses is offset by any value downside delivered by other businesses, thus ensuring that senior executives' remuneration is negatively affected should individual businesses not perform.
• The change in value is measured over a four-year period to ensure focus on the longer-term delivery of shareholder value.
• Any gains are settled in cash.</td></tr>
<tr><td rowspan="2">LTI – Share options (SOs)</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td colspan="5">• SOs: Any gains are based on the growth in share price over a four-year period.
• Performance hurdle: Value is only delivered to participants if there is an increase in the share price.
• Any gains are settled in shares.</td></tr>
</table>

Malus and clawback provisions apply to STI and LTI.

Background and policy continued

Executive director participation in LTI plans

The committee reviews three key elements before conducting the scenario analyses, to determine the size of any award of PSUs, SARs or SOs:

- Strong short-term (annual) personal performance leading to a decision to grant an LTI.
- Superior business performance over the time of the executive's tenure, leading to value creation in the scheme and for the shareholder.
- Industry benchmarking of executive compensation in consultation with external advisers WTW and FW Cook.

LTI awards represent a significant portion of total compensation and are designed to incentivise the delivery of sustainable longer-term growth and provide alignment with our shareholders. The entirety of our executive directors' LTI is determined by the performance of the company and growth in the valuation of the underlying assets and, as such, is deemed 'at risk'. LTI is only delivered to the executive directors, providing the PSU performance conditions are met and the share price of SARs or SOs have increased in value, ensuring strict alignment with our wider stakeholder interests.

Detailed scheme rules provide for the operation and governance by trustees of each scheme.

A blend of LTI

Our executive pay is heavily weighted towards longer-term performance, typically delivered in PSUs, SARs, and SOs. Each element of the LTI programme plays a distinct part in delivering a remuneration approach that drives business performance for the longer term and is fair, responsible, aligned with shareholder outcomes and relevant to the talented executives we need to attract and retain (as shown in the table on page 134).

In the past year we have made significant progress in shifting LTI towards compensating executive management on the performance of the Global Ecommerce portfolio, excluding Tencent. In FY22, the PSU plan and the SARs plan together made up 92.5% of the LTI allocation.

PSUs – measures the three-year CAGR valuation of the Ecommerce portfolio against a basket of global peers.

SARs – measures the value creation of directly controllable factors in the Global Ecommerce portfolio.

PSUs

Achievement of the performance condition will be assessed by the human resources and remuneration committee, based on the share price of the Global Ecommerce SAR Plan (in absolute and relative terms), validated by the valuations subcommittee as per the valuations process described on page 120.

The level of achievement relative to the performance condition at the end of the three-year performance period drives the number of shares that ultimately will vest:

- At threshold performance: 50% of the allocated shares would be awarded if the performance is at the 25th percentile of the peer group.
- At target performance: 100% of the allocated shares would be awarded if the performance is at the median of the peer group.
- At maximum performance: 200% of the allocated shares would be awarded if the performance is at the 75th percentile of the peer group.

The PSU threshold level of achievement is deliberately set at the 25th percentile, as it is positioned against a highly competitive set of comparator companies, as shown below. If the threshold level of performance is not achieved, no shares will be awarded to the participant. If more than the maximum performance is achieved, no more than 200% of the allocated shares would be awarded.

Peer group for PSU performance condition

For the performance condition underpinning the FY22 PSU grant, the peer group consists of Amazon, Alphabet, Meta, PayPal Holdings, Netflix, Square, Booking Holdings, Snap, Adyen, Twitter, eBay, Wayfair Inc, Zillow Group, Zalando SE, Deliveroo, Expedia Group Inc, Ocado Group, IAC/InterActiveCorp, Just Eat Takeaway.com, Adevinta, Auto Trader Group, and Qurate Retail.

The board remains committed and incentivised to continue on this journey for the long-term value creation of the group. To emphasise that intent, the FY23 remuneration will be adjusted accordingly. Further details can be found on page 134 of this report.

Background and policy continued

FY22 Blend of LTI (% in FY22 mix)	PSU (60%)	Global Ecommerce SAR (32.5%)	SOs (7.5%)
Plan characteristics	A performance share award that is transferred to participants after time restrictions have passed, subject to the performance condition being met. Cliff-vesting at the end of three years.	A right to benefit from any increase in value of the business unit over which an award is made. Vests over four years.	A right to buy a company share at a pre-agreed price. Vests over four years.
Performance	Three-year performance condition of the Global Ecommerce SAR scheme CAGR relative to a high-performing industry peer group[1]. Any potential gains are driven by achieving value growth in the underlying consumer internet assets (excluding Tencent).	Embedded with a performance hurdle as there is no value to be gained unless there is an increase in share value in the underlying, unlisted consumer internet businesses (excluding Tencent) between grant and vesting/exercise.	Embedded with a performance hurdle as there is no value to be gained unless there is an increase in share value between grant and vesting/exercise.
Settlement	Depending on the achievement against performance condition, between 0% and 200% of the awarded PSUs may vest and Prosus or Naspers[2] shares are delivered[3] on vesting.	Gains, if any, are settled in cash.	Upon exercise, SOs are settled in Naspers or Prosus shares[2,3].
Focus on longer-term value creation	Value driven by longer-term outcomes.	Valuation (by third party) driven by longer-term projections[4].	Market cap represents longer-term value.
Alignment with shareholder interests	Performance condition incentivises creating value in the underlying internet business, closing discount to NAV.	Incentivises value creation in underlying internet business (excluding Tencent).	Aligned with shareholders incentivising executive management to reduce the discount to NAV.

1 Please see page 118 for the current PSU peer group.
2 The issue of PSU and SO awards, if any, will gradually be rebalanced between Prosus and Naspers shares, aligned with the free-float ownership in Prosus and Naspers.
3 Shares are purchased on the market for cash to avoid shareholder dilution as a result of the company settling its LTI award obligations.
4 Please see page 120 for further detail on the valuation process.

Background and policy continued

Valuations

The Global Ecommerce portfolio

The performance of SARs and PSUs is determined by year-on-year changes in the per-share valuation of the group's Global Ecommerce portfolio. This made up 92.5% of the 2022 LTI allocation and excludes the performance of Tencent.

Methodology

The valuation is an amalgamation of a number of individual schemes and assets that are valued annually by an external valuer. In determining the company value and the scheme share value, the valuer shall use the appropriate application of reasonable valuation methods, including, without limitation, the use of comparable peer multiples, precedent transactions and discounted cash flow (DCF) valuations. Importantly, the methodology deployed in valuing the ecommerce schemes has remained consistent since inception, which is essential both for the legitimacy of the valuation and for transparency for the scheme participants.

Where predominantly employing a DCF methodology, the valuer is using assumptions for future cash generation, discount rates and long-term growth. These valuations assess the pathway to value creation and should serve as a critical component of a comprehensive compensation vehicle designed to align management performance and compensation, excluding Tencent, with shareholder outcomes. It is also important to note that funding is initially dilutive to value and many of our companies are early stage or loss-making, meaning that the schemes are diluted by short-term investment and acquisitions.

The Global Ecommerce portfolio scheme is made up of underlying schemes, each of which has a different set of assumptions.

2022 valuation outcome

During this financial year, the group's assets continued to outperform their plans and grow revenue strongly, with Ecommerce segment revenue accelerating meaningfully to 58% (51%) growth year on year versus 46% (54%) growth in the previous year. With this increased scale, each of the group's consolidated assets has achieved profitability at the core of their businesses and has identified additional investment areas to expand their overall opportunity sets. Despite this significantly improved performance, a decline in the value of the portfolio will reflect the de-rating of all our listed assets, including Delivery Hero in particular, and to a lesser extent a decline in the value of our unlisted assets. Although private markets have not declined as significantly, the valuation approach applied by the valuer includes a weighting to public-comparable companies with the overall result being a decline in our private portfolio.

Figure 1 – **Governance of our valuation process**

Valuation process

Underlying business submits 10-year business plan and annual budget.

Prosus reviews the 10-year business plans for each underlying business and provides them to the external valuer.

Independently from management, the valuer values the underlying assets at 31 March annually and additionally, whenever a significant change occurs.

The valuer issues a report detailing the valuation for each of the underlying operations.

Segment schemes and the ecommerce schemes are a 'basket of assets' representing the valuations of the underlying operations

Governance

1 REPORT ISSUED

The external valuer[1] issues a report with the respective share scheme valuations.

1 Currently Deloitte. The group has appointed KPMG as the new external valuer, conducting the valuations for the group's unlisted assets from FY23 onwards, as Deloitte has been appointed as the new auditor effective 1 April 2023.

2 REVIEW

The valuations subcommittee of the human resources and remuneration committee reviews the valuations before recommending the values for approval to the human resources and remuneration committee. The subcommittee consists of members of the board: Craig Enenstein (chair) and Steve Pacak.

3 SUBMISSION

Reports from the valuer and the valuations subcommittee are submitted to the human resources and remuneration committee as part of their approval process.

4 APPROVAL

Once the human resources and remuneration committee approves the valuations and resultant share prices, the share prices will be updated and participants can exercise their SARs or SOs at these updated prices in accordance with the trading-in-securities policy.

Background and policy continued

It is noted that, given the announcement of our intention to decouple Avito operationally from the group prior to the end of the financial year and the subsequent announcement of our intended sale of Avito, the board cannot yet determine the FY22 Global Ecommerce share price for the purpose of settling and issuing awards, until the sale of that business has been concluded. We will inform shareholders as soon as practicable. Until such time, the SARs plan remains closed.

Figure 1
Ecommerce portfolio and SARs performance 2019 to 2021

	2019	2020	2021
Ecommerce valuation (US$'m)	18 844	22 149	39 109
Ecommerce valuation growth	30.7%	17.5%	76.6%
SAR share price (US$'m)	35.95	41.47	64.28
Notional shares	13 102 799	13 351 913	15 210 390

Governance

Recruitment policy
On the appointment of a new executive director, their package will typically be in line with our remuneration policy. To facilitate recruitment, it may be necessary to 'buy out' remuneration forfeited on joining the company. This will be considered on a case-by-case basis and cash or LTI may be used.

Termination policy
Payments in lieu of notice may be made to executive directors, comprising salary for the unexpired portion of the notice period. Such payments may be phased. On cessation, there is no entitlement to an annual performance-related incentive (STI). However, the committee retains the discretion to award a bonus to a leaver during the financial year, taking into account the circumstances of their departure, considering pro-rating for time and actual performance achieved. There is no entitlement to a particular severance package provided for in the executive directors' contracts.

Malus and clawback
Malus and clawback provisions apply to the STI and LTI awarded to executive directors and the direct reports of the CEO, such that all or part of the unpaid STI may be modified or cancelled and all or part of the unvested LTI may be modified or cancelled and all or part of the vested LTI may be claimed back. Malus and clawback provisions may be invoked in case of certain material events, including cases of material financial misstatement or gross misconduct on the part of the executive director or directs of the CEO. In the financial year ended 31 March 2022, no malus and/or clawback was applied to any remuneration of the executive directors or any of the CEO's direct reports.

Service contracts
Executive directors' contracts comply with terms and conditions in the relevant local jurisdiction.

	Bob van Dijk	Basil Sgourdos
Date of appointment at the group	1 August 2013	1 August 1995
Date of appointment to current position	1 April 2014	1 July 2014
Employer notice period	Six months	Three months

Other non-executive roles
At 31 March 2022, Bob van Dijk was a non-executive director of Booking Holdings Inc.

Basil Sgourdos does not hold any board positions outside of the Prosus and Naspers groups.

Shareholding requirement for the CEO
To reflect the balance of the underlying value of the economic interests between Naspers and Prosus, the CEO is required to maintain a Naspers shareholding of four times his annual salary and a Prosus shareholding of six times his annual salary. He has a requirement of rebalancing his current holding of 10 times annual salary in Naspers shares by the end of FY23 while maintaining an overall combined holding in Naspers and Prosus shares of 10 times annual salary.

Background and policy continued

Non-executive directors' remuneration policy

The fee structure for non-executive directors has been designed to ensure we attract, retain and appropriately compensate a diverse and internationally experienced board of non-executive directors, given the highly competitive markets in which we operate, and the global competition we face.

Non-executive directors receive an annual fee as opposed to a fee per meeting, which recognises their ongoing responsibility for effective control of the company. They may also receive an additional fee for group board committees and subsidiary boards, to reflect the additional responsibilities and associated time commitment. Remuneration is reviewed regularly and is not linked to the company's share price or performance. Non-executive directors do not qualify for share allocations under the group's incentive schemes.

The remuneration of non-executive directors is determined following regular benchmarking that primarily considers international comparators in the consumer internet and media sectors, as well as top 10 AEX-listed and JSE-listed companies.

Dual responsibilities

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. The split was determined based on the underlying assets and the amount of time required to ensure that sufficient time is allocated to assume the dual responsibilities.

Non-executive directors' terms of appointment

The board has procedures for appointing and orienting directors. The nominations committee periodically assesses the skills represented on the board and determines whether these meet the company's needs. Annual self-evaluations are done by the board and its committees. Directors are invited to give their input in identifying potential candidates and we frequently engage the services of a reputable search firm. Members of the nominations committee propose suitable candidates for consideration by the board. A fit-and-proper evaluation is performed for each candidate.

Retirement and re-election of non-executive directors

The governance structures of Prosus and Naspers substantially mirror each other. Prosus and Naspers have an identical one-tier board structure of executive and non-executive directors.

All non-executive directors are subject to retirement and re-election by shareholders every three years. The names of non-executive directors submitted for election or re-election are accompanied by brief biographical details to enable shareholders to make an informed decision on their election. The reappointment of non-executive directors is not automatic.

Shareholder engagement

During the 2022 financial year, we engaged with our shareholders by way of regular (online) roadshows, and there are frequent discussions with our major shareholders, including on the topic of remuneration. We continue to engage with investors on remuneration topics.

We have outlined the committee's decision process on remuneration on page 116. A remuneration section is included on our Investor pages on our website at www.prosus.com, including a questions-and-answers video with the chair of the human resources and remuneration committee, Craig Enenstein.

For the full remuneration policy, refer to www.prosus.com/about/policies.

Implementation of remuneration policy

Aligning remuneration to our strategy and performance

In this section we outline how our remuneration policy for executive directors has been implemented during FY22 and how we intend to operate it during FY23. All decisions in relation to executive remuneration have been made in line with our remuneration policy for this financial year, reflecting our business performance and with the global impact of the pandemic in mind.

Our strategy	• 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. • Build sustainable leadership positions in high-growth markets. • Build businesses with big potential to address societal needs.
Our business priorities	• Classifieds • Food Delivery • Edtech • Payments and Fintech • Etail • Ventures • Social and Internet Platforms
Our financial highlights[1] (all figures from continuing operations)	• Revenue: US$35.6bn, up 24% (24%). • Trading profit: Down 10% (6%) to US$5.0bn. • Core headline earnings, the board's measure of sustainable operating performance: Down 23% (19%) on last year at US$3.7bn.
Our operating highlights[1]	• Ecommerce revenue of US$9.8bn for the year grew 58% (51%). Strong growth was seen across all our core segments. Each segment reported strong growth and profitability at the core and during the period we increased our level of investment on the back of that strength to expand the market opportunity for each segment and strengthen the underlying ecosystems of underlying businesses. This increased investment resulted in aggregated trading losses increasing to US$1 111m, from just US$429m in the prior year. • Classifieds: OLX Group revenue of US$2.98bn grew 86% (93%) from US$1.6bn in the prior year. This was largely driven by OLX Autos, which grew 158% (173%) year on year. Despite continued aggressive investment in the autos transaction business, pay-and-ship, and people and technology to build capacity for the next growth phase, trading profit was maintained largely at last year's level as the segment reported a trading profit of US$25m (FY21: US$9m). • Food Delivery portfolio companies continued to benefit from economies of scale and delivered strong growth. Total orders and gross merchandise value (GMV) grew 53% and 60% (59%) respectively, translating into 101% (77%) growth in revenue to US$3bn in the current year. While restaurant delivery platforms are nearing breakeven, the investment in adjacencies and growth initiatives has contributed to the increase in the Food Delivery segment's trading losses from US$355m in FY21 to US$724m in FY22. • The Payments and Fintech segment continued to benefit from the shift to digital payments. Revenue grew 38% (45%) to US$796m driven by strong performance in the India payment business and a strong recovery in the credit business. The segments' overall trading loss margin improved to negative 8% as trading losses reduced from US$68m in the prior year to US$60m. • Edtech grew revenue by 270% (55%) to US$425m. During the financial year, we made several investments and acquisitions, most notably the acquisition of a controlling stake in Stack Overflow and acquisitions within the BYJU'S group, leading to trading losses increasing to US$117m from US$14m in the prior year. Education remains a significant and high-potential sector with compelling secular tailwinds such as population growth in emerging markets. • Etail: eMAG reported a trading loss of US$34m for the year. eMAG group revenues increased by 3% representing revenue of US$2.3bn. eMAG in Bulgaria performed particularly well.
Remuneration outcome FY22	• We have largely met the targets set in our business plans, including financial performance, except for achieving core headline earnings including Tencent. With the significant volatility currently effecting the global capital markets, there are many factors that have led to an increase in the discount. Some of these factors are within the control of the group, while others are not. We acknowledge that the discount has risen to an unacceptable level and that taking action to reduce it while still executing the group's strategy, should be a top priority. To that end, we are committed to taking action on controllable uses. The next page contains information on the annual change of CEO compensation linked to the performance of the company, as well as the FY22 remuneration for the CEO and CFO as shown in the single-figure table. The outcomes of STI linked to all group financial goals and strategic, operational and ESG goals are disclosed on pages 126 and 127.

1 In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals. Numbers included in brackets represent the equivalent measure on the basis of growth in local currency, excluding acquisitions and disposals.

Implementation of remuneration policy continued

Aligning remuneration to our strategy

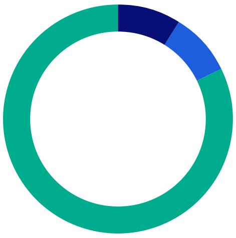
Compensation is substantially 'at risk' and longer term

Executive directors' remuneration is designed to drive the long-term success of the company. In FY22, the CEO remuneration comprised 91% variable pay and for the CFO that was 88%.

Of the executives' FY22 LTI awards, 92.5% was geared towards PSUs and SARs, which incentivise core-business-value growth, excluding Tencent.

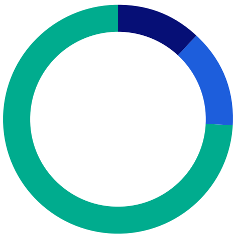
Figure 1 **Fixed salary, STI and LTI for each executive as at 31 March 2022**

Bob Van Dijk



	%
Annual fixed pay	**9**
Annual STI (target)	**9**
Annual fair-value LTI	**82**

Basil Sgourdos



	%
Annual fixed pay	**12**
Annual STI (target)	**12**
Annual fair-value LTI	**76**

Business performance and remuneration outcomes

Figure 2

Executive directors' remuneration versus company performance

	FY22 %	FY21 %	FY20[4] %	CAGR[5] %
CEO remuneration				
Cash[1] year-on-year change	(13)	5	9	0
LTI[2] year-on-year change	(2)	3	28	9
CFO remuneration				
Cash[1] year-on-year change	(9)	5	13	3
LTI[2] year-on-year change	(2)	17	26	13
Company performance				
Organic revenue growth[3]	24	33	23	25
Organic revenue growth[3] (excluding Tencent)	50	51	32	39
Ecommerce share price growth	footnote 6	55	15	n/a

1 Base salary + benefits + actual bonus payout, using the currency in which the CEO (in €) and CFO (in US$) are paid.
2 Fair value at grant, using the currency (US$) in which we grant LTIs.
3 Metric, excluding impact of foreign exchange (FX) and M&A.
4 FY20 growth measured from date of listing. It is noted that all remuneration is presented on a full-year basis and at 100%, including the cost that is apportioned to Naspers.
5 Period CAGR is between FY20 and FY22.
6 Given the announcement of our intention to decouple Avito operationally from the group prior to the end of the financial year and the subsequent announcement of our intended sale of Avito, the board cannot yet determine the FY22 Global Ecommerce share price for the purpose of settling and issuing awards, until the sale of that business has been concluded.

Single-figure table FY22 remuneration

Table 1 shows a single figure of remuneration and the implementation of the remuneration policy in FY22 for the executive directors.

€'000		Variable remuneration							
			LTI[2,3]						
Executive director	Base salary	STI[1]	PSUs	SARs	SOs	Pension	Other benefits[4]	Total remuneration[5]	Proportion of fixed and variable remuneration
Bob van Dijk, CEO	1 296	810	6 642	3 778	873	85	41	13 525	10%/90%
Basil Sgourdos, CFO	1 085	781	3 936	2 239	517	85	13	8 656	13%/87%

US$'000		Variable remuneration							
			LTI[2,3]						
Executive director	Base salary	STI[1]	PSUs	SARs	SOs	Pension	Other benefits[4]	Total remuneration[5]	Proportion of fixed and variable remuneration
Bob van Dijk, CEO	1 435	897	7 884	4 499	1 029	94	45	15 883	9%/91%
Basil Sgourdos, CFO	1 200	864	4 672	2 666	610	94	15	10 122	12%/88%

1 Actual payout over FY22 performance; achievement of STI goals is shown on page 125 of this remuneration report.
2 Represents the grant date fair value in accordance with IFRS 2 of awards made during FY22, assuming on-target vesting for PSUs. The actual value accruing to the executive will depend on the real value created over the time of the award. PSUs and SOs will be partly settled in Naspers shares (approximately 72.5%) and partly in Prosus shares (approximately 27.5%), aligned with the free-float ownership in Naspers|Prosus at time of grant. The figures disclosed in the 2021 remuneration report were estimated and therefore differ slightly from the figures reported in this table.
3 The IFRS 2 expense recognised for unvested and vested but unexercised LTI awards as at 31 March 2022 is -US$27m (-€23.3m) for the CEO and US$4.3m (€3.7m) for the CFO and does not reflect the impact of the non-adjusting subsequent event regarding the intended sale of Avito. The total IFRS 2 expense is shown in note 41 – Related party transactions and balances (executive directors remuneration) of the consolidated financial statements.
4 Medical insurance, life and disability insurance.
5 Executive directors are executive directors of both Naspers and Prosus. The costs of their remuneration as executive directors of these entities are split 10/90 between Naspers and Prosus. The remuneration paid to the executive directors reconciles with the executive directors' remuneration as disclosed in note 41 of the consolidated financial statements. In there, we show base pay, STI, pension and benefits at 90% of the aggregate cost as tabled in this remuneration report, plus the full IFRS 2 expense of the LTI per this footnote 3, minus the FY22 LTI awards in fair value at grant, as shown in this single-figure table.

Implementation of remuneration policy continued

CEO's remuneration in comparison to average employee remuneration

As we operate in high-growth economies where socio-economic disparity can be large, societal fairness is very important to us. We take our responsibilities in that respect seriously and ensure that our pay practices around the world are fair and competitive and well above minimum wage standards. Pay is an important aspect, but not the only consideration. In general, our people join us because of the opportunity to do meaningful work where they can make a difference and can learn and grow.

When reviewing the CEO's remuneration, the human resources and remuneration committee takes into account the employee remuneration globally across the group.

As a consumer internet company we have a wide geographical footprint. Most of our activities and employees are based in high-growth countries, including India, Brazil, Central and Eastern Europe, Russia[1] and South Africa. On a global level, the CEO pay ratio versus employees (including LTI) would be 340:1 (FY21: 316:1, FY20: 311:1. The increase versus last year is due to the now fully amortised relatively lower historical LTI grant). However, we do not consider the pay ratio to be an appropriate measure of fairness given the widely different pay levels that are observed in the countries where we operate. If we compare CEO pay versus employees in the Netherlands it shows a ratio of 40:1 (FY21: 19:1, FY20: 22:1. (Note: the increase for the Dutch ratio versus last year relates to the more junior employee profile in our recently acquired GoodHabitz business).

Also, as shown on page 124 of this remuneration report, the pay-at-risk portion for the CEO and, within that, more specifically LTI, weighs heavily in our total executive remuneration mix, as is typically found within the consumer internet and technology sector in which we compete for talent. For completeness sake we have, therefore, also reviewed the pay ratios excluding LTI, showing a ratio of 71:1 (FY21: 75:1. FY20: 72:1) globally and 14:1 (FY21: 6:1, FY20: 8:1) for the Netherlands.

The ratios are obtained by dividing the FY22 total remuneration for the CEO by the FY22 average total remuneration of all other employees. This includes salaries, wages, on-target bonus, pension and benefits for employees, excluding contractors and CEO remuneration. It also excludes training and development that we offer to our employees. Details of the staff costs can be found in note 14 on page 181 of the consolidated financial statements.

Competitive pay – knowledge workers

We review the pay levels of our staff at least annually and in relation to pay in the markets and countries that we operate in, our reward levels are competitive. We see the effectiveness of our reward philosophy and practices confirmed via our formalised employee engagement surveys. Most employees find that they are paid fairly, relative to similar jobs in other companies, reporting a high satisfaction level that is above external benchmarks.

Fairness

We strive to deliver fair and consistent remuneration across all our business operations and this includes temporary and permanent employees, contractors, consultants and trainees. Irrespective of the classification of the engagement, we ensure that our pay practices around the world are fair, competitive and above local minimum wage standards. We ensure that critical benefits and protection for our entire workforce are in line with the markets in which we operate.

1 As announced before the end of our financial year, we have decoupled from our Russian businesses.

Pay equality

Maintaining pay equality is embedded in our ways of working, where we compare compensation of groups of people, for example women versus men, performing in similar jobs. We conduct calibrations across the group as a standard process before (annual) reward decisions are taken, working towards closing unjustified pay gaps, should they exist.

Remuneration – response to the ongoing Covid-19 pandemic

When we entered the pandemic in 2020, we took prudent executive remuneration decisions. Executive directors and the directs of the CEO did not receive a pay increase for FY21 and LTI awards were deferred to September 2020. During FY21, competing in a sector that performed exceptionally well, we exceeded our business plan and delivered financial performance ahead of the budget as originally set pre-Covid-19. This performance was reflected in our remuneration decisions for FY22 and the CEO and CFO were granted LTI awards at similar levels as in FY21.

For employees below the executive directors and the directs of the CEO, pay reviews took their regular course during FY22, allowing us to address the demands of increasingly scarce technology talent.

STI – FY22 goals and achievements

STI is based on financial, strategic, operational and sustainability performance targets that are tailored for each role.

The minimum STI payout was 0% of base salary. The target and maximum STI opportunity are the same at 100% of base salary, in other words, there is no opportunity to overachieve on bonus payout.

All STI awards are paid out in cash.

Measurements for bonus achievement were based on the business plan for FY22.

We disclose the STI goals and achievements for FY22. STI goals are reflective of the annual business plan and many goals are representative of a multiyear effort, for example, to win new markets or increase our customer base. We believe that showing our competitors details of the goal targets before the financial year in order to support greater transparency, is not in the best interests of our shareholders. However, at the end of the new financial year we will be disclosing the FY23 targets in retrospect. Clearly, we have highlighted in the annual report metrics or developments for FY22 and FY23 that were included in the STI of the executive directors.

Strategic, operational and sustainability performance measures for both executive directors accounted for 50% of the total bonus opportunity. Strategic and operational performance measures include financial objectives on the underlying business' performance.

The assessment of the financial goal achievement excludes M&A.

FY20 PSU award vesting – delayed

The first PSU awards were due to vest in June 2022 and will be settled in Naspers shares[1], based on the set number of shares at the time of grant. The performance condition as defined for the PSUs, measures the three-year CAGR valuation of the Ecommerce portfolio against a basket of global peers. Given the announcement of our intention to decouple Avito operationally from the group prior to the end of the financial year and the subsequent announcement of our intended sale of Avito, the board cannot yet determine the achievement of the PSU performance condition until the valuation of that business has been concluded. We will inform shareholders as soon as practicable of the impact to the FY20 PSUs. The vesting for participants will be delayed until such time.

Implementation of remuneration policy continued

Investing for long-term value creation

Across our consumer internet businesses, we compete against both local and global 'tech titans'. Reaching scale relatively quickly, in terms of consumer numbers and markets served, is of paramount importance in this environment. It requires significant investment and often involves incurring losses in the early years. We make a deliberate choice to invest in these businesses, knowing that short-term profitability and free cash flow may be negative. As such, the financial architecture is quite different to that of traditional business models. The diversity in our portfolio allows us to sustain this investment phase. It is, therefore, appropriate to incentivise management to strike the right balance between investing to grow the business and outpace the competition in the long term and driving free cash flow generation and to not sacrifice the former for the short-term benefit of the latter.

Bob van Dijk
Maximum STI opportunity: 100% base salary

Further details can be found in the 2022 annual report on page 126.

Outcomes of STIs

The outcomes as shown in figure 1 on this page and figure 1 on page 127 resulted in annual bonus payout levels of €810 253 or 62.5% of base salary for Bob van Dijk and US$864 246 or 72% of base salary for Basil Sgourdos.

In FY22, a portion of the CEO's and CFO's STIs was associated with developing executable solutions to reduce the discount. Although the voluntary share exchange programme was developed and implemented, the discount increased during FY22, and therefore the committee used its discretion to determine that this objective has not been achieved.

All financial, strategic, operational and ESG goals are measurable and validated.

Figure 1 – **FY22 goals and achievements**

✓ Achieved ✕ Not achieved

Group financial goals	Weighting %	Description	Further information can be found in the annual report on page	Outcome	Actual payout
Revenue	10.0	Achieve revenue target (on an economic-interest basis and excluding M&A)	52	✕	€0
Core headline earnings (including Tencent)[1]	10.0	Achieve core headline earnings at target, including Tencent	54	✕	€0
Core headline earnings (excluding Tencent)[1]	20.0	Achieve core headline earnings at target, excluding Tencent	54	✓	€259 281
Free cash flow	10.0	Achieve free cash outflow at target	54	✓	€129 641
	50.0				€388 922

Strategic, operational and ESG goals	Weighting %	Description	Further information can be found in the annual report on page	Outcome	Actual payout
Classifieds	10.0	Deliver organic topline growth and organic trading profit growth at target	55	✓	€129 641
Food Delivery	10.0	Deliver organic topline growth and manage organic trading loss at target	59	✓	€129 641
Payments and Fintech	5.0	Deliver organic topline growth and manage organic trading loss at target	62	✓	€64 820
B2C	5.0	Deliver organic topline growth and organic trading profit at target	69	✕	€0
Edtech	5.0	Deliver organic topline growth and manage organic trading loss at target	66	✓*	€32 410
Holding company discount	10.0	Take structural action to address the holding company discount to NAV	8	✕	€0
Sustainability: Diversity and inclusion	2.5	Promote diversity and inclusion in the company and ensure high employee engagement	25	✓	€32 410
Sustainability: Climate sustainability	2.5	Be carbon-neutral on scope 1 and scope 2 emissions at the group level by year-end FY22	43	✓	€32 410
	50.0				€421 332

1 Core headline earnings is an alternative performance measurement. Please refer to 'Other information – Non-IFRS financial measures and alternative performance indicators' on page 142 of the annual report.
* The following target for Edtech was achieved: Organic topline revenue growth.

Implementation of remuneration policy continued

Figure 1 – **FY22 goals and achievements**

Basil Sgourdos

Maximum STI opportunity: 100% of base salary

Group financial goals	Weighting %	Description	Further information can be found in the annual report on page	Outcome	Actual payout
Core headline earnings (including Tencent)[1]	8.0	Achieve core headline earnings at target, including Tencent	54	×	US$0
Core headline earnings (excluding Tencent)[1]	17.0	Achieve core headline earnings at target, excluding Tencent	54	✓	US$204 058
Free cash flow	25.0	Achieve free cash outflow at target	54	✓	US$300 085
	50.0				US$504 143

Strategic, operational and ESG goals	Weighting %	Description	Further information can be found in the annual report on page	Outcome	Actual payout
Holding company discount	15.0	Take structural action to address the holding company discount to NAV	8	×	US$0
Taxation	12.5	Prudent and optimal tax management structure	79	✓	US$150 043
Investor relations	10.0	Ensure the IR programme is effective and impactful	98	✓*	US60 017
Group finance	5.0	Develop finance team to drive excellent delivery	25	✓	US$60 017
Governance, internal audit and risk management	2.5	Ensure that effective systems of internal control are operated throughout the group's controlled entities	97	✓	US$30 009
Sustainability: Diversity and inclusion	2.5	Promote diversity and inclusion in the function and ensure high employee engagement	25	✓	US$30 009
Sustainability: Climate sustainability	2.5	Be carbon-neutral on scope 1 and scope 2 emissions at the group level by year-end FY22	43	✓	US$30 009
	50.0				US$360 102

1 Core headline earnings is an alternative performance measurement. Please refer to 'Other information – Non-IFRS financial measures and alternative performance indicators' on page 126 of the annual report.

* The investor relations target is partly achieved.

Implementation of remuneration policy continued

LTI over FY22

LTI awards represent a significant portion of total compensation and are designed to incentivise the delivery of sustainable longer-term growth and provide alignment with our shareholders. The entirety of our executives' LTIs is determined by the performance of the company and growth in the valuation of the underlying assets and, as such, is deemed 'at risk'. In table 1 below and table 1 on page 130, we have set out information on unvested LTIs, including awards made during FY22 as well as awards that have vested[4] during FY22. Details of the group's LTI schemes settlement are disclosed in note 36 on page 215 of the consolidated financial statements on our website at www.prosus.com.

It is noted that, given the announcement of our intention to decouple Avito operationally from the group prior to the end of the financial year and the subsequent announcement of our intended sale of Avito, the board cannot yet determine the FY22 Global Ecommerce share price for the purpose of settling and issuing awards, until the sale of that business has been concluded. The trading of SARs and vesting of PSUs will be delayed until such time.

Table 1 – Overview of LTI awards for Bob van Dijk

	Main conditions of share plans					Number of unvested awards[1]				Value in US$	
Bob van Dijk	Performance metric	Award date	Vesting date(s)	Expiry date	Strike price of option/SAR	Opening balance 1 April 2021 (unvested)	Awarded during the year	Vested during the year	Closing balance 31 March 2022 (unvested)	Potential gain of awards vested during the year at vesting date[2]	Fair value of unvested awards 31 March 2022[3]
Naspers Performance Share Units (PSUs)	Three years cliff – TSR	09/09/2019	footnote 4	n/a	–	24 527	–	–	24 527	–	4 219 279
		21/09/2020	21/09/2023	n/a	–	48 302	–	–	48 302	–	5 630 946
		21/06/2021	21/06/2024	n/a	–	–	27 796	–	27 796	–	3 240 399
		Subtotal				72 829	27 796	–	100 625	–	13 090 624
Prosus Performance Share Units (PSUs)	Three years cliff – TSR	26/08/2021	26/08/2024	n/a	–	–	26 993	–	26 993	–	1 497 523
		Subtotal				–	26 993	–	26 993	–	1 497 523
Naspers Global Ecommerce Share Appreciation Rights (SARs)	Four-year measurement of value growth of ecommerce business units	15/08/2017	15/08/2021	15/08/2027	27.25	146 789	–	(146 789)	–	5 523 670	–
		15/08/2017	15/08/2022	15/08/2027	27.25	146 789	–	–	146 789	–	4 409 542
		08/09/2017	08/09/2021	08/09/2027	27.60	35 051	–	(35 051)	–	1 370 845	–
		08/09/2017	08/09/2022	08/09/2027	27.60	35 055	–	–	35 055	–	1 040 783
		25/06/2018	25/06/2021	25/06/2028	33.57	104 608	–	(104 608)	–	3 184 268	–
		25/06/2018	25/06/2022	25/06/2028	33.57	104 610	–	–	104 610	–	2 481 349
		16/07/2019	16/07/2021	16/07/2029	36.70	109 208	–	(109 208)	–	3 163 756	–
		16/07/2019	16/07/2022	16/07/2029	36.70	109 208	–	–	109 208	–	2 248 593
		16/07/2019	16/07/2023	16/07/2029	36.70	109 208	–	–	109 208	–	2 248 593
		21/09/2020	21/09/2021	21/09/2030	41.98	62 571	–	(62 571)	–	1 470 419	–
		21/09/2020	21/09/2022	21/09/2030	41.98	62 571	–	–	62 571	–	957 962
		21/09/2020	21/09/2023	21/09/2030	41.98	62 571	–	–	62 571	–	957 962
		21/09/2020	21/09/2024	21/09/2030	41.98	62 572	–	–	62 572	–	957 977
		21/06/2021	21/06/2022	21/06/2031	63.89	–	39 092	–	39 092	–	–
		21/06/2021	21/06/2023	21/06/2031	63.89	–	39 092	–	39 092	–	–
		21/06/2021	21/06/2024	21/06/2031	63.89	–	39 092	–	39 092	–	–
		21/06/2021	21/06/2025	21/06/2031	63.89	–	39 092	–	39 092	–	–
		Subtotal				1 150 811	156 368	(458 227)	848 952	14 712 956	15 302 760

Implementation of remuneration policy continued

Table 1 – Overview of LTI awards for Bob van Dijk (continued)

	Main conditions of share plans					Number of unvested awards[1]				Value in US$	
Bob van Dijk	Performance metric	Award date	Vesting date(s)	Expiry date	Strike price of option/SAR	Opening balance 1 April 2021 (unvested)	Awarded during the year	Vested during the year	Closing balance 31 March 2022 (unvested)	Potential gain of awards vested during the year at vesting date[2]	Fair value of unvested awards 31 March 2022[3]
Naspers N Share Options (SOs)	Four-year share price growth	05/07/2016	05/07/2021	05/07/2026	2 056.88	49 302	–	(49 302)	–	7 035 031	–
		08/09/2017	08/09/2021	08/09/2027	2 755.72	12 932	–	(12 932)	–	1 089 707	–
		25/06/2018	25/06/2021	25/06/2028	3 100.99	15 285	–	(15 285)	–	1 295 283	–
		25/06/2018	25/06/2022	25/06/2028	3 100.99	15 287	–	–	15 287	–	–
		16/07/2019	16/07/2021	16/07/2029	3 494.00	3 958	–	(3 958)	–	230 118	–
		16/07/2019	16/07/2022	16/07/2029	3 494.00	3 958	–	–	3 958	–	–
		16/07/2019	16/07/2023	16/07/2029	3 494.00	3 961	–	–	3 961	–	–
		21/09/2020	21/09/2021	21/09/2030	2 827.88	3 552	–	(3 552)	–	–	–
		21/09/2020	21/09/2022	21/09/2030	2 827.88	3 552	–	–	3 552	–	–
		21/09/2020	21/09/2023	21/09/2030	2 827.88	3 552	–	–	3 552	–	–
		21/09/2020	21/09/2024	21/09/2030	2 827.88	3 552	–	–	3 552	–	–
		13/07/2021	13/07/2022	13/07/2031	2 819.37	–	2 316	–	2 316	–	–
		13/07/2021	13/07/2023	13/07/2031	2 819.37	–	2 316	–	2 316	–	–
		13/07/2021	13/07/2024	13/07/2031	2 819.37	–	2 316	–	2 316	–	–
		13/07/2021	13/07/2025	13/07/2031	2 819.37	–	2 316	–	2 316	–	–
		Subtotal				118 891	9 264	(85 029)	43 126	9 650 140	–
Prosus N Share Options (SOs)	Four-year share price growth	26/08/2021	26/08/2022	26/08/2031	71.61	–	2 295	–	2 295	–	–
		26/08/2021	26/08/2023	26/08/2031	71.61	–	2 295	–	2 295	–	–
		26/08/2021	26/08/2024	26/08/2031	71.61	–	2 295	–	2 295	–	–
		26/08/2021	26/08/2025	26/08/2031	71.61	–	2 298	–	2 298	–	–
		Subtotal				–	9 183	–	9 183	–	–
		Total				1 342 531	229 604	(543 256)	1 028 879	24 363 096	29 890 907

1 The aggregated cash-settled liability of vested unexercised SARs is included in the aggregated cash-settled liability in note 36 of the consolidated financial statements on page 218. The share-based compensation reserve of vested but unexercised SO is included in the aggregated retained earnings balance shown on the consolidated statement of changes in equity of the consolidated financial statements on page 150.

2 The potential gain of awards vested in FY22 is calculated by taking the difference between the closing share price on vesting date and the offer price and multiplying that difference by the number of SOs/SARs that vested in FY22. The value does not necessarily accrue to the individual. It is available to them should they have chosen to exercise (buy and/or sell shares) on or after the date the SOs or SARs vested. As part of the Prosus listing and capitalisation issue, the MIH Internet Holdings B.V. and Naspers Restricted Stock Plan trusts elected to receive Prosus shares. In line with the capitalisation issue one (1) Prosus share is linked to each SO/PSU. The value of the Prosus share is included where relevant.

3 The fair value of unvested awards on 31 March 2022 is calculated by taking the difference between the closing share price on 31 March 2022 and the offer price (if applicable) and multiplying that difference by the number of unvested SOs/SARs/PSUs as at 31 March 2022 and assuming 100% vesting for the PSU awards. The closing share price applied for the Naspers Global Ecommerce SAR Plan reflects the best estimate share price as at 31 March 2022 and is in line with the group's IFRS 2 liability on page 218 of the consolidated financial statements, which does not reflect the impact of the non-adjusting subsequent event regarding the intended sale of Avito. All impacted LTI plans, including the Naspers Global Ecommerce SAR Plan, will remain under a ban on trade until such time as the sale of Avito is successfully concluded and, accordingly, participants will not be able to exercise their vested awards. As part of the Prosus listing and capitalisation issue, the MIH Internet Holdings B.V. and Naspers Restricted Stock Plan trusts elected to receive Prosus shares. In line with the capitalisation issue one (1) Prosus share is linked to each SO/PSU. The value of the Prosus share is included where relevant. The actual value accruing to the executive will depend on the real value created over the time of the award.

4 Given the announcement of our intention to decouple Avito operationally from the group prior to the end of the financial year and the subsequent announcement of our intended sale of Avito, the board cannot yet determine the achievement of the PSU performance condition until the sale of that business has been concluded. The vesting date will be delayed accordingly.

Implementation of remuneration policy continued

Table 1 – Overview of LTI awards for Basil Sgourdos

	Main conditions of share plans					Number of unvested awards[1]				Value in US$	
Basil Sgourdos	**Performance metric**	**Award date**	**Vesting date(s)**	**Expiry date**	**Strike price of option/SAR**	**Opening balance 1 April 2021 (unvested)**	**Awarded during the year**	**Vested during the year**	**Closing balance 31 March 2022 (unvested)**	**Potential gain of awards vested during the year at vesting date[2]**	**Fair value of unvested awards 31 March 2022[3]**
Naspers Performance Share Units (PSUs)	Three years cliff – TSR	09/09/2019	footnote 4	n/a	–	12 718	–	–	12 718	–	2 187 825
		21/09/2020	21/09/2023	n/a	–	28 623	–	–	28 623	–	3 336 809
		21/06/2021	21/06/2024	n/a	–	–	16 472	–	16 472	–	1 920 271
		Subtotal				41 341	16 472	–	57 813	–	7 444 906
Prosus Performance Share Units (PSUs)	Three years cliff – TSR	26/08/2021	26/08/2024	n/a	–	–	15 995	–	15 995	–	887 374
		Subtotal				–	15 995	–	15 995	–	887 374
Naspers Global Ecommerce Share Appreciation Rights (SARs)	Four-year measurement of value growth of ecommerce business units	29/08/2016	29/08/2021	29/08/2026	20.45	32 603	–	(32 603)	–	1 464 853	–
		15/08/2017	15/08/2021	15/08/2027	27.25	25 353	–	(25 353)	–	954 033	–
		15/08/2017	15/08/2022	15/08/2027	27.25	25 354	–	–	25 354	–	761 634
		08/09/2017	08/09/2021	08/09/2027	27.60	21 017	–	(21 017)	–	821 975	–
		08/09/2017	08/09/2022	08/09/2027	27.60	21 020	–	–	21 020	–	624 084
		25/06/2018	25/06/2021	25/06/2028	33.57	53 689	–	(53 689)	–	1 634 293	–
		25/06/2018	25/06/2022	25/06/2028	33.57	53 692	–	–	53 692	–	1 273 574
		16/07/2019	16/07/2021	16/07/2029	36.70	56 626	–	(56 626)	–	1 640 455	–
		16/07/2019	16/07/2022	16/07/2029	36.70	56 626	–	–	56 626	–	1 165 929
		16/07/2019	16/07/2023	16/07/2029	36.70	56 627	–	–	56 627	–	1 165 950
		21/09/2020	21/09/2021	21/09/2030	41.98	37 079	–	(37 079)	–	871 357	–
		21/09/2020	21/09/2022	21/09/2030	41.98	37 079	–	–	37 079	–	567 679
		21/09/2020	21/09/2023	21/09/2030	41.98	37 079	–	–	37 079	–	567 679
		21/09/2020	21/09/2024	21/09/2030	41.98	37 080	–	–	37 080	–	567 695
		21/06/2021	21/06/2022	21/06/2031	63.89	–	23 165	–	23 165	–	–
		21/06/2021	21/06/2023	21/06/2031	63.89	–	23 165	–	23 165	–	–
		21/06/2021	21/06/2024	21/06/2031	63.89	–	23 165	–	23 165	–	–
		21/06/2021	21/06/2025	21/06/2031	63.89	–	23 166	–	23 166	–	–
		Subtotal				550 924	92 661	(226 367)	417 218	7 386 966	6 694 225

Implementation of remuneration policy continued

Table 1 – Overview of LTI awards for Basil Sgourdos (continued)

	Main conditions of share plans					Number of unvested awards[1]				Value in US$	
Basil Sgourdos	**Performance metric**	**Award date**	**Vesting date(s)**	**Expiry date**	**Strike price of option/SAR**	**Opening balance 1 April 2021 (unvested)**	**Awarded during the year**	**Vested during the year**	**Closing balance 31 March 2022 (unvested)**	**Potential gain of awards vested during the year at vesting date[2]**	**Fair value of unvested awards 31 March 2022[3]**
Naspers N Share Options (SOs)	Four-year share price growth	29/08/2016	29/08/2021	29/08/2026	2 323.52	3 231	–	(3 231)	–	290 772	–
		08/09/2017	08/09/2021	08/09/2027	2 755.72	1 444	–	(1 444)	–	121 678	–
		25/06/2018	25/06/2021	25/06/2028	3 100.99	8 277	–	(8 277)	–	701 410	–
		25/06/2018	25/06/2022	25/06/2028	3 100.99	8 277	–	–	8 277	–	–
		16/07/2019	16/07/2021	16/07/2029	3 494.00	2 052	–	(2 052)	–	119 303	–
		16/07/2019	16/07/2022	16/07/2029	3 494.00	2 052	–	–	2 052	–	–
		16/07/2019	16/07/2023	16/07/2029	3 494.00	2 055	–	–	2 055	–	–
		21/09/2020	21/09/2021	21/09/2030	2 827.88	2 105	–	(2 105)	–	–	–
		21/09/2020	21/09/2022	21/09/2030	2 827.88	2 105	–	–	2 105	–	–
		21/09/2020	21/09/2023	21/09/2030	2 827.88	2 105	–	–	2 105	–	–
		21/09/2020	21/09/2024	21/09/2030	2 827.88	2 105	–	–	2 105	–	–
		13/07/2021	13/07/2022	13/07/2031	2 819.37	–	1 372	–	1 372	–	–
		13/07/2021	13/07/2023	13/07/2031	2 819.37	–	1 372	–	1 372	–	–
		13/07/2021	13/07/2024	13/07/2031	2 819.37	–	1 372	–	1 372	–	–
		13/07/2021	13/07/2025	13/07/2031	2 819.37	–	1 373	–	1 373	–	–
		Subtotal				35 808	5 489	(17 109)	24 188	1 233 163	–
Prosus Share Options (SOs)	Four-year share price growth	26/08/2021	26/08/2022	26/08/2031	71.61	–	1 360	–	1 360	–	–
		26/08/2021	26/08/2023	26/08/2031	71.61	–	1 360	–	1 360	–	–
		26/08/2021	26/08/2024	26/08/2031	71.61	–	1 360	–	1 360	–	–
		26/08/2021	26/08/2025	26/08/2031	71.61	–	1 362	–	1 362	–	–
		Subtotal				–	5 442	–	5 442	–	–
		Total				628 073	136 059	(243 476)	520 656	8 620 129	15 026 503

1 The aggregated cash-settled liability of vested unexercised SARs is included in the aggregated cash-settled liability in note 36 of the consolidated financial statements on page 218. The share-based compensation reserve of vested but unexercised SO is included in the aggregated retained earnings balance shown on the consolidated statement of changes in equity of the consolidated financial statements on page 150.

2 The potential gain of awards vested in FY22 is calculated by taking the difference between the closing share price on vesting date and the offer price and multiplying that difference by the number of SOs/SARs that vested in FY22. The value does not necessarily accrue to the individual. It is available to them should they have chosen to exercise (buy and/or sell shares) on or after the date the SOs or SARs vested. As part of the Prosus listing and capitalisation issue, the MIH Internet Holdings B.V. and Naspers Restricted Stock Plan trusts elected to receive Prosus shares. In line with the capitalisation issue one (1) Prosus share is linked to each SO/PSU. The value of the Prosus share is included where relevant.

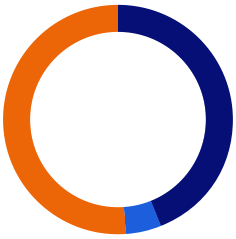
3 The fair value of unvested awards on 31 March 2022 is calculated by taking the difference between the closing share price on 31 March 2022 and the offer price (if applicable) and multiplying that difference by the number of unvested SOs/SARs/PSUs as at 31 March 2022 and assuming 100% vesting for the PSU awards. The closing share price applied for the Naspers Global Ecommerce SAR Plan reflects the best estimate share price as at 31 March 2022 and is in line with the group's IFRS 2 liability on page 218 of the consolidated financial statements, which does not reflect the impact of the non-adjusting subsequent event regarding the intended sale of Avito. All impacted LTI plans, including the Naspers Global Ecommerce SAR Plan, will remain under a ban on trade until such time as the sale of Avito is successfully concluded and, accordingly, participants will not be able to exercise their vested awards. As part of the Prosus listing and capitalisation issue, the MIH Internet Holdings B.V. and Naspers Restricted Stock Plan trusts elected to receive Prosus shares. In line with the capitalisation issue one (1) Prosus share is linked to each SO/PSU. The value of the Prosus share is included where relevant. The actual value accruing to the executive will depend on the real value created over the time of the award.

4 Given the announcement of our intention to decouple Avito operationally from the group prior to the end of the financial year and the subsequent announcement of our intended sale of Avito, the board cannot yet determine the achievement of the PSU performance condition until the sale of that business has been concluded. The vesting date will be delayed accordingly.

Implementation of remuneration policy continued

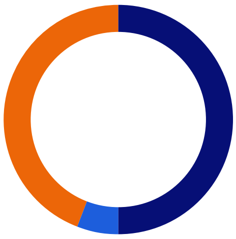
Figure 1 – The balance of executive directors' unvested LTIs (based on potential value) as at 31 March 2022:

Bob van Dijk



	%
Naspers PSUs	44
Prosus PSUs	5
Naspers SOs	0
Prosus SOs	0
Ecommerce SARs	51
Total	**100**

Basil Sgourdos



	%
Naspers PSUs	50
Prosus PSUs	6
Naspers SOs	0
Prosus SOs	0
Ecommerce SARs	44
Total	**100**

Executive directors' LTI exercised in FY22

Basil Sgourdos exercised Naspers SOs in the MIH Internet Holdings B.V. Share Trust that were due to expire on 2 July 2022 and he disposed of the Naspers shares that he received. The full net gain after tax was reinvested back into the group in the form of Prosus N ordinary shares, which he bought on the open market. The pre-tax gain amounted to US$2 418 642 and includes the value of the Prosus shares linked to his Naspers SOs as a result of the Prosus capitalisation issue in 2019. Details of the transaction are summarised in the table on the right.

Figure 2 – LTI exercised in FY22 by Basil Sgourdos

	Date exercised	Number of SOs/ SARs	Gross gain (pre-tax)
Naspers N SOs	31 January 2022	11 124	US$1 502 965
Naspers N SOs – linked Prosus shares	31 January 2022	11 124	US$915 677

Shares purchased in the market

Since 1 April 2018, to avoid shareholder dilution as a result of employee LTIs, the group has been purchasing Naspers and Prosus shares on JSE/Euronext for the purpose of issuing new Naspers SOs, Naspers PSUs, Naspers RSUs, Prosus SOs, Prosus PSUs and Prosus RSUs to employees and settling gains made on all share-based incentive schemes (prior to 31 March 2020).

In FY22, the group purchased Naspers N shares to the value of US$38m (FY21: US$48m) and Prosus N shares to the value of US$182m (FY21: US$65m) in the market, totalling US$220m (FY21: US$113m). Details of these Naspers and Prosus share purchases are summarised in figure 3 below and figure 1 on page 133 respectively.

Figure 3 – Prosus shares purchased in the market

	2022			2021		
	Number of shares	Purchase price (US$)[2]	Average market price range (€)	Number of shares	Purchase price (US$)[2]	Average purchase price range (€)
Prosus N.V. Share Award and Option Plan Trust[1]	2 064 211	182 002 007	42.44 and 84.58	670 032	64 703 088	77.40 and 108.81

1 The Prosus N.V. Share Award Plan is used to grant Prosus RSUs to employees of the group (executive directors are not eligible to receive RSUs) and PSUs to executive directors and eligible senior management. The Prosus N.V. Share Option Plan is used to grant Prosus options to executive directors and eligible senior management. Shares are purchased on Euronext and the Johannesburg Stock Exchange (JSE Limited) for non-South African and South African employees respectively.
2 Purchase price in euro (€) converted to US dollar (US$) by using the exchange rate on the date of purchase.

Implementation of remuneration policy continued

Figure 1 – **Naspers shares purchased in the market**

	2022			2021		
	Number of shares	**Purchase price (US$)[2]**	**Average market price range (R)**	**Number of shares**	**Purchase price (US$)[2]**	**Average purchase price range (R)**
MIH Internet Holdings Share Trust[1]	77 813	16 125 917	2 467.00 to 2 978.27	107 101	19 444 686	2 978.39 to 3 111.41
MIH Holdings Share Trust[1]	71 096	14 545 917	1 978.64 to 2 978.27	68 718	12 285 548	3 042.13
Naspers Restricted Stock Plan Trust	36 939	7 712 018	2 978.27	92 918	16 612 074	3 042.13
Total	**185 848**	**38 383 852**		**268 737**	**48 342 308**	

1 The MIH Internet Holdings Share Trust is used to grant Naspers options to our non-South African employees. The MIH Holdings Share Trust is used to grant Naspers options to our South African employees.
2 Purchase price in rand (ZAR) converted to US dollar (US$) by using the exchange rate on the date of purchase.

Dilutive impact of group LTI schemes

The board has determined that no more than 5% of the current N ordinary share capital may be used for purposes of share-based incentive schemes.

LTI costs

LTIs across the group account for 17.2% of total staff costs, and 3.6% of overall group costs, for example the cost of providing services and sale of goods, selling, general and administration expenses. The LTI costs decreased due to changes in valuation assumptions, including share prices and volatility, as well as the impact of allocations made and vesting of options. Further details can be found in note 36 on page 216 of the consolidated financial statements on our website at www.prosus.com.

Statement of compliance

Termination payments

No termination payments were made to executive and non-executive directors on termination of employment or office in FY22.

Malus and clawbacks

Malus and clawback provisions apply to the STI and LTI awarded to executive directors and the directs of the CEO. In FY22, no malus or clawback was applied to any remuneration of the executive directors and the directs of the CEO.

CEO shareholding requirement

The CEOs shareholding requirement of rebalancing his current holding of 10 times annual salary in Naspers shares by the end of FY23, while maintaining an overall combined holding in Naspers and Prosus shares of 10 times annual salary, is already met.

Implementation of remuneration policy continued

Looking forward to FY23

Given the increase in the discount to net asset value, we determined for FY23 to make three material changes in CEO and CFO remuneration. First, as is also suggested for the board, there will be no increase to base salary. Second, there will be no issuance of LTI for the financial year. Finally, a new discount-linked STI is being put forth to ensure intense focus is put into material reduction of the discount to net asset value.

We believe this one-year decision is prudent and consistent with our commitment to ensure there is proper alignment between executive and shareholder outcomes.

The special incentive, if approved by shareholders, will be a discount-linked STI whereby the CEO and CFO will only be paid on successful discount reduction. The aspiration is to create an even greater focus on discount improvement and to align the incentives outcome directly with shareholder outcomes. Moreover, we believe that a discount reduction only deserves CEO and CFO remuneration if the reduction holds. The above-mentioned special incentive will be held in reserve until 31 March 2024 and remeasured against a claw-back provision. After the first fiscal year, the committee will evaluate the success of the special incentive and determine whether another similar incentive should be implemented for the subsequent financial year.

We believe strongly that discount reduction is fundamental to maximising shareholder returns and desire to ensure the CEO's incentives are aligned with those of our shareholders. It is in this light that, although LTI continues to be an important element in our executive compensation, the committee decided not to award LTIs for FY23. The committee does intend to award LTI in FY24.

FY23 single-figure table

EUR'000		Variable remuneration						
Executive director	Fixed remuneration[1]	Standard STI[2]	Discount-linked STI[3]	LTI[4]	Pension	Other benefits[5]	Total remuneration[6]	Proportion of fixed and variable remuneration
Bob van Dijk, CEO	1 296	1 296	3 150	0	85	44	5 871	22%/78%
Basil Sgourdos, CFO	1 085	1 085	1 807	0	85	15	4 077	27%/73%

FY23 single-figure table

US$'000		Variable remuneration						
Executive director	Fixed remuneration[1]	Standard STI[2]	Discount-linked STI[3]	LTI[4]	Pension	Other benefits[5]	Total remuneration[6]	Proportion of fixed and variable remuneration
Bob van Dijk, CEO	1 435	1 435	3 486	0	94	49	6 498	22%/78%
Basil Sgourdos, CFO	1 200	1 200	2 000	0	94	16	4 510	27%/73%

1 The executive directors will not receive an increase in base salary for FY23.
2 This is the at-target and also maximum STI as a percentage to base salary. FY23 STI goals are shown on page 135 of this remuneration report.
3 This special cash incentive, if approved by shareholders, will be a discount-linked STI whereby the CEO and CFO will only be paid on successful discount reduction. This target amount is also the maximum amount achievable. Any achievement pay-out on this FY23 discount-linked STI will be held in reserve until 31 March 2024 and remeasured against a claw-back provision.
4 There will be no FY23 LTI award for the executive directors.
5 Medical insurance, life and disability insurance.
6 Executive directors are executive directors of both Naspers and Prosus. Their remuneration as executive directors of these entities is currently split 10/90 between Naspers and Prosus.

Discount-linked STI

The special incentive, if approved by shareholders, will be a discount-linked STI whereby the CEO and CFO will only be paid on successful discount reduction. The aspiration is to create an even greater focus on discount improvement and to align the incentives outcome directly with shareholder outcomes. Moreover, we believe that a discount reduction only deserves CEO and CFO remuneration if the reduction holds. The above-mentioned special incentive will be held in reserve until 31 March 2024 and remeasured against a claw-back provision.

Implementation of remuneration policy continued

FY23 STI goals

In this report, we have disclosed the STI goals and achievements for FY22. We believe that showing our competitors details of the STI targets before the end of the financial year, is not in the best interests of our shareholders, but from FY23 onwards, we will be disclosing these targets retrospectively.

All financial, strategic, operational and ESG goals are measurable and validated.

The committee undertakes a thorough assessment to ensure that targets are sufficiently stretched in the context of potential remuneration delivered.

Bob van Dijk

Target and maximum STI opportunity: 100% base salary (Standard FY23 STI)

Group financial goals	Weighting %	Description	Maximum payout
Core headline earnings (including Tencent)	19.05%	Achieve core headline earnings at target, including Tencent	€246 965
Free cash flow	19.05%	Achieve free cash outflow at target	€246 965

Strategic, operational and environment, social and governance (ESG) goals	Weighting %	Description	Maximum payout
Ecommerce financials	14.28%	Deliver organic topline growth at target, excluding Tencent	€185 127
	14.28%	Manage trading loss at target	€185 127
Sustainability: Diversity and inclusion	16.67%	Promote diversity and inclusion in the function and ensure high employee engagement	€216 111
Sustainability: Climate sustainability	16.67%	Reduce scope 1 and scope 2 emissions to zero at group level by year-end FY23	€216 111

Basil Sgourdos

Target and maximum STI opportunity: 100% of base salary (Standard FY23 STI)

Group financial goals	Weighting %	Description	Maximum payout
Core headline earnings (including Tencent)	19.05%	Achieve core headline earnings at target, including Tencent	US$228 665
Free cash flow	19.05%	Achieve free cash outflow at target	US$228 665

Strategic, operational and ESG goals	Weighting %	Description	Maximum payout
Taxation	9.52%	Execute plans to navigate the changing global tax landscape	US$114 272
Governance, internal audit and risk management	9.52%	Ensure that effective systems of internal control are operated throughout the group's controlled entities	US$114 272
Balance sheet	9.52%	Take action to support our debt ratings responding to macro impacts on the balance sheet	US$114 272
Sustainability: Diversity and inclusion	16.67%	Promote diversity and inclusion in the function and ensure high employee engagement	US$200 097
Sustainability: Climate sustainability	16.67%	Reduce scope 1 and scope 2 emissions to zero at group level by year-end FY23	US$200 097

Implementation of remuneration policy continued

Non-executive directors

Non-executive directors' fees

Given the global scale and complexity of the businesses that the group operates and in which it has interests, it is important that we can attract and retain the best globally orientated board members. The committee conducts a regular benchmarking exercise to ascertain whether the fees for non-executive directors are competitive, fair and reasonable.

The committee is informed by the external market when reviewing the fee structure and levels for our non-executive directors. This includes primarily market fee levels for the Naspers and Prosus industry peers internationally, as well as fee levels observed in the Top 10 AEX and JSE companies.

At the August 2021 AGM, shareholders approved a 5% increase of the non-executive directors' fees for FY22 and FY23, based on a recent review of the external market data and inputs from our advisory partners. However, in view of the share performance, the board is proposing to defer the FY23 fee increase to FY24.

Non-executive directors' fee development	2020 %	2021 %	2022 %	2023 % (deferring to 2024)	2024 %
Board	5	0	5	0	5
Committees	5	0	5	0	5
Trustees of group share schemes/other personnel funds	5	0	5	0	5
All members: Daily fees when travelling to and attending meetings outside home country	0	0	0	0	0

Note: Following the listing of Prosus N.V. (Prosus) on Euronext Amsterdam in September 2019, Naspers non-executive directors serve on the boards of both companies. As a result of the non-executive directors assuming these dual responsibilities, the fees are split between Naspers and Prosus, on a 30/70 basis. Non-executive directors do not receive variable remuneration.

No additional fees are paid to board members serving on the projects committee or on the valuations subcommittee of the human resources and remuneration committee. Non-executive directors do not receive any short- or long-term incentives or equity-based compensation.

Non-executive directors serve on the board of both Naspers and Prosus and receive no additional compensation for their dual responsibilities to Naspers and Prosus. Fees are split between Naspers and Prosus on a 30/70 basis, pro-rated from the date of listing of Prosus. The split was determined based on the underlying assets and the amount of time required to ensure that sufficient time is allocated to assume the dual responsibilities.

The non-executive chair does not receive additional remuneration for attending meetings or being a member of or chairing any committee of the board or attending Tencent board and committee meetings.

Non-executive directors' fees

In US$ (unless otherwise stated)		Naspers: 31 March 2022[1]	Prosus: 31 March 2022[1]	31 March 2022[1]	31 March 2021
Board					
	Chair[2]	156 973	366 270	523 243	498 325
	Member	62 789	146 508	209 297	199 330
	Daily fees when travelling to and attending meetings outside home country	1 050	2 450	3 500	3 500
Committees					
Audit committee	Chair	38 675	90 241	128 915	122 775
	Member	15 470	36 096	51 566	49 110
Risk committee	Chair	22 972	53 601	76 573	72 925
	Member	9 189	21 440	30 629	29 170
Human resources and remuneration committee	Chair	27 177	63 413	90 590	86 275
	Member	10 871	25 365	36 236	34 510
Nominations committee	Chair	14 648	34 178	48 825	46 500
	Member	5 859	13 671	19 530	18 600
Sustainability committee	Chair	20 104	46 909	67 013	63 825
	Member	8 042	18 764	26 805	25 530
Other	Trustee of group share schemes/other personnel funds	R16 934	R39 514	R56 448	R53 760

1 Following the listing of Prosus on Euronext Amsterdam, Naspers non-executive directors serve on the boards of both Naspers and Prosus. As a result of the non-executive directors assuming these dual responsibilities, the proposed fees will be split between Naspers and Prosus on a 30/70 basis.

2 The chair of Prosus does not receive additional remuneration for attending meetings or being a member of or chairing any committee of the board. He receives no compensation for serving on the board of Tencent.

Implementation of remuneration policy continued

Non-executive directors' fees

	FY22							FY21						
US$'000	**Directors' fees[1]**		**Committee and trustee fees**		**Other fees[2]**		**Total**	**Directors' fees[1]**		**Committee and trustee fees**		**Other fees[2]**		**Total**
Non-executive directors	**Paid by company**	**Paid by subsidiary**	**Paid by company**	**Paid by subsi-diary**	**Paid by company**	**Paid by subsidiary**	**FY22**	**Paid by company**	**Paid by subsi-diary**	**Paid by company**	**Paid by subsi-diary**	**Paid by company**	**Paid by subsi-diary**	**FY21**
JP Bekker[3]	558	24	–	8	–	–	**590**	533	22	–	7	–	–	**562**
EM Choi[4]	109	–	27	–	–	–	**136**	224	–	64	–	–	–	**288**
HJ du Toit[5]	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
CL Enenstein	244	–	110	–	–	50	**404**	234	–	105	–	–	50	**389**
DG Eriksson[6]		–	–	–	–	–	–	234	–	260	–	–	–	**494**
M Girotra	234	–	52	–	–	–	**286**	234	–	49	–	–	–	**283**
RCC Jafta	244	72	127	42	–	–	**485**	234	65	150	23	–	–	**472**
AGZ Kemna[7]	160	–	54	–	–	–	**214**	-	–	-	–	–	–	**–**
FLN Letele	244	–	27	–	–	–	**271**	231	–	26	–	–	–	**257**
D Meyer	241	–	67	–	–	–	**308**	234	–	26	–	–	–	**260**
R Oliveira de Lima	244	–	56	–	–	50	**350**	234	–	53	–	–	50	**337**
SJZ Pacak	244	–	205	–	–	–	**449**	234	–	59	–	–	–	**293**
MR Sorour[8]	244	139	–	–	–	120	**503**	234	150	–	–	–	120	**504**
JDT Stofberg	244	–	27	–	–	–	**271**	231	–	26	–	–	–	**257**
BJ van der Ross[9]	244	–	27	–	–	–	**271**	234	–	29	–	–	–	**263**
Y Xu	244	–	–	–	–	–	**244**	177	–	–	–	–	–	**177**
Total	**3 498**	**235**	**779**	**50**	**–**	**220**	**4 782**	**3 502**	**237**	**847**	**30**	**–**	**220**	**4 836**

1 Following the listing of Prosus, non-executive directors serve on the boards of both Naspers and Prosus. As a result of the non-executive directors assuming dual responsibilities, the fees were split between Naspers and Prosus on a 30/70 basis.
2 Compensation for assignments.
3 Koos Bekker elected to donate the after-tax rand equivalent of all his director's fees to education. This year the recipient will be the primary school in Heidelberg, Gauteng, South Africa, that he attended.
4 Emilie Choi resigned with effect from 26 August 2021.
5 Hendrik du Toit elected not to receive directors' fees.
6 Retired with effect from 1 April 2021.
7 Appointed with effect from 24 August 2021.
8 Mark Sorour received US$14 227.13 from MIH Holdings Proprietary Limited for the period 1 April 2021 to 31 March 2022. This payment relates to the increased cost of medical aid for retired members of the MMED medical aid scheme as a result of the unbundling of MultiChoice Group. Originally, it was noted that the company will provide an annual allowance to cover the difference in cost for retired scheme members during FY20 and FY21 only. However, this was extended to FY22. This is not disclosed in the above table.
9 Retired with effect from 1 April 2022.

Implementation of remuneration policy continued

General notes

Directors' fees include fees for services as directors, where appropriate, of Naspers and Media24 Proprietary Limited. An additional fee may be paid to directors for work done as directors with specific expertise. Committee fees include fees for attending meetings of the audit committee, risk committee, human resources and remuneration committee, nominations committee and the sustainability committee. Non-executive directors are subject to regulations on appointment and rotation in terms of Naspers's memorandum of incorporation, Prosus's articles of association, Dutch legal requirements and the South African Companies Act.

As announced on 20 December 2021, the board decided to nominate Sharmistha Dubey for appointment as a non-executive director of Prosus. Sharmistha holds no Prosus N or A1 ordinary shares.

The group arranges for, and pays, directors' and officers' liability insurance for the directors and officers of the group.

As at the date of this report, the group has not provided any personal loans, advances or guarantees to the executive and non-executive directors.

Koos Bekker and Cobus Stofberg each have an indirect 25% interest in Wheatfields 221 Proprietary Limited, which controls 168 605 Naspers Beleggings (RF) Limited ordinary shares, 16 860 500 Keeromstraat 30 Beleggings (RF) Limited ordinary shares, 179 988 (2020: 179 988) Naspers A shares and 834 540 (2021: 657 609) Prosus A1 shares.

Compliance

There were no deviations from the executive and non-executive directors' remuneration policy in FY22.

Figure 1

Executive and non-executive directors' interest in Prosus shares

The non-executive directors of Prosus had the following interests in Prosus A1 ordinary shares on 31 March 2022:

	31 March 2022			31 March 2021		
	Prosus A1 ordinary shares[1]			Prosus A1 ordinary shares		
	Beneficial			Beneficial		
Name	**Direct**	**Indirect**	**Total**	**Direct**	**Indirect**	**Total**
SJZ Pacak	–	486	**486**	–	383	**383**
JDT Stofberg	–	810	**810**	–	639	**639**
Total	**–**	**1 296**	**1 296**	**–**	**1 022**	**1 022**

1 As part of the implementation of the share exchange offer approved by shareholders on 9 July 2021, additional ordinary shares A1 were issued to holders of ordinary shares A1 on a pro rata basis on 16 August 2021.

Implementation of remuneration policy continued

Figure 1
The executive and non-executive directors had the following interests in Prosus ordinary shares N on 31 March 2022:

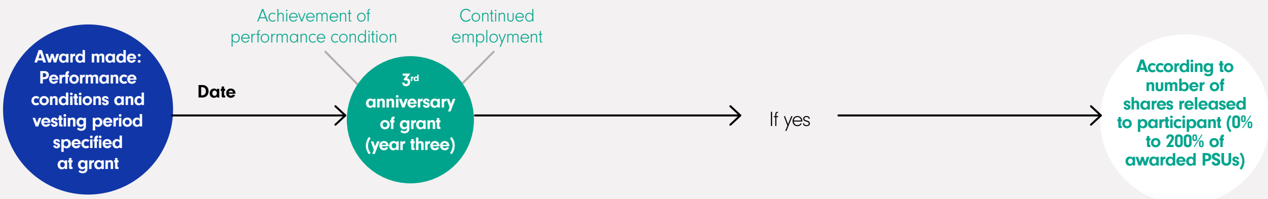
	31 March 2022			31 March 2021		
	Prosus ordinary shares N			Prosus ordinary shares N		
	Beneficial			Beneficial		
Name	Direct	Indirect[1]	Total	Direct	Indirect	Total
JP Bekker[2]	–	11 513 809	**11 513 809**	–	4 688 691	**4 688 691**
EM Choi[3]	–	–	**–**	–	–	**–**
HJ du Toit[2]	5 111	–	**5 111**	–	–	**–**
CL Enenstein	–	415	**415**	–	415	**415**
DG Eriksson[4]	–	–	**–**	–	–	**–**
M Girotra	–	–	**–**	–	–	**–**
RCC Jafta	–	–	**–**	–	–	**–**
AGZ Kemna[5]	–	–	**–**	–	–	**–**
FLN Letele	2 604	–	**2 604**	2 604	–	**2 604**
D Meyer	–	–	**–**	–	–	**–**
R Oliveira de Lima	–	–	**–**	–	–	**–**
SJZ Pacak[2]	460 911	747 086	**1 207 997**	–	630 635	**630 635**
V Sgourdos[2, 6]	110 890	102 290	**213 180**	32 483	98 410	**130 893**
MR Sorour[2]	3 955	442	**4 397**	2 145	442	**2 587**
JDT Stofberg[2]	415 966	141 888	**557 854**	183 317	141 888	**325 205**
BJ van der Ross[2, 7, 8]	6 262	5 294	**11 556**	2 550	2 000	**4 550**
B van Dijk[2, 9]	249 975	1 085 405	**1 335 380**	51 809	1 003 928	**1 055 737**
Y Xu	–	–	**–**	–	–	**–**
Total	**1 255 674**	**13 596 629**	**14 852 303**	**274 908**	**6 566 409**	**6 841 317**

1 Prosus SOs that have been released (vested), but have not yet been exercised, are included in the indirect column:
Bob van Dijk: 1 085 405 (2021: 1 003 928). Basil Sgourdos: 102 290 (2021: 98 410). Steve Pacak: 54 000 (2021: 54 000).
2 Each of these directors participated in the share exchange that was approved by shareholders on 9 July 2021 and concluded on 16 August 2021. As part of this transaction, the directors traded a portion of their Naspers N ordinary shares in exchange for Prosus ordinary shares N.
3 Resigned as a director of Prosus and Naspers on 25 August 2021.
4 Resigned as a director of Prosus and Naspers on 1 April 2021.
5 Appointed as a director with effect from 24 August 2021.
6 On 31 January 2022, Basil has exercised 11 124 Naspers and Prosus options and decided to dispose of the Naspers N ordinary shares he received and to retain the Prosus ordinary shares N. The full net gain after tax on disposal of these shares was reinvested back into the group in the form of Prosus N.V. ordinary shares N when, on 1 March 2022, he purchased 20 000 Prosus ordinary shares N at a volume-weighted average value per share of €56.3933.
7 On 1 October 2021, an associate of Ben van der Ross purchased 2 100 ordinary shares N at a volume-weighted average value per share of R1 185.50.
8 Resigned as a director of Prosus and Naspers on 1 April 2022.
9 On 5 January 2022, Bob van Dijk purchased 122 750 ordinary shares N in his own name at a volume-weighted average value per share of €71.8983.

Additional information

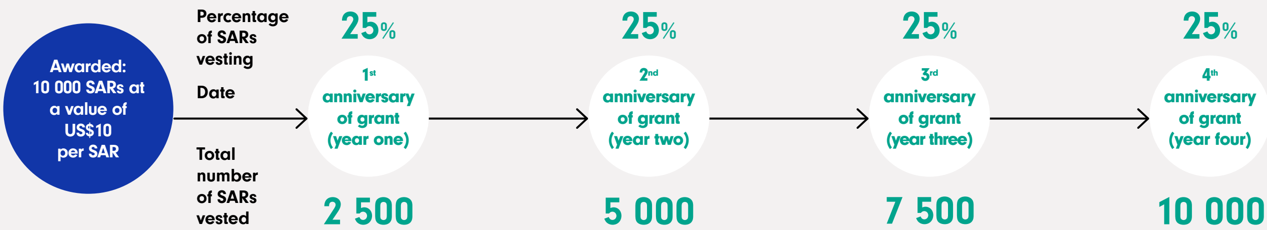
Graphic overview of our LTI plans

PSU How does a performance share unit (PSU) work?



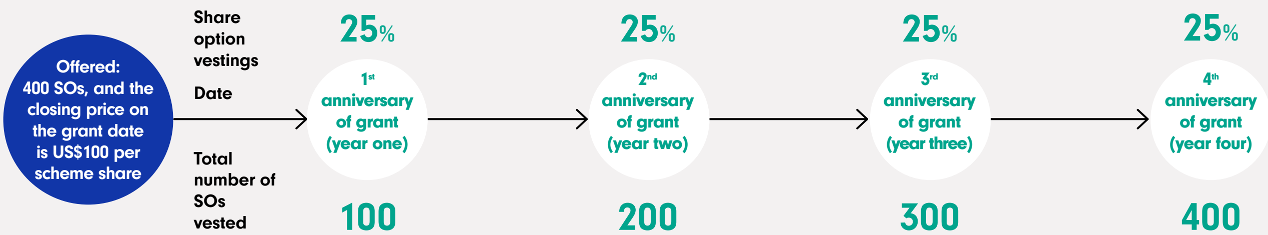
The vesting of a PSU is determined not just by time. In order for an award to vest, certain business performance conditions must also be met. If the threshold level of performance is not achieved, no shares will be awarded to the participant.

SAR How does a share appreciation right (SAR) work?



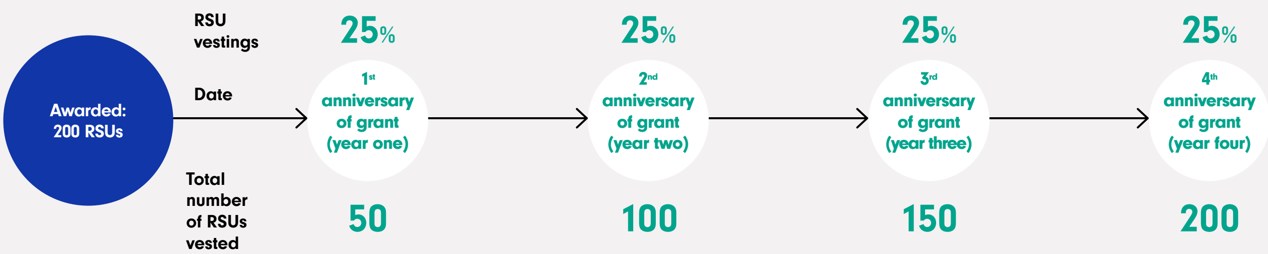
After two years the employee, assuming they didn't exercise their first 2 500 after year one, may exercise 5 000 of their 10 000 SARs. If the value of an SAR at this point has increased to US$14, the employee made a gain of US$4 per SAR, giving the employee a total gain of US$20 000 (5 000 SARs x US$4 gain per SAR). So, if exercised, the employee would be awarded a value of US$20 000. If there is no increase in share value there is no gain to the participant.

SO How does a stock option (SO) work?



Let's say that two years after the grant date, the employee chooses to exercise and pay for 200 scheme shares, ie US$100 x 200 = US$20 000; if the market price of a scheme share has increased to say US$120, and the employee decides to sell them, that is a gain of US$20 per share. This means the employee shares in the success of the group by earning a benefit of US$4 000, ie US$20 x 200 scheme shares. If there is no increase in share value there is no gain to the participant.

RSU How does a restricted share unit (RSU) work?



Employee is awarded 200 RSUs on grant date. On each of the vesting dates they will automatically receive 50 shares. Let's assume that on the first vesting date the price is US$100 per share, the employee would then receive a benefit, at that point, to the value of US$5 000, ie 50 shares times an assumed US$100 per share.

Note: the CEO and his direct reports are not eligible to receive RSUs.

Additional information continued

LTI policies

Date and price of SARs, SOs and PSUs/RSUs

Our LTI policy does not allow for the backdating of LTI awards, or for the offer price to be adjusted so as to bring underwater SARs or SOs 'into the money'. There is no strike price for a PSU or an RSU, these are full-value shares and PSUs vest only if there is an achievement of the performance conditions determined at grant.

Offer prices may be adjusted within the rules of the scheme to take account of material structural changes to the group, for example when Prosus was listed in 2019, Naspers shareholders and employees holding Naspers SOs received Prosus capitalisation/ Naspers N capitalisation shares (depending on which share trust they participated in), linked to each option.

LTI dividend policy

Employees of the Prosus group holding unvested PSUs, RSUs or SOs do not receive ordinary dividends. Upon vesting, then participants are treated as per all other shareholders with regard to ordinary dividends.

Prudent approach

Vesting periods are conservative relative to the companies with which we compete for talent. Our LTI plans typically vest over four years, with equal tranches vesting annually. The PSU plan has a three-year cliff-vesting. Across the consumer internet sector, a three- or four-year vesting period is commonly observed, with grants often vesting monthly after the first year.

In FY22 we continued to broaden the use of RSUs as an effective LTI for many of our employees. RSUs are a common and widely spread LTI vehicle across the competitive consumer technology sector. For our senior roles (excluding senior executives), RSUs will continue to be complemented with SAR allocations on our unlisted assets, aligning the incentive to the performance delivery and value creation in the underlying business segments. With that, RSUs do not come in addition to SARs, but are part of the blend of LTI offered.

It is noted that RSUs are not available to the CEO, CFO, or other senior executives across the group. In an exceptional case, RSUs may be applied for a new hire, when necessary to 'buy out' remuneration forfeited on joining the company.

Our SO plans typically have a 10-year expiry term. This is a common term length across the consumer internet sector where early-stage businesses take longer to reach maturity and create shareholder value. Effective 1 April 2022, we are limiting the expiry period of our SARs plans to six years.

LTI scheme limits

We place limits on how much of the capitalisation (CAP) table is available for employee compensation. In general, no more than 5% of the Prosus CAP table can be used for unvested employee compensation. For the SARs plans that relate to our unlisted assets, no more than 15% of the CAP table can be used for unvested employee compensation. Depending on the life stage of the business, the scheme limit can be lower. When the business takes funding from Prosus, the SAR scheme is diluted as additional shares are issued.

Offer price

Also called grant price, strike price or purchase price. The price of the share on the date the SAR or SO was granted, at which the participant can buy the share at a later date (or in the case of a SAR, used to calculate a gain).

Exercise price

The price of the share at the time the participant chooses to exercise their SARs or SOs. The value gain to the participant is calculated by subtracting the offer price from the exercise price.

Offer date

Also called grant date. The date on which an LTI is offered to the participant, giving that participant the right to buy or receive shares at a date in the future.

Performance management

Pay for performance is one of the pillars of our reward philosophy. Personal performance and business performance are the determining factors in whether an individual receives a base salary increase, an annual performance-related incentive payout and/or an LTI in the form of SARs, PSUs (for executives only), RSUs (not for executives) or SOs.

Personal goals are arrived at as an outcome of the annual business planning process. As budgets and operating plans are designed prior to the end of the financial year, so too are the personal performance goals at an individual level. These goals, if achieved, drive the accomplishment of the financial and operating plan of the business.

Managers engage in continuous conversations with their teams throughout the financial year to ensure that their plans are on track. At the end of the financial year both the overall performance of the business and the individual's achievement of their personal goals are considered, and this may translate into the payment of an annual performance-related STI. While we do not force-rank performance scores, we do expect that any performance-related incentive payments reflect the overall performance where appropriate. Individuals who have performed well against their performance-related incentive goals, are eligible to be considered for an LTI grant and a pay increase. Only strong performers are considered for LTI awards.

About this report

This annual report assesses our performance for the financial year ended 31 March 2022. We aim to provide a picture of our progress and impact on society.

Reporting

We measure our performance by evaluating how we create value for our key stakeholders by taking account of the six capitals. We also report on the 11 material issues identified by our stakeholders in our first materiality assessment as well as progress made against our strategy. We regularly measure returns on invested capital. We understand the risks we take and manage these to minimise their impact on our business and results.

This way of telling a comprehensive, connected story fits well with our holistic view of value and our focus on creating sustainable value for long-term good.

Scope and boundary of reporting

Financial and non-financial reporting

This report constitutes the annual report as defined by Dutch law and extends beyond financial reporting. It reflects on non-financial performance, opportunities, risks and outcomes attributable to or associated with key stakeholders who have a significant influence on our ability to create value.

Our subsidiaries, associates and investees (non-controlled entities) are required to comply with applicable law and regulation. The group also encourages its associates and investees to adopt appropriate governance standards (for example, codes of business ethics and conduct, and policies relating to anti-bribery and anti-corruption, competition compliance, privacy and sanctions and export controls).

It includes the strategy and financial performance of Prosus and its subsidiaries, joint ventures and associates (the group). The scope of reporting on non-financial data (GHG emissions), is included as an appendix 'Boundaries and scope of our GHG accounting' to this report. Group reporting standards are continually being developed to make disclosure meaningful and measurable for stakeholders. Given the highly competitive environment in which we operate, this report mostly excludes financial targets or forward-looking statements other than as explained on page 1.

Information on our website to which we refer in this annual report is not included by reference in this annual report and does not form part of it.

Non-IFRS financial measures and alternative performance measures

In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS-EU, referred to as non-IFRS financial measures, alternative performance measures or APMs. Such measures include economic-interest basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals.

Segmental reviews in this report are prepared showing revenue on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated. Numbers included in brackets represent the equivalent measure on the basis of growth in local currency, excluding acquisitions and disposals.

The group provides APMs because the board believes these provide investors with additional information to measure its operating performance. These APMs should not be viewed in isolation as alternatives to the equivalent IFRS-EU measures and should be used as supplementary information in conjunction with the most directly comparable IFRS-EU measures. APMs do not have a standardised meaning under IFRS-EU and therefore may not be comparable to similar measures presented by other companies. Their usefulness is therefore subject to limitations.

Refer to:

- Note 21 'Segment information' of the consolidated financial statements for a reconciliation to the nearest IFRS-EU measure of the following alternative performance measures used in the segment information: revenue on an economic-interest basis; adjusted EBITDA; and trading profit or loss.
- Note 22 'Earnings per share' of the consolidated financial statements for a reconciliation to the nearest IFRS-EU measure of headline earnings.
- Non-IFRS financial measures and alternative performance measures' included in 'Other information' on pages 286 to 293 in this annual report for a reconciliation to the nearest IFRS measure of core headline earnings; (diluted) core headline earnings per share; and growth in local currency,

Eleven material issues

Financial performance Responsible investments	People Digital inclusion	Innovation	AI Cyber-resilience Data privacy	Business culture, ethics and integrity Community investment	Climate action

The resources we need

Financial	Human	Manufactured	Intellectual	Social	Natural
• Financial performance • Responsible investments	• Human capital • Human rights	• Innovation • IT infrastructure breakdown	• AI • Data privacy • IT governance • Cyber-resilience	• Community investment • Geopolitical stability • Business culture, ethics and integrity • Digital inclusion • Customer centricity	• Climate action

About this report continued

excluding acquisitions and disposals. Core headline earnings information includes adjustments to exclude certain results. The exclusion of certain items from non-IFRS measures does not imply that these items are necessarily non-recurring. From time to time, the group may exclude additional items if it believes doing so would result in more transparent and comparable disclosure.

Legislation and frameworks that inform our reporting
This annual report was prepared in compliance with:

- Dutch corporate law, in particular the Dutch Civil Code (*Burgerlijk Wetboek*).
- Dutch securities law, in particular the Financial Supervision Act (*Wet op het Financieel Toezicht*).
- the Dutch Corporate Governance Code, 2016, and
- IFRS-EU.

In addition, we are guided by the following standards in preparing this annual report:

- 2013 Framework of the International Integrated Reporting Council (IIRC) (now part of the Value Reporting Foundation/ SASB): this principles-based approach promotes the concept of the six capitals[1], which considers material inputs and resources required to create and sustain value in the long term. We describe key components of the Prosus value chain (business model) that creates and sustains value for our stakeholders.
- We have aligned our climate change approach and our integrated reporting to the framework of the Task Force on Climate-related Financial Disclosures (TCFD).
- To meet the needs of investors and analysts and provide financially material information for all our stakeholders, we base our disclosures where possible with the Industry Standards of the Sustainability Accounting Standards Board (SASB).
- We support the United Nations Sustainable Development Goals (UN SDGs) and, like many other businesses, have identified which of the goals closely align with our business.

Sections of the directors' report
This directors' report, within the meaning of article 391 of Book 2 of the Dutch Civil Code, includes the following sections:

- Group overview (pages 3 to 15)
- Sustainability review (pages 17 to 49)
- Performance review (pages 51 to 90)
- Governance (pages 92 to 144)
- Consolidated financial statements:
  - Note 23 Share capital and premium – capital management
  - Note 39 Financial risk management
  - Note 43 Subsequent events

The performance review provides information on developments and results for the year ended 31 March 2022, as well as providing information on cash flow and net debt. The directors' report provides a true and fair view of the group.

Details of the voting overview and protection structure can be found on pages 93 and 94.

On 25 June 2022, the board of directors authorised the annual report for issue on 27 June 2022. The annual report as presented in this report is subject to adoption by the annual general meeting of shareholders

Under IFRS-EU, the group accounts for its associate and joint venture investments under the equity method. Throughout the financial review below, references to 'total revenue' or 'total trading profit' therefore exclude the group's share of revenue or trading profit from investments in associated companies and joint ventures. The group, however, proportionately consolidates its share of the results of its associated companies and joint ventures in its segment information (referred to as economic interest). This is considered to provide additional information on the economic reality of these investments and corresponds to the manner in which the chief operating decision-maker (CODM) assesses segmental performance.

For further information, see 'Other information – Non-IFRS financial measures and alternative performance indicators' and note 21 of the consolidated financial statements.

Statement of responsibility by the board of directors for the year ended 31 March 2022
The annual report of the Prosus N.V. group (Prosus or the group) and the company is the responsibility of the directors of Prosus. In discharging this responsibility, they rely on the management of the group to prepare the annual report in accordance with Dutch law, including the consolidated and company financial statements presented on pages 146 to 248 and pages 249 to 271.

The consolidated and company financial statements of Prosus for the year ended 31 March 2022, and the undertakings included in the consolidation taken as a whole, have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and additional disclosure requirements for financial statements as required by Dutch law.

To the best of our knowledge:

1. The consolidated and company financial statements, including the accompanying notes, give a true and fair view of the assets, liabilities, financial position as at 31 March 2022, and of the result of our consolidated and company operations for the year ended 31 March 2022.
2. The directors' report includes a fair review of the development and performance of our businesses and the position of Prosus, as well as the undertakings included in the consolidation taken as a whole, and describes our principal risks and uncertainties.
3. The directors' report for the year ended 31 March 2022 gives a fair view of the information required pursuant to article 5:25c of the Dutch Financial Supervision Act *(Wet op het Financieel Toezicht)*.
4. The consolidated and company financial statements for the year ended 31 March 2022 give a fair view of the information required pursuant to IFRS-EU and additional disclosure requirements as required by Dutch law.
5. The annual report includes material risks and uncertainties that are relevant to the expectation of the company's continuity for the period of 12 months after the preparation of the report.

1 As identified in the framework of the International Integrated Reporting Council: financial, human, intellectual, manufactured, social and natural capitals.

About this report continued

The directors are responsible for the establishment and adequate functioning of a system of governance, risk management and internal controls in the company. Consequently, the directors have implemented a broad range of processes and procedures designed to provide control over the company's operations.

These processes and procedures include measures regarding the general control environment. All these processes and procedures are aimed at providing a reasonable level of assurance that we have identified and managed the significant risks of the company. Also, that we meet the operational and financial objectives in compliance with applicable laws and regulations. Information regarding our internal control systems is set out in the Governance for a sustainable business section of the annual report.

The internal audit function monitors compliance with our internal control systems and updates management on the emergence of new risks. They support the annual review of the effectiveness of the system of governance, risk management and internal controls of the board of directors. Internal audit provides comfort to the audit committee and board of directors that our system of risk management and internal controls – as designed and represented by management – are adequate and effective. While we work towards continuous improvement of our processes and procedures regarding financial reporting, no major failings have occurred to the knowledge of the directors and therefore directors are of the opinion that these systems provide reasonable assurance that the financial reporting does not contain material inaccuracies.

Based on forecasts and available cash resources, the directors believe that the group and company have adequate resources to continue operations as a going concern for a period of at least 12 months after the date of this report. In their assessment, directors have taken into account the ongoing impact of the war in Ukraine and the Covid-19 pandemic on our operations and they believe that the group will be able to continue into the foreseeable future with some impact to operations as set out on pages 83 and 84 of this report. Furthermore, the group has sufficient liquidity to meet obligations as and when they fall due. Accordingly, the financial statements support the viability of the group and the company.

The independent auditing firm PricewaterhouseCoopers Accountants N.V., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the consolidated and company financial statements. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Accountants N.V.'s audit report is presented on pages 272 to 281.

The annual report, including the consolidated and company financial statements, was approved by the board of directors on 25 June 2022 for release on 27 June 2022 and signed by:

JP Bekker

B van Dijk

V Sgourdos

HJ du Toit

CL Enenstein

M Girotra

RCC Jafta

AGZ Kemna

FLN Letele

D Meyer

R Oliveira de Lima

SJZ Pacak

MR Sorour

JDT Stofberg

Y Xu

Financial statements

Consolidated statement of financial position

as at 31 March 2022

		31 March	
	Notes	**2022 US$'m**	2021 US$'m
ASSETS			
Non-current assets		**56 073**	48 583
Property, plant and equipment	32	**604**	443
Goodwill	7	**3 372**	2 102
Other intangible assets	33	**928**	782
Investments in associates	9	**44 457**	40 556
Investments in joint ventures	10	**144**	158
Other investments	28	**5 981**	4 138
Related party loans and receivables	41	**416**	356
Other receivables	35	**132**	16
Derivative financial instruments	39	**13**	9
Deferred taxation	20	**26**	23
Current assets		**15 265**	7 145
Inventory	34	**470**	321
Trade receivables	29	**276**	150
Other receivables	35	**867**	577
Related party loans and receivables	41	**17**	44
Derivative financial instruments	39	**27**	18
Other investments	28	**–**	1 253
Short-term investments	27	**3 924**	1 211
Cash and cash equivalents	26	**9 646**	3 571
		15 227	7 145
Assets classified as held for sale		**38**	–
TOTAL ASSETS		**71 338**	55 728

Consolidated statement of financial position continued

as at 31 March 2022

	Notes	31 March 2022 US$'m	31 March 2021 US$'m
EQUITY AND LIABILITIES			
Capital and reserves attributable to the group's equity holders		**50 421**	43 069
Share capital and premium	23	**39 190**	612
Treasury shares*	23	**(6 411)**	(1 416)
Other reserves	24	**(40 557)**	5 818
Retained earnings	25	**58 199**	38 055
Non-controlling interests		**102**	117
TOTAL EQUITY		**50 523**	43 186
Non-current liabilities		**16 402**	8 535
Long-term liabilities	30	**15 861**	8 081
Other non-current liabilities	31	**162**	62
Related party loans and payables	41	**2**	2
Cash-settled share-based payment liabilities	36	**163**	159
Provisions	37	**4**	4
Derivative financial instruments	39	**2**	32
Deferred taxation	20	**208**	195
Current liabilities		**4 413**	4 007
Current portion of long-term liabilities	30	**188**	102
Provisions	37	**9**	16
Trade payables		**549**	344
Accrued expenses[1]	38	**1 638**	1 401
Other current liabilities[1]	31	**1 014**	1 207
Cash-settled share-based payment liabilities[1]	36	**964**	897
Related party loans and payables	41	**8**	8
Taxation payable		**7**	21
Derivative financial instruments	39	**18**	2
Bank overdrafts	26	**18**	9
TOTAL EQUITY AND LIABILITIES		**71 338**	55 728

* Refer to note 4 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.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated income statement

for the year ended 31 March 2022

	Notes	31 March 2022 US$'m	31 March 2021 US$'m
Revenue from contracts with customers	13	**6 866**	5 116
Cost of providing services and sale of goods	14	**(4 804)**	(3 455)
Selling, general and administration expenses	14	**(2 759)**	(2 614)
Other gains/(losses) – net	15	**(162)**	(87)
Operating loss		**(859)**	(1 040)
Interest income	16	**58**	83
Interest expense	16	**(403)**	(262)
Other finance (loss)/income – net	16	**(83)**	177
Share of equity-accounted results	9, 10	**9 256**	7 095
Impairment of equity-accounted investments	9, 10	**(582)**	(30)
Dilution gains on equity-accounted investments	9, 10	**95**	981
Gains on partial disposal of equity-accounted investments	9, 10	**12 339**	19
Net (losses)/gains on acquisitions and disposals	17	**(1 130)**	309
Profit before taxation		**18 691**	7 332
Taxation	19	**(97)**	67
Profit for the year		**18 594**	7 399
Attributable to:			
Equity holders of the group		**18 733**	7 449
Non-controlling interests		**(139)**	(50)
		18 594	7 399
Per share information for the year (US cents)			
Earnings per ordinary share N	22	**1 243**	459
Diluted earnings per ordinary share N	22	**1 232**	450

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

for the year ended 31 March 2022

	Notes	31 March 2022 US$'m	2021 US$'m
Profit for the year		**18 594**	7 399
Other comprehensive income (OCI)			
Items that may be subsequently reclassified to profit or loss			
Foreign exchange gains arising on translation of foreign operations[1]		**1 591**	1 985
Hedging reserve		**20**	–
Recognition of cash flow hedge		**(99)**	–
Derecognition of cash flow hedge		**119**	–
Share of equity-accounted investments' movement in OCI		**(813)**	(424)
Foreign currency translation reserve		**(813)**	(424)
Items that may not be subsequently reclassified to profit or loss			
Fair-value (losses)/gains on financial assets through OCI	28	**(1 210)**	669
Share of equity-accounted investments' movement in OCI and net asset value	9	**(2 699)**	6 819
Share-based compensation reserve		**1 044**	548
Valuation reserve[2]	24	**(3 743)**	6 271
Total other comprehensive (loss)/income, net of tax, for the year		**(3 111)**	9 049
Total comprehensive income for the year		**15 483**	16 448
Attributable to:			
Equity holders of the group		**15 566**	16 460
Non-controlling interests		**(83)**	(12)
		15 483	16 448

[1] Includes the reclassification to the income statement of US$1.14bn relating to the loss of significant influence of VK. Refer to note 4.
[2] This relates to (losses)/gains from the changes in share prices of Tencent's listed investments carried at fair value through other comprehensive income.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 31 March 2022

	Share capital and premium 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 year	–	–	1 525
Profit for the year	–	–	–
Total other comprehensive income for the year	–	–	1 525
Share-based compensation movements	–	–	–
Share-based compensation expense	–	–	–
Transfers to retained earnings	–	–	–
Other share-based compensation movements	–	–	–
Direct equity movements	6	–	(1)
Direct movements from associates	–	–	–
Transfer of reserves as a result of disposals	–	–	(1)
Other direct movements	6	–	–
Remeasurement of written put option liabilities	–	–	–
Other movements	–	–	–
Repurchase of own shares[1, 2]	–	(1 416)	–
Dividends paid[3]	–	–	–
Transactions with non-controlling shareholders	–	–	–
Balance at 31 March 2021 (Reclassified)[1]	612	(1 416)	(1 123)
Reclassified balance at the beginning of the year[1]	**612**	**(1 416)**	**(1 123)**
Total comprehensive income for the year	**–**	**–**	**722**
Profit for the year	**–**	**–**	**–**
Total other comprehensive loss for the year	**–**	**–**	**722**
Movement due to share exchange transaction[4]	**38 517**	**–**	**–**
Share-based compensation movements	**–**	**–**	**–**
Share-based compensation expense	**–**	**–**	**–**
Contributions made to Naspers share trusts	**–**	**–**	**–**
Modification of share-based compensation benefits	**–**	**–**	**–**
Transfers to retained earnings	**–**	**–**	**–**
Direct equity movements	**(5)**	**–**	**43**
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	**(5)**	**–**	**–**
Remeasurement of written put option liabilities	**–**	**–**	**–**
Cancellation of written put option liabilities	**–**	**–**	**–**
Other movements	**–**	**–**	**–**
Repurchase of own shares[2]	**–**	**(4 995)**	**–**
Prosus B ordinary shares issued[4]	**66**	**–**	**–**
Dividends paid[3]	**–**	**–**	**–**
Transactions with non-controlling shareholders	**–**	**–**	**–**
Balance at 31 March 2022	**39 190**	**(6 411)**	**(358)**

1 Refer to note 4 for details of the group's reclassification of treasury shares.
2 Relates to the group's share repurchase programme. Refer to note 23.
3 Dividend paid consists of US$104.2m (2021: US$154.8m) paid to Naspers and US$134.2m (2021: US$58.2m) paid to the non-controlling shareholders of the Prosus group. The dividend was approved on 24 August 2021 (2021: 18 August 2020) and was paid on 23 November 2021 (2021: 17 November 2020).
4 Refer to note 4 for details of the share exchange transaction. The amount in the 'existing business combination reserve' also includes the reclassification of investment held in Naspers before the share exchange transaction.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity continued

for the year ended 31 March 2022

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
2	(1 583)	1 968	30 754	29 100	214	29 314
6 938	–	548	7 449	16 460	(12)	16 448
–	–	–	7 449	7 449	(50)	7 399
6 938	–	548	–	9 011	38	9 049
–	–	(66)	1	(65)	(19)	(84)
–	–	54	–	54	(19)	35
–	–	(42)	42	–	–	–
–	–	(78)	(41)	(119)	–	(119)
(233)	136	(4)	96	–	–	–
(235)	–	–	235	–	–	–
2	111	(4)	(108)	–	–	–
–	25	–	(31)	–	–	–
–	(508)	–	–	(508)	–	(508)
–	(2)	–	(31)	(33)	–	(33)
–	–	–	–	(1 416)	–	(1 416)
–	–	–	(215)	(215)	–	(215)
–	(255)	–	1	(254)	(66)	(320)
6 707	(2 212)	2 446	38 055	43 069	117	43 186
6 707	**(2 212)**	**2 446**	**38 055**	**43 069**	**117**	**43 186**
(4 933)	**–**	**1 044**	**18 733**	**15 566**	**(83)**	**15 483**
–	**–**	**–**	**18 733**	**18 733**	**(139)**	**18 594**
(4 933)	**–**	**1 044**	**–**	**(3 167)**	**56**	**(3 111)**
–	**(41 304)**	**–**	**–**	**(2 787)**	**–**	**(2 787)**
–	**–**	**(107)**	**(136)**	**(243)**	**(86)**	**(329)**
–	**–**	**125**	**–**	**125**	**1**	**126**
–	**–**	**(190)**	**–**	**(190)**	**–**	**(190)**
–	**–**	**(6)**	**(172)**	**(178)**	**(87)**	**(265)**
–	**–**	**(36)**	**36**	**–**	**–**	**–**
(1 709)	**12**	**(160)**	**1 819**	**–**	**–**	**–**
(1 076)	**–**	**–**	**1 076**	**–**	**–**	**–**
(455)	**–**	**(160)**	**615**	**–**	**–**	**–**
(178)	**12**	**–**	**123**	**–**		**–**
–	**–**	**–**	**5**	**–**	**–**	**–**
–	**236**	**–**	**–**	**236**	**–**	**236**
–	**76**	**–**	**5**	**81**	**–**	**81**
–	**–**	**2**	**(39)**	**(37)**	**–**	**(37)**
–	**–**	**–**	**–**	**(4 995)**	**–**	**(4 995)**
–	**–**	**–**	**–**	**66**	**–**	**66**
–	**–**	**–**	**(238)**	**(238)**	**–**	**(238)**
–	**(295)**	**(2)**	**–**	**(297)**	**154**	**(143)**
65	**(43 487)**	**3 223**	**58 199**	**50 421**	**102**	**50 523**

Consolidated statement of cash flows

for the year ended 31 March 2022

	Notes	31 March 2022 US$'m	31 March 2021 US$'m
Cash flows from operating activities			
Cash from operations	18	**(644)**	(52)
Dividends received from investments and equity-accounted companies		**571**	458
Cash (utilised in)/generated from operating activities		**(73)**	406
Interest income received		**38**	106
Interest costs paid		**(381)**	(248)
Taxation paid		**(189)**	(105)
Net cash (utilised in)/generated from operating activities		**(605)**	159
Cash flows from investing activities			
Property, plant and equipment acquired		**(212)**	(105)
Proceeds from sale of property, plant and equipment		**8**	4
Intangible assets acquired		**(30)**	(16)
Acquisitions of subsidiaries and businesses, net of cash	11	**(1 896)**	(88)
Disposals of subsidiaries and businesses	12	**20**	27
Acquisition of associates	6	**(1 361)**	(276)
Additional investment in existing associates	6	**(1 316)**	(1 484)
Partial disposals of associates	6	**14 609**	20
Disposal of associates		**12**	194
Acquisition of joint ventures		**–**	(5)
Additional investments in existing joint ventures	6	**(7)**	(127)
Acquisition of short-term investments[1]		**(3 922)**	(1 208)
Maturity of short-term investments[1]		**1 211**	3 839
Loans advanced to related parties	41	**(21)**	(318)
Cash paid for other investments	28	**(1 477)**	(1 322)
Cash received from other investments[2]		**85**	–
Acquisition of Naspers shares[3]	23	**(1 287)**	(2 350)
Cash movement in other investing activities		**(24)**	(3)
Net cash generated from/(utilised in) investing activities		**4 392**	(3 218)
Cash flows from financing activities			
Repurchase of own shares	23	**(4 995)**	(1 416)
Proceeds from issue of share capital	23	**66**	–
Proceeds from long- and short-term loans raised	30	**9 564**	4 593
Repayments of long- and short-term loans	30	**(1 619)**	(155)
Additional investments in existing subsidiaries[4]		**(148)**	(270)
Repayments of capitalised lease liabilities	30	**(51)**	(48)
Contributions made to the Naspers share trusts	41	**(190)**	(79)
Additional investment from non-controlling shareholders		**140**	53
Dividends and capital repayments to shareholders		**(238)**	(214)
Other movements in financing activities[5]		**(126)**	(15)
Net cash generated from financing activities		**2 403**	2 449
Net movement in cash and cash equivalents		**6 190**	(610)
Foreign exchange translation adjustments on cash and cash equivalents		**(124)**	23
Cash and cash equivalents at the beginning of the year		**3 562**	4 149
Cash and cash equivalents at the end of the year	26	**9 628**	3 562

1 Relates to short-term cash investments with maturities of more than three months from the date of acquisition. Refer to note 27.
2 Relates to payments for the group's fair value through other comprehensive income investments.
3 Relates to payments for the group's acquisition of Naspers shares included in fair value through other comprehensive income investments prior to the share exchange transaction.
4 Relates to transactions with non-controlling interest resulting in changes in effective interest of existing subsidiaries.
5 Includes transaction costs relating to the Prosus share exchange of US$122.4m.

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

for the year ended 31 March 2022

Accounting framework and critical judgements

1. Nature of operations

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. 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 consolidated financial statements for the year ended 31 March 2022 have been authorised for issue by the board of directors on 25 June 2022.

2. Basis of preparation

The consolidated financial statements for the year ended 31 March 2022 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.

The principal accounting policies applied in the preparation of these consolidated and company financial statements have been consistently applied to all years presented, unless otherwise stated.

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 21 'Segment information'. The group proportionately consolidates its share of the results of its associates and joint ventures in its operating segments. 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 have increased significantly due to the acquisitions of 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.

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 2022, the group recorded US$13.55bn in net cash, comprising US$9.63bn of cash and cash equivalents and US$3.92bn in short-term cash investments. The group had US$15.7bn of interest-bearing debt (excluding capitalised lease liabilities) and an undrawn US$2.5bn revolving credit facility. Refer to note 23 '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.

In assessing going concern, the impact of internal and external economic factors 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 continue as a going concern in the year subsequent to the date of these financial statements.

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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Accounting framework and critical judgements continued

2. Basis of preparation continued

Accounting policies

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 are 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.

3. 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; goodwill impairment (refer to note 7); impairment of financial assets carried at amortised cost and other assets (refer to note 29); the valuation and remeasurement of written put option liabilities (refer to note 31); impairment of property, plant and equipment (refer to note 32); recognition and impairment of other intangible assets (refer to note 33); the remeasurements required in business combinations; disposals of associates and equity-compensation benefits (refer to note 36) and the fair value of the residual interest in the Naspers group (refer to note 4). 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Accounting framework and critical judgements continued

3. Accounting judgements and sources of estimation uncertainty continued

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.

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's 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 36.

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.

Accounting judgements related to the cash flow classification for the contribution to Naspers group equity-compensation plans

The Naspers group has restricted stock units (RSUs) and performance share units (PSUs) 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.

4. Significant changes in financial position and performance during the reporting period

Prosus share exchange with Naspers shareholders

In August 2021, the group completed a 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 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 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.

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 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 share exchange and the cross-holding arrangement increases Prosus free-float's economic interest in the group to 58.9%. At 31 March 2022, subsequent to the Prosus share repurchase programme, Prosus free-float's economic interest in the group is 57.7%.

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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Accounting framework and critical judgements continued

4. Significant changes in financial position and performance during the reporting period continued

Prosus share exchange with Naspers shareholders continued

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 the 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 N ordinary shares entitles it to 15% of the shareholder voting rights in Naspers. This 15% of shareholder voting rights does not give Prosus majority rights in Naspers that would entitle it to control appointments to the Naspers board of directors or have direct appointment 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.

Impact of the cross-holding arrangements on the accounting for the share exchange

In August 2021, on the closing date of the share exchange transaction, Prosus recognised a fair value through other comprehensive income (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 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 consolidated statement of financial position with fair-value changes recognised in other comprehensive income (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 an 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Accounting framework and critical judgements continued

4. Significant changes in financial position and performance during the reporting period continued

Nature of Prosus's 49.5% fully diluted investment in Naspers continued

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 a 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.

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 the statement of financial position. The group considers that the change in presentation provides more relevant information about the treasury shares held by Prosus subsequent to the share repurchase programme.

At March 2021, the group held 11 874 493 ordinary shares N 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 consolidated statement of financial position have been restated for the reclassification of treasury shares between 'retained earnings' and 'treasury shares' which are 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 consolidated statement of financial position and consolidated statement of changes in equity as at 31 March 2021.

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	–	(1 416)	(1 416)
Other reserves	5 818	–	5 818
Retained earnings	36 639	1 416	38 055
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 consolidated statement of changes in equity.

The impact of the Russia-Ukraine conflict

The group is appalled by the Russia-Ukraine conflict. It is in the world's interest to find a solution that brings the conflict to an end and secures long-term peace and stability.

The group operates a classifieds platform in Ukraine which is part of the OLX Group. The group has committed a broad range of support for Ukraine, for its Ukrainian employees, and additionally, a commitment of more than US$10m funding for humanitarian efforts.

The group also has interests in Russia, mainly represented by its investments in VKontakte (VK) and Avito.

On 20 May 2022, following the earlier operational separation of Avito from the OLX Group, the group confirmed its decision to exit Avito and start the search for an appropriate buyer for its shares in Avito.

Avito

The group first invested in Avito in March 2013 and, currently, is the leading Russian classifieds platform and one of the top eight most visited websites in Russia. Avito is the second largest online classifieds business in the world, with 35 million unique visitors a month and more than 100 million active listings. The group's operations in Russia represent 9% (2021: 8%) of the group's total external consolidated revenue for the financial year ended 31 March 2022.

Due to the Russia-Ukraine conflict, the group assessed whether the goodwill recognised from Avito is impaired. The recoverable amount was based on the value-in-use calculation that included the estimated impact of the war on the operations and the discount rate. The impact of the Russia-Ukraine conflict did not result in an impairment of goodwill for the business.

Based on the group's 99% effective ownership interest in Avito, its financial results are consolidated for the financial year ended 31 March 2022. Following the group's decision in May 2022 to exit Avito, the search for an appropriate buyer for its shares in Avito is underway.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Accounting framework and critical judgements continued

4. Significant changes in financial position and performance during the reporting period continued

The impact of the Russia-Ukraine conflict continued

VK

VK is a Russian online social media and social networking service. Up until 3 March 2022, the group accounted for this investment as an associate using the equity method. The group's effective interest in VK is 27.2% (fully diluted 25.7%) with a shareholder voting interest of 12.3%.

VK's shares are listed on the London Stock Exchange (LSE). The LSE suspended trading of VK shares on 3 March 2022 in response to sanctions in order to maintain orderly markets. The significant decline in the share price presented an indicator for impairment on the carrying value of this investment. Accordingly, the group fully impaired the carrying value of the investment in VK, of US$473.6m for the year ended 31 March 2022.

On 4 March 2022, the group's three directors on the VK board resigned with immediate effect and no voting rights will be exercised under the current circumstances. The group ceased accounting for this investment as an associate and has reclassified the foreign currency translation reserves related to VK from other comprehensive income to the income statement, amounting to a loss of US$1.14bn.

Subsequent to the loss of significant influence, the group now accounts for this investment at fair value through other comprehensive income.

OLX Ukraine

The financial results of OLX Ukraine are not material to the group.

The impact of Covid-19

The global Covid-19 pandemic began to affect the operations of the group towards the end of March 2020. Just over two years 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 consolidated financial statements for the year ended 31 March 2022.

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 year ended 31 March 2022 for any possible impacts of the pandemic.

Risk management

The annual report for the year ended 31 March 2022 describes certain risks which could have an adverse effect on the group's financial position and results. Those risks should be read in conjunction with these consolidated financial statements. The group has remained resilient and performed well during the year ended 31 March 2022.

5. 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 2021 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 2022. 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)	March 2024
IFRS 3	*Business Combinations* (assets and liabilities in a business combination)	March 2023
IFRS 9	*Financial Instruments* (calculation of 'the 10% test' for derecognition of a financial liability)	March 2023
IFRS 16	*Leases* (treatment of lease incentives)	March 2023
IAS 37	*Onerous Contracts* (cost of fulfilling a contract)	March 2023
IAS 16	*Property, Plant and Equipment* (proceeds before intended use)	March 2023
IAS 12	*Income Taxes* (deferred tax related to assets and liabilities arising from a single transaction)	March 2024
IAS 1/IAS 8	*Presentation of Financial Statements and Changes in Accounting Estimates and Errors* (accounting policy disclosures and changes in accounting policies or in accounting estimates)	March 2024
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 2022 are expected to have a significant impact on the group.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure

5. Accounting developments continued

Basis of consolidation

Accounting policies

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 that 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 exceed 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 financial assets and liabilities 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 are 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 2022

Group structure continued

5. Accounting developments continued

Basis of consolidation continued

Accounting policies 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 the 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 is 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 for impairment indicators at each reporting date as a single asset. 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 of 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.

Impairment of goodwill

Goodwill is tested annually for impairment or more frequently if changes in circumstances 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

6. Business combinations, other acquisitions and disposals

The following sets out the group's significant transactions related to business combinations and equity-accounted investments for the year ended 31 March 2022:

Company	Classification	Amount invested US$'m			
		Net cash paid/ (received)	Non-cash consideration	Cash in entity acquired	Total consideration
Acquisition of subsidiaries					
(a) Good Bidco B.V. (GoodHabitz)	Subsidiary	252	–	6	258
(b) Stack Overflow	Subsidiary	1 644	–	98	1 742
		1 896	**–**	**104**	**2 000**
Acquisition of equity-accounted investments					
(c) Oda	Associate	116	–	–	116
(d) API Holdings Private Limited (PharmEasy)	Associate	220	–	–	220
(e) Skillsoft Corp	Associate	500	38	–	538
(f) Flink SE (Flink)	Associate	84	–	–	84
Other[1]	Associate	441	–	–	441
		1 361	**38**	**–**	**1 399**
Additional investment in existing equity-accounted investments					
(g) Bundl Technologies Private Limited (Swiggy)	Associate	299	–	–	299
(h) NTex Transportation Services Private Limited (ElasticRun)	Associate	90	–	–	90
(i) Think & Learn Private Limited (BYJU'S)	Associate	153	–	–	153
(j) Delivery Hero SE (Delivery Hero)	Associate	298	1 242	–	1 540
(k) Eruditus Learning Solutions Limited (Eruditus)	Associate	127	–	–	127
(l) Meesho Inc (Meesho)	Associate	134	–	–	134
Other[1]	Associate/ joint venture	222	–	–	222
		1 323	**1 242**	**–**	**2 565**
Other investments					
(m) UrbanClap Technologies India Private Limited (Urban Company)	FVOCI	84	–	–	84
(j) Delivery Hero[2]	FVPL	936	–	–	936
(n) JD.Com	FVOCI	–	3 855	–	3 855
(o) GoStudent	FVOCI	226	–	–	226
Other[1]		231	–	–	231
		1 477	**3 855**	**–**	**5 332**
Partial disposal of equity-accounted investments					
(p) Tencent Holdings Limited (Tencent)	Associate	(14 609)	–	–	(14 609)
		(14 609)	**–**	**–**	**(14 609)**

1 Other includes various acquisitions of subsidiaries, associates and other investments that are not individually material.

2 Relates to the Delivery Hero shares bought in August 2021 and September 2021 before competition commission approval was obtained. Subsequent to the approval this amount was capitalised to the carrying value of the investment in associate.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

6. 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 the 'Other non-current liabilities' line 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 shareholder's 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, technology and customer relationships. The main factor contributing to the goodwill recognised in the acquisition is Stack Overflow's market presence, engineering capabilities to develop future customers.

The purchase price allocations for the above two acquisitions, in the Edtech segment, were not yet finalised as at 30 September 2021, therefore preliminary figures were disclosed in the condensed consolidated interim financial statements. The changes between the final and preliminary fair values were not material. The table below summarises the final fair values of each major class of identifiable assets and liabilities recognised for the above two acquisitions on the acquisition date.

Since the acquisition dates of the above business combinations, revenue of US$83m and net losses of US$102m 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, were US$115m and US$108m respectively.

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
Total consideration	258	1 742
	25	283
Intangible assets	62	247
Property, plant and equipment	1	2
Cash and deposits	6	98
Other receivables	8	36
Other liabilities	(22)	(35)
Deferred tax liabilities	(14)	(65)
Non-controlling interest[1]	(16)	–
Goodwill	233	1 459

[1] Non-controlling interest is measured at its proportionate share of the identifiable net assets of GoodHabitz at the acquisition date.

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 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

6. Business combinations, other acquisitions and disposals continued

Acquisition of equity-accounted investments continued

(e) In June 2021, the group acquired a 38% effective interest (34% fully diluted) for US$500m in Skillsoft Corp (Churchill). Churchill is a special-purpose acquisition company that provides cloud-based learning, training and talent management solutions through its acquisition of Skillsoft Corp (NYSE: SKIL) (Skillsoft) and Global Knowledge Training LLC (Global Knowledge). 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 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 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.

(f) 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 the associate to 20% as a result of this arrangement.

Additional investment in existing equity-accounted investments

(g) In April 2021 and February 2022, the group made an additional investment in Swiggy, the operator of a first-party food delivery marketplace in India, amounting to US$274m and US$25m respectively. 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 33% (31% fully diluted) in Swiggy. The group continues to account for its interest in Swiggy as an investment in an associate.

(h) In April 2021 and February 2022, the group made an additional investment in ElasticRun, a software and technology platform for providing transportation and logistics services in India, amounting to US$30m and US$60m respectively. At 31 March 2021, the group held a 20% effective interest. Following these investments, the group holds a 23% effective interest (22% fully diluted) in ElasticRun. The group continues to account for its interest in ElasticRun as an investment in an associate.

(i) 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.

(j) 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 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$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.

Further, 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 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. 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

6. Business combinations, other acquisitions and disposals continued

Additional investment in existing equity-accounted investments continued

(k) In August 2021, the group made an additional investment amounting to US$127m 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 an additional investment 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.

Other investments

(m) In April 2021, the group acquired a 4% effective interest (4% fully diluted) 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.

(n) In December 2021, Tencent declared a special interim dividend in the form of a distribution in specie of 457 326 671 class A ordinary shares of JD.com to its shareholders on the basis of 1 class A ordinary share of JD.com for every 21 shares held. As a result of this distribution the group obtained a 4% effective (131 873 028 class A ordinary shares) interest in JD.com. JD.com is a platform creator that brings value to partners and customers in sectors such as ecommerce, logistics, Internet finance, cloud computing and smart technology. The investment is not held for trading, therefore the group accounts for this as an investment at fair value through other comprehensive income.

The group recognised a dividend receivable up until the distribution date of 25 March 2022. The dividend in specie distribution of the investment in JD.com has reduced the investment in Tencent by US$3.85bn representing the fair value of the investment on the distribution date.

(o) In March 2022, the group acquired an 8% effective (7% fully diluted) interest for US$226m in GoStudent. GoStudent is a provider of online tutoring services in a 1:1, video-based format to K–12 students via a managed marketplace model in Austria. 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

(p) In April 2021, the group sold 2% of 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 gain on partial disposal of US$12.34bn. The group reclassified a gain of US$41m from the foreign currency translation reserve to the consolidated income statement related to this partial disposal. Proceeds from this disposal are included in short-term investments on the consolidated statement of financial position.

Transactions with non-controlling interest

The group acquired the share capital held by non-controlling shareholders of its subsidiary Frontier Car Group Inc (FCG), for US$59.3m. 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 consolidated income statement. The group recognised US$59.9m in the 'existing business combination reserve' in equity representing the gain from the change in ownership interest in the entity.

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$75m. 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 associate.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

6. Business combinations, other acquisitions and disposals continued

Financial year ended 31 March 2021 continued

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$360m, including cash of US$100m. 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 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, Latin America, India and China, announced the successful completion of its Series D funding round totalling US$113m (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 associate as a result of the group's board representation.

In September 2020, the group made an additional investment amounting to US$25m, in VK (previously Mail.ru), a leading Russian social networks and instant messaging service. Following this investment, the group holds a 27% effective interest in VK. The group continues to account for its interest in VK 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 Brasil) amounting to US$89m. Furthermore, the group provided loan financing to OLX Brasil amounting to US$171m. The capital and loan provided were 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 Brasil is included in the carrying value of the investment.

In December 2020, Naspers through its subsidiary MIH Treasury Services Proprietary Limited sold Homefind24 Proprietary Limited (Property24) to the Prosus group for US$71m. 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 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 participaçoes 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$44m, including cash of US$7m. 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

7. Goodwill

	31 March 2022 US$'m	31 March 2021 US$'m
Cost		
Opening balance	**2 261**	2 263
Foreign currency translation effects	**(167)**	34
Acquisitions of subsidiaries and businesses	**1 692**	42
Disposals of subsidiaries and businesses	**(59)**	(78)
Closing balance	**3 727**	2 261
Accumulated impairment		
Opening balance	**159**	94
Foreign currency translation effects	**1**	3
Impairment	**246**	68
Disposals of subsidiaries and businesses	**(51)**	(6)
Closing balance	**355**	159
Carrying value	**3 372**	2 102

The group recognised impairment losses on goodwill of US$246m (2021: US$67.6m) in the current year which related to Stack Overflow in the Edtech segment. Stack Overflow is a recent acquisition and has performed well to date and delivered on its growth plan, however, the current market conditions and the increase in risk-free rates resulted in an increase in the discount rate used in the value-in-use calculations, reducing the recoverable amount to below the carrying amount. The prior year impairment 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.

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 and prior financial year, the recoverable amounts for CGUs were 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. Discount rates take into account country risk premiums and inflation differentials as appropriate.

Management used 10-year projected cash flow models, terminal growth rates ranging between 2% and 7% (2021: 2% and 8%) and post-tax discount rates ranging between 10% and 25% (2021: 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.

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 significant market movements, the Russia-Ukraine conflict and the Covid-19 pandemic. The group's 10-year budgets and forecasts consisted of cash flow projections and included the anticipated impact of the war and the pandemic. These budgets and forecasts were used to calculate discounted cash flow valuations to identify whether goodwill allocated to various CGUs was impaired. The value-in-use amounts used were considered appropriate based on these budgets and forecasts.

The increase in risk-free rates and the Russia-Ukraine conflict at the beginning of the 2022 calendar year resulted in the need to update the goodwill impairment assessment performed at 31 December 2021. The impact of the Russia-Ukraine conflict did not result in an impairment of goodwill for the businesses in Russia or Ukraine.

Estimating the future performance of the group's CGUs is challenging during this current economic environment. As circumstances change and/or information becomes available, the risk of impairment may increase in future periods.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

7. Goodwill continued

Impairment testing of goodwill continued

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 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. For certain CGUs, risk adjustments are made to discount rates used when calculating the value in use. Value-in-use calculations are performed using the appropriate operational cash flows, and, accordingly, discount rates take into account country risk premiums and inflation differentials, as appropriate.

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, accordingly, discount rates take into account country risk premiums and inflation differentials, as 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.

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 and Edtech segments account for 44% and 42% of the overall balance of goodwill respectively. Accordingly, assumptions made in determining the cash flows of classifieds and edtech CGUs have a significant impact on the annual impairment assessment. Key assumptions underlying revenue forecasts for CGUs in the Classifieds and Edtech segments include the CGUs 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 range between 1% and 57%, 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 tables below.

For those CGUs where no impairment is recognised, 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.

For Stack Overflow if either the pre- or post-tax discount rate applied to cash flows were to increase relatively by 5% there would be a further impairment of goodwill of US$119m. If the growth rate used to extrapolate cash flows were to decrease relatively by 5% there would be a further impairment of US$9m. If both the discount rate and the growth rate were to increase and decrease relatively by 5% respectively there would be a further impairment of goodwill of US$127m.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

7. Goodwill continued

Impairment testing of goodwill continued

The carrying value of goodwill presented per segment as at 31 March 2022, is as follows:

	Carrying value of goodwill US$'m	Basis of determination of recoverable amount[1]	Pre-tax discount rates at[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	**1 495**					6.7 – 55.0
OLX Autos	364	VIU	13.2 – 15.1	11.5 – 23.5	3.5	
Frontier Car Group Inc (FCG)	287					
OLX B.V.	77					
Avito AB	1 016	VIU	28.4	25.0	4.0	
Other Classifieds	115	VIU/FVLCoD	Various	Various	Various	
Payments and Fintech	**337**					10.6 – 38.9
PayU India	130	VIU	16.1	14.0	3.5	
PayU Global Payments Operations (GPO)	119	VIU	16.7	14.0	3.5	
Credit India	88	VIU	22.4	16.5	3.5	
Food Delivery	**27**	VIU	16.9	14.0	4.5	15.3 – 21.5
Edtech	**1 424**					22.9 – 36.9
Stack Overflow	1 213	VIU	15.4	13.5	2.3	
GoodHabitz	211	VIU	13.8	12.0	3.0	
Etail	**51**	VIU	14.6	13.5	4.5	8.2 – 16.4
Other	**38**	VIU/FVLCoD	Various	Various	Various	
	3 372					

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 of disposal (FVLCoD). FVLCoD is based on the most recent transaction value from an acquisition during the current financial year. The fair values 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 forecast 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 2022

Group structure continued

7. Goodwill continued

Impairment testing of goodwill continued

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 at[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	
Other Classifieds	156	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 of disposal (FVLCoD). FVLCoD is based on the most recent transaction value from an acquisition during the current financial year. The fair values 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 forecast 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 2022

Group structure continued

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] 2022 %	2021 %	Nature of business	Country of incorporation	Functional currency
Unlisted companies					
Corporate companies					
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					
OLX Global B.V.	**99.00**	100.00	Investment holding	The Netherlands	US$
Avito AB	**99.00**	100.00	Classifieds	Sweden	SEK
Brocante Lab SAS (Selency)	**54.14**	54.79	Classifieds	France	EUR
Frontier Car Group Inc (FCG)	**99.00**	90.70	Classifieds	United States of America	US$
Silver Indonesia JVCo B.V. (OLX Indonesia)	**99.00**	100.00	Classifieds	The Netherlands	US$
Food Delivery					
iFood.com Agência de Restaurantes					
Online S.A. (iFood)	**62.54**	62.24	Food delivery	Brazil	BRL
Payments and Fintech					
PayU Global B.V.	**100.00**	100.00	Investment holding	The Netherlands	US$
iyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (Iyzico)	**91.13**	91.13	Payments platform	Turkey	TRY
PayU Payments Private Limited	**100.00**	100.00	Payments platform	India	INR
PaySense Private Limited	**82.60**	79.20	Credit platform	Singapore	SGD
Red Dot Payment Private Limited	**74.09**	71.73	Payments platform	Singapore	SGD
Wibmo Inc	**100.00**	100.00	Payments platform	United States of America	US$
Zooz Mobile Limited	**100.00**	100.00	Payments platform	Israel	US$

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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

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] 2022 %	2021 %	Nature of business	Country of incorporation	Functional currency
Edtech					
MIH Edtech Investments B.V.	**100.00**	–	Investment holding	The Netherlands	US$
Good BidCo B.V. (GoodHabitz)[2]	**62.30**	–	Educational platform	The Netherlands	EUR
Stack Overflow Limited[2]	**100.00**	–	Educational platform	United Kingdom	GBP
Etail					
MIH B2C Holdings B.V.	**100.00**	100.00	Investment holding	The Netherlands	US$
Dante International S.A. (eMAG)	**79.57**	80.08	Retail and ecommerce	Romania	RON
Extreme Digital Zrt	**43.02**	41.64	Retail and ecommerce	Hungary	HUF
Other Ecommerce					
Movile Mobile Commerce Holdings S.L.	**94.03**	93.01	Mobile value-added services	Brazil	BRL
Sympla Internet Soluções S.A.	**77.82**	77.26	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 its interest in the current year and accounts for its interest as a subsidiary.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

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] 2022 %	2021 %	Nature of business	Country of incorporation	Functional currency	Year-end
Listed companies						
Delivery Hero SE[2]	**27.28**	21.10	Food delivery	Germany	EUR	December
Tencent Holdings Limited[3]	**28.81**	30.86	Internet-related services	Cayman Islands	RMB	December
VK (previously Mail.ru Group Limited)[4]	**–**	27.29	Internet-related services	British Virgin Islands	RUB	December
Remitly Global Inc	**22.75**	24.12	Digital money transfer	United States of America	US$	December
Skillsoft[5]	**37.55**	–	Educational platform	United States of America	US$	December
SimilarWeb Limited[6]	**14.93**	16.86	Internet metrics	Israel	NIS	December
Udemy Inc[2]	**12.27**	13.98	Educational technology	United States of America	US$	March
Unlisted companies						
Classifieds						
EMPG Holdings Limited	**39.85**	39.07	Classifieds	United Arab Emirates	US$	December
OfferUp Incorporated	**39.04**	39.54	Classifieds	United States of America	US$	December
Food Delivery						
Bundl Technologies Private Limited (Swiggy)[2]	**32.72**	41.19	Food delivery	India	INR	March
Flink SE[5, 6]	**9.76**	–	Food delivery	Germany	EUR	December
Oda Group Holding AS[5, 6]	**13.14**	–	Food delivery	Norway	NOK	December
Edtech						
Ryzac Inc (Codecademy)	**23.76**	20.94	Educational technology	United States of America	US$	December
SoloLearn Inc[2]	**18.46**	19.84	Educational technology	United States of America	US$	March
Think & Learn Private Limited (BYJU'S)[2, 3]	**9.81**	10.57	Educational technology	India	INR	March
Brainly Inc	**42.13**	40.06	Educational technology	United States of America	US$	December
Eruditus Learning Solutions Private Limited[2, 3]	**13.18**	8.83	Educational technology	Singapore	SGD	June
Other Ecommerce						
Honor Technology Inc (Honor)[2]	**13.71**	15.83	Home care	United States of America	US$	December
Meesho Inc[2, 3]	**13.83**	12.36	Online marketplace	United States of America	US$	March
API Holdings Private Limited (PharmEasy)[2, 4]	**13.24**	–	Healthcare	India	INR	March
NTEx Transportation Services Private Limited (ElasticRun)[3]	**22.63**	20.57	Logistic services	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 6 for the group's additional investment during the current year.
3 The group partially disposed of its interest in the current year. Refer to note 6.
4 During March 2022 the group lost its significant influence due to its resignation from the board of directors. The group accounts for the 27.29% interest in VK at fair value through other comprehensive income. The fair value of the investment is US$nil at 31 March 2022. Refer to note 4.
5 The group acquired its interest in the current year. Refer to note 6.
6 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 2022

Group structure continued

9. Investments in associates continued

The fair values of the group's investments in its listed associates are detailed below:

	31 March	
	2022 US$'m	2021 US$'m
Listed investments		
Delivery Hero SE	**3 035**	6 810
Tencent Holdings Limited	**132 311**	232 354
VK (previously Mail.ru Group Limited)[1]	**–**	1 409
Remitly Inc	**369**	–
Skillsoft	**302**	–
SimilarWeb Limited	**145**	–
Udemy Inc	**213**	–

1 During March 2022 the group lost its significant influence due to its resignation from the board of directors. Refer to note 4.

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	
	2022 US$'m	2021 US$'m
Opening balance	**40 556**	22 233
Associates acquired – gross consideration	**4 823**	2 342
Net assets acquired (restated)*	**1 277**	207
Goodwill and other intangibles recognised (restated)*[1]	**3 661**	2 252
Deferred taxation recognised	**(115)**	(117)
Associates disposed of	**(10)**	(20)
Associates transferred to held for sale	**(38)**	–
Share of current-year changes in OCI and net asset value	**(2 699)**	6 819
Share of equity-accounted results	**9 378**	7 147
Equity-accounted results due to purchase accounting	**(72)**	(33)
Amortisation of other intangible assets	**(99)**	(46)
Realisation of deferred taxation	**27**	13
Impairment	**(582)**	(9)
Dividends received[2]	**(4 426)**	(458)
Foreign currency translation effects	**(250)**	1 546
Disposal of partial interest in associate[3]	**(2 316)**	(1)
Dilution gains[4]	**93**	990
Closing balance	**44 457**	40 556
Investments in associates		
Listed	**40 463**	38 136
Unlisted	**3 994**	2 420
Total investments in associates	**44 457**	40 556

* The group made additional investments in Delivery Hero SE in March 2021. At 31 March 2021 the purchase price allocation (PPA) was not yet finalised and, accordingly, previously published financial information included only provisional amounts for intangible assets. The PPA was finalised during the year ended 31 March 2022 and, accordingly, the provisional amount for intangible assets was updated to the final amounts. 'Net assets acquired' and 'Goodwill and other intangibles recognised' previously published were US$436m and US$2 023m respectively. This restatement did not change the carrying amount of the investment in Delivery Hero SE at 31 March 2021.

1 Includes goodwill of US$2.1bn (2021: US$1.2bn) and intangible assets of US$489.7m (2021: US$298.1m) relating to the acquisition of additional shares in Delivery Hero.

2 At 31 March 2022, the dividend received from Tencent amounted to US$570.7m cash and dividend in specie of US$3.9bn in shares of JD.com.

3 At 31 March 2022, gains on partial disposal recognised in the consolidated income statement relate to the 2% disposal of Tencent Holdings Limited. The group recognised a gain on partial disposal of US$12.34bn.

4 The total dilution gains presented in the income statement relate 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

9. Investments in associates continued

The group recognised US$9.3bn (2021: US$7.1bn) from associates as its share of equity-accounted results in the income statement. There are no cumulative unrecognised losses relating to associates that have been fully impaired, recognised (2021: US$nil) as at 31 March 2022.

The group recognised total dilution gains of US$95.1m (2021: US$1bn) as part of 'Dilution gains on equity-accounted investments' in the income statement. The net dilution gain includes US$92.2m (2021: US$989.4m) which relates to the group's shareholding in Delivery Hero, Swiggy and SimilarWeb and other unlisted investments. The prior year's net dilution gain relates primarily to a 4% dilution in the group's interest in Delivery Hero as a result of share issue.

The total dilution gain presented in the income statement also includes a gain of US$2.9m (2021: dilution loss of US$8.4m) 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.

In March 2022, the group's directors resigned with immediate effect from the VK board and no voting rights will be exercised under the current circumstances and sanctions landscape. As a result of the resignation of the directors from the VK board the group lost significant influence over VK and ceased accounting for this investment as an associate. The group reclassified a portion of the foreign currency translation reserves related to VK from other comprehensive income to the 'Net (losses)/gains on acquisitions and disposals' in the income statement amounting to a loss of US$1.14bn as a result of the loss of significant influence.

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 usually 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 2022, the group does not recognise deferred tax on its investments in associates as distributions from associates do not have tax consequences.

Impairment of equity-accounted investments

The group assesses whether there is an indication that its equity-accounted investments are impaired. This assessment was due to the decline in the market capitalisation of the listed equity-accounted investments and the increase in country risk premiums. The group recognised impairment losses of US$584.1m (2021: US$11m) for equity-accounted investments of which US$473.6m of the impairment loss related to VK.

The significant decline in the share price of VK presented an indicator for impairment on the carrying value of this investment immediately prior to the loss of significant influence. Accordingly, the group fully impaired the carrying value of the investment for the year ended 31 March 2022.

The impairment assessment for equity-accounted investments included an assessment, among others, of the group's investment in Delivery Hero as a result of a decline in its market capitalisation. The recoverable amount for Delivery Hero is the higher of the value in use and fair value less costs of disposal. The recoverable amount was based on the value-in-use calculations. The value in use was higher than the market prices for the investment because market prices reflect current market sentiment while value in use considers a longer-term horizon. The value in use was determined using the discounted cash flow method. The group used 10-year projected cash flow models as the business has monetisation timelines longer than five years. The 10-year projected cash flow models incorporated market views and publicly available analyst projections. The equity-accounted investment was valued using the sum-of-the-parts approach. The value-in-use calculation determined the equity values for the investment which took into consideration the following key assumptions:

Revenue and expenses

Revenue and expenses are based on past experience, management's future expectations of business performance and the latest guidance announced by Delivery Hero. The revenue and expense drivers for Delivery Hero are the number of orders which increased annually by forecast annual growth rates and average order values.

Growth rates

The growth rates were consistent with publicly available information relating to long-term average growth rates for the market in which the equity-accounted investments operate in. The annual growth rate used for revenue and expenses over the 10-year forecast period ranged between 5% – 47% for Delivery Hero.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

9. Investments in associates continued

Impairment of equity-accounted investments continued

Discount rates

The discount rates used reflect specific risks relating to the relevant operations and the regions in which they operate, while for certain operations 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. Post-tax discount rate used ranged between 10% – 15% for Delivery Hero. Pre-tax discount rate used ranged between 11.6% – 16.9%.

Terminal growth rates

The terminal growth rates considered the steady growth rates that would appropriately extrapolate cash flows beyond the forecast periods once the business segment has assumed to reach maturity. The terminal growth rate for Delivery Hero fell within the range of 2% and 5% based on the expected growth in perpetuity in the economies that these businesses operate in.

Based on the value-in-use calculations of these investments, the value in use of Delivery Hero exceeds the carrying amount. Accordingly, there was no impairment loss recognised for this investment.

Sensitivity to changes in assumptions

An adverse adjustment to any of the above key assumptions would result in an impairment of Delivery Hero.

Material associates' summarised financial information

	31 March[1] Tencent Holdings Limited		31 March[1] Delivery Hero SE		31 March[1, 3] VK Group Limited	
	2022 US$'m	2021 US$'m	**2022 US$'m**	Restated[2] 2021 US$'m	**2022 US$'m**	2021 US$'m
Dividends received	**4 426**	458	**–**	–		–
Revenue	**87 530**	71 597	**6 741**	2 919		1 345
Net profit/(loss) from operations	**34 179**	26 365	**810**	(4 133)		(197)
Other comprehensive (loss)/income	**(18 022)**	21 571	**(26)**	(64)		13
Total comprehensive income/(loss)	**16 157**	47 936	**784**	(4 197)		(184)
Non-current assets[2]	**168 122**	160 556	**10 403**	8 321		3 058
Current assets	**76 469**	48 476	**3 978**	3 809		806
Total assets	**244 591**	209 032	**14 381**	12 130		3 864
Non-current liabilities[2]	**51 726**	43 169	**7 469**	6 107		792
Current liabilities	**60 880**	41 064	**1 942**	1 739		655
Total liabilities	**112 606**	84 233	**9 411**	7 846		1 447
Closing net assets	**131 985**	124 799	**4 970**	4 284		2 417
Non-controlling interests	**(11 103)**	(12 857)	**(17)**	(5)		(22)
	120 882	111 942	**4 953**	4 279		2 395
Group's effective interest in associate at year-end	**34 826**	34 545	**1 351**	903		654
Goodwill and other[2]	**11**	11	**3 595**	1 919		103
Carrying value of investment	**34 837**	34 556	**4 946**	2 822		757

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.

2 The group made additional investments in Delivery Hero SE in March 2021, May 2021 and August 2021. At 31 March 2021 the purchase price allocation (PPA) was not yet finalised and accordingly previously published financial information included only provisional amounts for intangible assets. The PPA was finalised during the year ended 31 March 2022 and accordingly the provisional amount for intangible assets was updated to the final amounts. 'Non-current assets', 'Non-current liabilities' and 'Goodwill' previously published were US$8 236m, US$4 959m and US$1 694m, respectively. This restatement did not change the carrying amount of the investment in Delivery Hero SE at 31 March 2021. Included in 'Goodwill and other' is the fair-value adjustment related to intangible assets arising as a result of the incremental acquisition acquired amounting to US$40.4m (2021: US$95.8m).

3 The group lost significant influence in VK as a result of its resignation from the board of directors.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

9. Investments in associates continued

Other associates' summarised financial information

	31 March 2022 US$'m	31 March 2021 US$'m
Net loss from continuing operations	**(630)**	(221)
Other comprehensive income	**59**	26
Total comprehensive loss	**(571)**	(195)
Carrying value of investments	**4 674**	2 420
Total carrying value of investments in associates	**44 457**	40 556

The group had no capital commitments or contingent liabilities at 31 March 2022 and 2021 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 interest[1] 2022 %	Effective interest[1] 2021 %	Nature of business	Country of incorporation	Functional currency	Year-end
Unlisted companies						
El Cocinero a Cuerda S.L. (SinDelantal Mexico)	**30.72**	30.39	Food delivery	Spain	EUR	December
Inversiones CMR S.A.S. (Domicilios.com)	**31.97**	31.63	Food delivery	Colombia	COP	December
Silver Brazil JVCo B.V. (OLX Brasil)	**49.50**	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.

Adjustments are made for significant transactions and events that take place where lag periods are applied.

	31 March 2022 US$'m	31 March 2021 US$'m
Opening balance	**158**	72
Joint ventures acquired – gross consideration[1]	**5**	134
Net assets acquired	**5**	20
Goodwill and other intangibles recognised	**–**	114
Share of equity-accounted results	**(50)**	(19)
Equity-accounted results due to acquisition accounting	**–**	(1)
Impairment	**–**	(21)
Foreign currency translation effects	**31**	(7)
Closing balance	**144**	158

[1] Refer to note 6 for investments in joint ventures during the prior year.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

10. Investments in joint ventures continued

The group recognised losses of US$50.2m (2021 losses: US$19.2m) from joint ventures as its share of equity-accounted profits in the income statement. There are no cumulative unrecognised losses relating to joint ventures that have been fully impaired, recognised (2021: US$nil) as at 31 March 2022.

No impairment losses (2021: US$20.8m) 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 2022, 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 2022 and 2021.

11. Acquisitions of subsidiaries and businesses

	31 March	
	2022 US$'m	2021 US$'m
Fair value of assets and liabilities:		
Property, plant and equipment	**16**	9
Investments and loans	**–**	2
Other intangible assets	**309**	45
Net current assets/(liabilities)	**90**	(11)
Deferred taxation	**(81)**	(10)
Long-term liabilities	**(10)**	(9)
	324	26
Non-controlling interests	**(16)**	(24)
Existing control business combination reserve[1]	**–**	71
Goodwill recognised	**1 692**	42
Purchase consideration	**2 000**	115
Amount to be settled in future	**–**	(7)
Net cash in subsidiaries and businesses acquired	**(104)**	(20)
Net cash outflow from acquisitions of subsidiaries and businesses	**1 896**	88

[1] In December 2020, Naspers through its subsidiary MIH Treasury Services Proprietary Limited sold Homefind24 Proprietary Limited (Property24) to the Prosus group for US$71m. The transaction was accounted for as an acquisition of a subsidiary under common control.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Group structure continued

12. Disposals of subsidiaries and businesses

	31 March 2022 US$'m	31 March 2021 US$'m
Carrying values of assets and liabilities:		
Property, plant and equipment	**2**	3
Assets and liabilities classified as held for sale	**–**	188
Goodwill	**8**	72
Other intangible assets	**16**	13
Net current assets/(liabilities)	**7**	(6)
Deferred taxation	**(4)**	–
Long-term liabilities	**(1)**	–
Foreign currency translation reserve realised	**–**	16
	28	286
Existing control business combination reserve	**1**	(17)
Gain on disposal – net	**21**	346
Fair-value gain on shares received	**–**	174
Selling price	**50**	789
Net cash in subsidiaries and businesses disposed of	**(15)**	(35)
Shares received as settlement	**(33)**	(710)
Amounts relating to prior year disposal	**22**	–
Amounts to be received in the future	**(4)**	(17)
Net cash inflow from disposals of subsidiaries and businesses	**20**	27

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Operational performance

13. Revenue from contracts with customers

Accounting policies

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 which 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. Where the group is in the capacity of an agent, it recognises revenue on a net basis.

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, classifieds listing revenue, payment transaction commissions and fees, food delivery revenue, educational technology revenue, mobile and other content revenue.

Sale of goods

Revenue from goods sold is recognised when the goods are delivered and accepted by the customer.

Classifieds listings

The group recognises classifieds listings and related feature fees over the feature period or on listing of an item for sale depending on the nature of the feature purchased. Success fees and other relevant commissions are recognised when a transaction is completed on the group's websites.

Payments and fintech, food delivery and mobile content

Payments and fintech, food delivery, mobile content revenues are recognised once a transaction is completed and is based on the applicable fee for each transaction performed.

Educational technology revenue

Educational technology revenues are recognised over the period in which the online educational content is provided for or when the online educational content is provided depending on the nature of the educational content purchased.

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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Operational performance continued

13. Revenue from contracts with customers continued

	Reportable segment(s) where revenue is included	31 March 2022 US$'m	31 March 2021 US$'m
Online sale of goods revenue	Etail and Classifieds	**3 805**	2 826
Classifieds listings revenue	Classifieds	**1 008**	715
Payment transaction commissions and fees	Payments and Fintech	**703**	513
Mobile and other content revenue	Other Ecommerce	**71**	147
Food delivery revenue	Food Delivery	**986**	733
Advertising revenue	Classifieds	**86**	71
Educational technology revenue	Edtech	**83**	–
Other revenue	Various	**124**	111
		6 866	5 116

Revenue is presented on an economic-interest basis (ie 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. Refer to note 21 for disaggregation of revenue by geographical area.

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 35)

Accrued income balance net of impairment allowances as at 31 March 2022 was US$45.5m (2021: US$16.5m). Refer to note 39 for the group's credit risk management policy. Impairment allowances recorded on accrued income balances were not material.

Deferred income (refer to notes 31 and 38)

The total deferred income balance as at 31 March 2022 was US$158.5m (2021: US$81.8m) which consists of a current liability portion of US$142.8m (2021: US$81.8m) and a non-current liability portion of US$15.7m (2021: US$nil). Revenue recognised in the current year that was included in the deferred income balance at the beginning of the year (as at 1 April 2021) was US$62.3m (2021: US$36.2m).

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 2022 (2021: US$nil).

14. Expenses by nature

Employee benefits

Accounting policies

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 2022

Operational performance continued

14. Expenses by nature continued

	31 March 2022 US$'m	2021 US$'m
Operating loss includes the following items:		
Platform cost of sales, website hosting and warehousing costs	**3 430**	2 598
Payment facilitation transaction costs	**610**	379
Delivery services costs	**639**	390
Depreciation[1]	**116**	93
Amortisation[2]	**137**	138
Short-term lease payments	**3**	1
Auditor's remuneration – PwC in the Netherlands[3]		
Audit fees of the financial statements	**4**	4
Other audit services	**1**	2
Auditor's remuneration – PwC network outside the Netherlands		
Audit fees of the financial statements	**6**	4
Audit fees – other audit services	**1**	1
Total audit fees	**12**	11
Staff costs		
The total cost of employment of all employees, including executive directors, was as follows:		
Salaries, wages and bonuses	**1 131**	856
Social security taxes	**132**	99
Retirement benefit costs	**22**	8
Medical aid fund contributions	**4**	1
Post-employment benefits	**2**	1
Cash-settled share-based compensation expenses	**129**	675
Equity-settled share-based compensation expenses	**125**	54
	1 545	1 694
Training costs	**12**	7
Retention option expense	**15**	62
Total staff costs	**1 572**	1 763
Advertising expenses	**491**	322
General administration cost	**524**	363
Other costs of providing services and sale of goods, purchases and expenses	**29**	11
Total	**7 563**	6 069

1 Includes depreciation charge of US$1.3m in cost of providing services and sale of goods (2021: US$0.7m).
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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Operational performance continued

15. Other (losses)/gains – net

	31 March 2022 US$'m	31 March 2021 US$'m
Fair-value adjustments on financial instruments	**6**	(4)
Impairment losses	**(246)**	(68)
Impairment of goodwill	**(246)**	(68)
Dividends received on investments	**45**	4
Income on business support services	**34**	–
Covid-19 donation	**–**	(13)
Other	**(1)**	(6)
Total other gains/(losses) – net	**(162)**	(87)

Refer to note 7 for further information on the above impairments.

16. Finance income/(costs)

	31 March 2022 US$'m	31 March 2021 US$'m
Interest income		
Loans and bank accounts	**40**	61
Other	**18**	22
	58	83
Interest expense		
Loans and overdrafts	**(384)**	(245)
Capitalised lease liabilities	**(9)**	(10)
Other	**(10)**	(7)
	(403)	(262)
Other finances (costs)/income – net		
Net (loss)/profit from foreign exchange translation and fair-value adjustments on financial instruments		
On translation of assets and liabilities	**119**	55
(Losses)/gains on derivative and other financial instruments[1]	**(202)**	122
	(83)	177
Total finance (costs)/income – net	**(428)**	(2)

[1] 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 23.

17. Net (losses)/gains on acquisitions and disposals

	31 March 2022 US$'m	31 March 2021 US$'m
Gains on sale of investments – net	**31**	241
(Losses)/gains on sale of business – net	**(1)**	118
(Losses)/gains recognised on loss of significant influence transactions[1]	**(1 112)**	–
Remeasurement of contingent consideration	**(6)**	–
Transaction-related costs	**(43)**	(51)
Other	**1**	1
	(1 130)	309

[1] The group reclassified a portion of the foreign currency translation reserves related to VK from other comprehensive income to the income statement amounting to a loss of US$1.14bn as a result of the loss of significant influence. Refer to note 9.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Operational performance continued

18. Cash from operations

	31 March 2022 US$'m	31 March 2021 US$'m
Profit before tax per income statement	**18 691**	7 332
Adjustments:		
Non-cash and other	**(18 841)**	(7 277)
Depreciation and amortisation	**253**	231
Retention option expense	**15**	62
Share-based compensation expenses	**254**	729
Net finance cost	**428**	2
Share of equity-accounted results	**(9 256)**	(7 095)
Impairment of equity-accounted investments	**582**	30
Gains on acquisitions and disposals	**(25)**	(360)
Dilution gains on equity-accounted investments	**(95)**	(981)
Gains on partial disposal of equity-accounted investments	**(12 339)**	(19)
Losses/(gains) recognised on loss of significant influence transactions	**1 112**	–
Income on business support services	**(34)**	–
Dividends received on investments	**(45)**	4
Net realisable value adjustments on inventory, net of reversals	**6**	–
Impairment of goodwill and other intangible assets	**246**	68
Reversal of bonus provision	**62**	39
Other	**(5)**	13
	(150)	55
Working capital	**(494)**	(107)
Cash movement in trade and other receivables	**(208)**	(56)
Cash movement in payables, accruals and cash-settled share-based payment liabilities	**(96)**	48
Cash movement in inventories	**(190)**	(99)
Total cash utilised in operations	**(644)**	(52)

19. Taxation

Accounting policies

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 ended 31 March 2022 is 25.8% (2021: 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Operational performance continued

19. Taxation continued

	31 March	
	2022 US$'m	2021 US$'m
Current taxation	**156**	(52)
Current year	**153**	120
Prior year	**3**	(172)
Deferred taxation	**(59)**	(15)
Current year	**(59)**	(15)
Total taxation expense/(credit) per income statement[1]	**97**	(67)
Reconciliation of taxation		
Taxation at statutory rates[2]	**4 673**	1 833
Adjusted for:		
Non-deductible expenses[3]	**592**	226
Non-taxable income[3]	**(3 146)**	(383)
Temporary differences not provided for[4]	**296**	255
Assessed losses utilised	**–**	(11)
Adjustments related to prior-year taxes[1]	**(5)**	(136)
Other taxes	**13**	13
Tax attributable to equity-accounted earnings	**(2 315)**	(1 774)
Tax adjustment for foreign taxation rates	**(11)**	(90)
Taxation provided in income statement[1]	**97**	(67)

1 Refer to note 42 for details on the tax credit in the prior year.
2 The reconciliation of taxation has been performed using the statutory tax rate of Prosus of 25.8% (2021: 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 for losses not provided for relate primarily to loss-making entities that did not recognise deferred tax assets.

20. Deferred taxation

Accounting policies

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. The statutory Dutch corporate tax rate changes to 25.8% for the year of assessment beginning 1 January 2022 and is considered to be substantively enacted. The deferred tax temporary differences expected to reverse at this new corporate tax rate are not material.

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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Operational performance continued

20. Deferred taxation continued

The deferred tax assets and liabilities and movements thereon were attributable to the following items:

	1 April 2021 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$'m	31 March 2022 US$'m
Deferred taxation assets						
Provisions and other current liabilities	**11**	**–**	**1**	**2**	**(2)**	**12**
Capitalised lease liabilities	**3**	**(1)**	**–**	**–**	**(1)**	**1**
Tax losses carried forward	**3**	**(1)**	**3**	**(2)**	**–**	**3**
Other	**10**	**5**	**–**	**(2)**	**1**	**14**
Total deferred tax assets	**27**	**3**	**4**	**(2)**	**(2)**	**30**
Offsetting of deferred tax liabilities	**(4)**					**(4)**
Net deferred tax assets	**23**					**26**
Deferred taxation liabilities						
Intangible assets	**179**	**(31)**	**80**	**(6)**	**(10)**	**212**
Other	**20**	**(25)**	**5**	**–**	**–**	**–**
Total deferred tax liabilities	**199**	**(56)**	**85**	**(6)**	**(10)**	**212**
Offsetting of deferred tax assets	**(4)**					**(4)**
Net deferred tax liabilities	**195**					**208**
Net deferred taxation	**(172)**	**59**	**(81)**	**4**	**8**	**(182)**

	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 2022

Operational performance continued

20. Deferred taxation continued

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$3.3bn (2021: US$2.5bn) and unrecognised deferred tax assets on interest carried forward of US$224.7m. A summary of the tax losses carried forward at 31 March 2022 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	4	23	20	–	–	47
Expires in year two	23	28	3	–	–	54
Expires in year three	31	30	3	–	–	64
Expires in year four	38	26	7	–	–	71
Expires in year five	31	35	–	–	–	66
Expires after year five	187	94	556	19	82	938
Non-expiring	–	2 024	10	–	–	2 034
	314	2 260	599	19	82	3 274

Net deferred taxation assets amount to US$25.6m (2021: US$23.3m), of which US$16.1m (2021: US$14.3m) are expected to be utilised within the next 12 months and US$9.4m (2021: US$9m) after 12 months. Net deferred taxation liabilities amount to US$208.4m (2021: US$194.7m), of which US$28m (2021: US$19.1m) are expected to be settled within the next 12 months and US$180.4m (2021: US$175.6m) 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.

21. Segment information

Accounting policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who 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.

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Operational performance continued

21. Segment information continued

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, Edtech 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.
- *Edtech* – comprises the group's investment in leading online educational technology platforms (such as Stack Overflow, Skillsoft and GoodHabitz). The group's operations are spread across the globe, including North America, Europe, the Middle East, Africa and the Asia-Pacific region.
- *Other Ecommerce* – this segment comprises the group's mobile and other content businesses. Also included are various corporate support functions for the Ecommerce segment.

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 VK (previously 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 'Intersegmental' 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, 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 for group share option schemes, 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.

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).

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Operational performance continued

21. Segment information continued

The revenues from external customers for each major group of products and services are disclosed in note 13. 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.

	Revenue					
	31 March 2022			31 March 2021		
	External US$'m	Inter-segmental US$'m	Total US$'m	External US$'m	Inter-segmental US$'m	Total US$'m
Ecommerce	**9 825**	**–**	**9 825**	6 230	–	6 230
Classifieds	**2 975**	**–**	**2 975**	1 599	–	1 599
Food Delivery	**2 992**	**–**	**2 992**	1 486	–	1 486
Payments and Fintech	**784**	**12**	**796**	567	10	577
Edtech[1]	**425**	**–**	**425**	115	–	115
Etail	**2 259**	**–**	**2 259**	2 250	–	2 250
Other[1]	**390**	**(12)**	**378**	213	(10)	203
Social and Internet Platforms	**25 794**	**–**	**25 794**	22 526	–	22 526
Tencent	**25 261**	**–**	**25 261**	22 155	–	22 155
VK[2]	**533**	**–**	**533**	371	–	371
Corporate	**–**	**–**	**–**	–	–	–
Total economic interest from operations	**35 619**	**–**	**35 619**	28 756	–	28 756
Less: Equity-accounted investments	**(28 753)**	**–**	**(28 753)**	(23 640)	–	(23 640)
Total consolidated	**6 866**	**–**	**6 866**	5 116	–	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.
2 During March 2022 the group lost its significant influence due in VK. Accordingly, equity-accounted results will no longer be presented subsequent to March 2022.

	Year ended 31 March 2022						
	Total revenue US$'m	COPS and SGA[1] US$'m	Adjusted EBITDA[2] US$'m	Depreciation US$'m	Amortisation of software US$'m	Interest on leases US$'m	Trading (loss)/profit[3] US$'m
Ecommerce	**9 825**	**(10 715)**	**(890)**	**(193)**	**(18)**	**(10)**	**(1 111)**
Classifieds	**2 975**	**(2 880)**	**95**	**(55)**	**(8)**	**(7)**	**25**
Food Delivery	**2 992**	**(3 643)**	**(651)**	**(67)**	**(5)**	**(1)**	**(724)**
Payments and Fintech	**796**	**(848)**	**(52)**	**(6)**	**(1)**	**(1)**	**(60)**
Edtech[4]	**425**	**(525)**	**(100)**	**(16)**	**(1)**	**–**	**(117)**
Etail	**2 259**	**(2 247)**	**12**	**(43)**	**(3)**	**(1)**	**(35)**
Other[4]	**378**	**(572)**	**(194)**	**(6)**	**–**	**–**	**(200)**
Social and Internet Platforms	**25 794**	**(18 171)**	**7 623**	**(1 225)**	**(42)**	**(37)**	**6 319**
Tencent	**25 261**	**(17 759)**	**7 502**	**(1 181)**	**(16)**	**(32)**	**6 273**
VK[5]	**533**	**(412)**	**121**	**(44)**	**(26)**	**(5)**	**46**
Corporate	**–**	**(160)**	**(160)**	**(6)**	**–**	**(1)**	**(167)**
Total economic interest	**35 619**	**(29 046)**	**6 573**	**(1 424)**	**(60)**	**(48)**	**5 041**
Less: Equity-accounted investments	**(28 753)**	**21 769**	**(6 984)**	**1 308**	**49**	**39**	**(5 588)**
Total consolidated	**6 866**	**(7 277)**	**(411)**	**(116)**	**(11)**	**(9)**	**(547)**

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 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 During March 2022 the group lost its significant influence due in VK. Accordingly, equity-accounted results will no longer be presented subsequent to March 2022.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Operational performance continued

21. Segment information continued

	Year ended 31 March 2021						
	Total revenue US$'m	COPS and SGA[1] US$'m	Adjusted EBITDA[2] US$'m	Depreciation US$'m	Amortisation 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
Food Delivery	1 486	(1 799)	(313)	(38)	(3)	(1)	(355)
Payments and Fintech	577	(636)	(59)	(8)	–	(1)	(68)
Edtech[4]	115	(126)	(11)	(3)	–	–	(14)
Etail	2 250	(2 148)	102	(31)	(2)	(1)	68
Other[4]	203	(266)	(63)	(6)	–	–	(69)
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
VK	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.
4 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.

Additional disclosure

	Year ended 31 March 2022			Year ended 31 March 2021		
	Reversal of impairment/ (impairment) of assets US$'m	**Share of equity-accounted results US$'m**	**Average number of employees[1]**	Impairment of assets US$'m	Share of equity-accounted results US$'m	Average number of employees[1]
Ecommerce	**143**	**(523)**	**26 150**	(501)	(1 007)	20 888
Classifieds	**–**	**(70)**	**10 430**	(64)	(44)	7 621
Food Delivery	**390**	**(148)**	**4 560**	(414)	(903)	3 034
Payments and Fintech	**–**	**(23)**	**2 120**	–	(15)	2 927
Edtech	**(246)**	**(155)**	**509**	–	(4)	–
Etail	**(1)**	**–**	**7 402**	–	–	6 041
Other	**–**	**(127)**	**1 129**	(23)	(41)	1 265
Social and Internet Platforms	**(1 459)**	**9 779**		(553)	8 102	
Tencent	**(1 453)**	**9 863**		(550)	8 156	
VK	**(6)**	**(84)**		(3)	(54)	
Corporate	**–**	**–**	**183**	–	–	130
Total reportable segments	**(1 316)**	**9 256**	**26 333**	(1 054)	7 095	21 018
Less: Equity-accounted investments[2]	**1 070**	**–**	**–**	986	–	–
Total	**(246)**	**9 256**	**26 333**	(68)	7 095	21 018

1 Includes 407 (2021: 173) employees working in the Netherlands. As at 31 March 2022 the group employed 30 413 (2021: 23 874) permanent employees in its subsidiaries.
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 2022

Operational performance continued

21. 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 2022 US$'m	31 March 2021 US$'m
Consolidated adjusted EBITDA[1]	**(411)**	(53)
Depreciation	**(116)**	(93)
Amortisation of software	**(11)**	(7)
Interest on capitalised lease liabilities	**(9)**	(10)
Trading loss from operations per segment report[2]	**(547)**	(163)
Interest on capitalised lease liabilities	**9**	10
Amortisation of other intangible assets	**(126)**	(131)
Other (losses)/gains – net	**(162)**	(87)
Retention option expense	**(15)**	(62)
Remeasurement of cash-settled share-based incentive expenses	**5**	(594)
Share-based incentives for share options settled in Naspers Limited shares[3]	**(23)**	(13)
Operating loss per the income statement	**(859)**	(1 040)
Interest income	**58**	83
Interest expense	**(403)**	(262)
Other finance (costs)/income – net	**(83)**	178
Share of equity-accounted results	**9 256**	7 095
Impairment of equity-accounted investments	**(582)**	(30)
Dilution gains on equity-accounted investments	**95**	981
Gains on partial disposal of equity-accounted investments	**12 339**	19
Net gains on acquisitions and disposals	**(1 130)**	309
Profit before taxation per the income statement	**18 691**	7 333

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 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, ie they are settled by Naspers.

Geographical information

Revenue is allocated to a country based on the location of users/customers. 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, Eastern and Western 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.

North America – The group's activities comprise its interests in internet activities based in the United States of America and other countries.

Other – Includes the group's provision of various products and internet services located mainly in Africa and Australia.

	31 March 2022		31 March 2021	
Geographical area	**External consolidated revenue US$'m**	**External proportionately consolidated revenue[1] US$'m**	External consolidated revenue US$'m	External proportionately consolidated revenue[1] US$'m
Asia	**701**	**26 540**	420	22 803
Europe[2]	**3 618**	**5 961**	3 186	4 182
Central	**768**	**780**	678	684
Eastern Europe	**2 108**	**2 117**	2 027	2 031
Western Europe	**100**	**1 889**	58	673
Russia	**642**	**1 175**	423	794
Latin America	**1 834**	**1 919**	1 266	1 317
North America	**647**	**1 036**	205	356
Other	**66**	**163**	39	98
Total	**6 866**	**35 619**	5 116	28 756

1 Revenue includes the group's proportionate share of associates' and joint ventures' external revenue.

2 Europe geographical area for the current and prior year has been disaggregated into the different regions.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Earnings per share and equity

22. Earnings per share

Accounting policies

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 adjusts 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 1/2021, 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 1/2021, 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.

Basic headline earnings per share is 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 is determined by dividing the diluted 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 is adjusted retrospectively.

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 ordinary shares N, the consideration paid to acquire those shares, including attributable incremental costs, is deducted from shareholders' equity and presented separately 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 ordinary shares N in issue, such shares are shown as treasury shares until they are cancelled. When these shares are cancelled, they are deducted against share capital and share premium and/or retained earnings on the basis of their par value.

During the current year 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 the 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. Refer to note 4 for further details.

Prosus share exchange with Naspers shareholders and cross-holding arrangement

In August 2021, the group completed a share exchange offer to Naspers shareholders and 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 share exchange. Refer to note 4 for further details.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Earnings per share and equity continued

22. Earnings per share continued

	Year ended 31 March 2022				Year ended 31 March 2021			
	Gross US$'m	Taxation US$'m	Non-controlling interests US$'m	Net US$'m	Gross US$'m	Taxation US$'m	Non-controlling interests US$'m	Net US$'m
Earnings								
Basic earnings attributable to shareholders				**18 733**				7 449
Impact of dilutive instruments of subsidiaries, associates and joint ventures				**(170)**				(139)
Diluted earnings attributable to shareholders				**18 563**				7 310
Headline adjustments								
Adjustments for:	**(15 657)**	**–**	**–**	**(15 657)**	(1 362)	(173)	(74)	(1 609)
Impairment of goodwill and other intangible assets	**246**	**–**	**–**	**246**	68	–	(1)	67
Loss on loss of significant influence transactions	**1 112**	**–**	**–**	**1 112**	–	–	–	–
Net gains on acquisitions and disposals of investments	**(31)**	**–**	**–**	**(31)**	(359)	(173)	30	(502)
Gains on partial disposal of equity-accounted investments	**(12 339)**	**–**	**–**	**(12 339)**	(19)	–	–	(19)
Dilution (gains)/losses on equity-accounted investments	**(95)**	**–**	**–**	**(95)**	(981)	–	–	(981)
Remeasurements included in equity-accounted earnings[1]	**(5 132)**	**–**	**–**	**(5 132)**	(101)	–	(95)	(196)
Impairment of equity-accounted investments	**582**	**–**	**–**	**582**	30	–	(8)	22
Basic headline earnings				**3 076**				5 840
Diluted headline earnings				**2 906**				5 701

[1] Remeasurements included in equity-accounted earnings include US$6.2bn (2021: US$1.1bn) relating to gains arising on acquisitions and disposals by associates and US$1.1bn (2021: US$932.5m) relating to impairments of assets recognised by associates.

The earnings per share represents 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 share exchange (refer to note 4). 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 ordinary shares N 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 ordinary shares N (Cross-holding ordinary shares N) are excluded from the earnings per share calculation, as they contractually do not have an economic interest in the earnings of the group.

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 ordinary shares N issued in the share exchange in August 2021, the ordinary shares N related to the cross-holding agreement, and the ordinary shares N repurchased from August 2021 (refer to note 4) are weighted for the period that they have been in issue up until 31 March 2022.

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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Earnings per share and equity continued

22. Earnings per share continued

Issued shares	2022 Participating ordinary shares N	2021 ordinary shares N Restated[1]
Net number of shares in issue at year-end (net of treasury shares)[2]	**2 003 817 745**	1 612 777 577
Cross-holding ordinary shares N	**(584 373 494)**	–
Net number of shares in issue at year-end	**1 419 444 251**	1 612 777 577
Weighted average number of ordinary shares		
Issued net of treasury at the beginning of the year	**1 612 777 577**	1 624 652 070
Weighting of share buyback	**(21 496 865)**	(2 197 203)
Weighting of cross-holding ordinary shares N[3]	**(365 033 306)**	
Weighting of ordinary shares N issued to Naspers shareholders[3]	**280 465 945**	
Weighted average number of shares in issue during the year	**1 506 713 351**	1 622 454 867
Adjusted for effect of future share-based payment transactions	**–**	–
Diluted weighted average number of ordinary shares N in issue during the year	**1 506 713 351**	1 622 454 867
Per share information for the year (US cents)[3, 4]		
Earnings per ordinary share N for the year	**1 243**	459
Diluted earnings per ordinary share N for the year	**1 232**	450
Headline earnings per ordinary share N for the year	**204**	360
Diluted headline earnings per ordinary share N for the year	**193**	351
Dividend paid per ordinary share N (euro cents)	**14**	11
Proposed dividend per ordinary share N (euro cents)	**14**	14

1 Restated to exclude Prosus A ordinary shares.
2 Includes 448 991 535 ordinary shares N issued to Naspers shareholders due to share exchange. The Prosus free-float shareholders hold 823 567 733 ordinary shares N with the remaining 1 180 250 012 ordinary shares N being held by Naspers.
3 Weighting applied for 228 of 365 days post-share exchange programme on 16 August 2021. Refer to note 4.
4 Earnings per share for A ordinary shareholders amounts to 108 US cents (31 March 2021: 25 US cents) and for B ordinary shareholders amounts to nil US cents.

23. Share capital and premium

	31 March	
	2022 US$'m	2021 US$'m
Authorised		
5 000 000 000 ordinary shares N of €0.05 each (2021: €0.05)		
10 000 000 A1 ordinary shares of €0.05 each (2021: €0.05)		
10 000 A2 ordinary shares of €50.0 each (2021: €50.0)		
3 000 000 000 B ordinary shares of €0.05 each (2021: nil)		
Issued		
2 073 643 605 ordinary shares N (2021: 1 624 652 070)	**114**	94
4 456 650 A1 ordinary shares (2021: 3 511 818)	**1**	1
1 128 507 756 B ordinary shares (2021: nil)	**62**	–
	177	95
Share premium	**39 013**	517
	39 190	612
Treasury shares	**(6 411)**	(1 416)
	32 779	(804)

Equity-compensation plans administered by Naspers group share trusts hold 4 543 614 (2021: 2 736 666) of the ordinary shares N issued.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Earnings per share and equity continued

23. Share capital and premium continued

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 during the year ended 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 US$4.99bn from its free-float shareholders in support of delivering the overall benefits of the Prosus share exchange offer to Naspers Limited N ordinary shareholders completed on 16 August 2021. The total consideration includes costs and related taxes. 57 951 367 Prosus ordinary shares N were repurchased from the share repurchase programme which was completed in February 2022.

In the prior year between October and February 2021, the company repurchased 11 874 493 Prosus ordinary shares N amounting to US$1.4bn.

The company intends to cancel the ordinary shares N repurchased under this current and previous repurchase programme in due course, so as to reduce its issued share capital. At 31 March 2022, US$6.41bn was recognised as treasury shares.

Treasury shares

The group holds a total of 69 825 860 ordinary shares N (2021: 11 874 493), or 3.37% (2021: 0.73%), of the gross number of ordinary shares N in issue at 31 March 2022 as treasury shares. The group will hold these treasury shares until they are cancelled. 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 2022 consists of 4 456 650 (2021: 3 511 818) A1 ordinary shares, 1 128 507 756 B ordinary shares (2021: nil) and 2 073 643 605 (2021: 1 624 652 070) ordinary shares N.

The ordinary shares N are listed on the Euronext Amsterdam stock exchange with a secondary listing on the JSE and A2X Markets, on a poll, carry one vote per share. The A1 and B 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, ordinary shareholders N are entitled to dividends. The dividends declared to A ordinary shareholders are equal to one fifth of the dividends to which Prosus free-float ordinary N shareholders are entitled. The dividends declared to B ordinary shareholders are equal to one millionth of the dividends to which Prosus free-float ordinary N shareholders are entitled.

In respect of all other rights, the A and B ordinary shares rank pari passu with the ordinary shares N 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 arises 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 2 926 356 395 ordinary shares N, 5 543 350 A1, 10 000 A2 ordinary shares and 1 871 492 244 B 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.

	31 March	
	2022 Number of shares N	2021 Number of shares N
Movement in ordinary shares N in issue during the year		
Ordinary shares N in issue at 1 April	**1 624 652 070**	1 624 652 070
Ordinary shares N issued as part of the share exchange	**448 991 535**	–
Shares in issue at 31 March	**2 073 643 605**	1 624 652 070
Movement in ordinary shares held as treasury shares during the year		
Shares held as treasury shares at 1 April	**11 874 493**	–
Shares acquired under the share repurchase programme	**57 951 367**	11 874 493
Shares held as treasury shares at 31 March	**69 825 860**	11 874 493
Net number of ordinary shares in issue at 31 March	**2 003 817 745**	1 612 777 577

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Earnings per share and equity continued

23. Share capital and premium continued

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$570.7m (2021: US$458.2m) in cash dividends from Tencent during the year and US$565.4m (2021: US$571.1m) after the year-end – an increase of 25% compared with the 2021 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 2022:

					31 March	
Currency of year-end balance	Listing date[1]	Year of final repayment	Fixed interest rate	Interest payments	2022 US$'m	2021 US$'m
US$	Jul 2017	2025	5.50%	Semi-annual	**225**	1 200
US$	Jul 2017	2027	4.85%	Semi-annual	**614**	1 000
US$	Jan 2020	2030	3.68%	Semi-annual	**1 250**	1 250
EUR	Aug 2020	2028	1.54%	Annual	**942**	998
EUR	Aug 2020	2032	2.03%	Annual	**829**	879
US$	Aug 2020	2050	4.03%	Semi-annual	**1 000**	1 000
US$	Dec 2020	2051	3.83%	Semi-annual	**1 500**	1 500
US$	Jul 2021	2031	3.06%	Semi-annual	**1 850**	–
EUR	Jul 2021	2033	1.99%	Annual	**940**	–
EUR	Jul 2021	2029	1.29%	Annual	**1 108**	–
US$	Jan 2022	2052	4.99%	Semi-annual	**1 250**	–
US$	Jan 2022	2032	4.19%	Semi-annual	**1 000**	–
US$	Jan 2022	2027	3.26%	Semi-annual	**1 000**	–
EUR	Jan 2022	2034	2.78%	Annual	**719**	–
EUR	Jan 2022	2030	2.09%	Annual	**664**	–
EUR	Jan 2022	2026	1.21%	Annual	**553**	–
					15 444	7 827

1 The publicly traded bonds are listed on the Irish Stock Exchange (Euronext Dublin).

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Earnings per share and equity continued

23. Share capital and premium continued

Bonds issued during the year ended 31 March 2022

In January 2022, the group issued US dollar and euro notes in an aggregate principal amount totalling the equivalent of US$5.25bn under its Global Medium-Term Note Programme. These issuances consist of US$1.25bn 4.987% notes due 2052, US$1bn 4.193% notes due 2032, US$1bn 3.257% notes due 2027, €650m 2.778% notes due 2034, €600m 2.085% notes due 2030 and €500m 1.207% notes due 2026 (the 'bonds').

In July 2021, the group issued US dollar and euro notes in an aggregate principal amount totalling the equivalent of US$4bn under its Global Medium-Term Note Programme. These issuances consist of US$1.85bn 3.061% notes due 2031, €1bn 1.288% notes due 2029 and €850m 1.985% notes due 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 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 'Repayments of long- and short-term loans' in the cash flow statement.

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$1bn 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$1.5bn 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 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 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.

Undrawn revolving credit facility

The group has an undrawn revolving credit facility (RCF) of US$2.5bn which matures in March 2027 with the option of two extensions of one year each. The RCF is undrawn and is denominated in US dollar and euro and bears interest at a secured overnight financing rate (SOFR) plus a variable mark-up based on credit rating varying between 0.65% and 1.10% before commitment and utilisation fees.

The borrower under the bonds and the undrawn US$2.5bn (2021: undrawn balance of US$2.5bn) RCF (refer to the group's unutilised banking facilities disclosed in note 39) 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 2022, the group had total interest-bearing debt (including capitalised lease liabilities) of US$15.97bn (2021: US$8.1bn) and a net cash balance including short-term cash investments of US$13.55bn (2021: US$4.77bn). The net interest-bearing debt-to-equity ratio was a positive 5% at 31 March 2022 (31 March 2021: positive 8%) 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$15.7bn (2021: US$7.9bn) and the adjusted net interest-bearing debt-to-equity ratio was 4% at 31 March 2022 (2021: 7%). 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Earnings per share and equity continued

24. Other reserves

	31 March	
	2022 US$'m	2021 US$'m
Other reserves in the statement of financial position comprise:		
Foreign currency translation reserve	**(358)**	(1 123)
Valuation reserve	**65**	6 707
Existing control business combination reserve (BCR)	**(43 487)**	(2 212)
Share-based compensation reserve	**3 223**	2 446
	(40 557)	5 818

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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Earnings per share and equity continued

24. Other reserves continued

Existing control business combination reserve

The existing control business combination reserve (BCR) 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.

Below is a summary of the group's significant transactions with non-controlling shareholders during the year:

	31 March 2022			31 March 2021		
	Shareholding acquired/ (disposed) %	**Purchase price US$'m**	**BCR US$'m**	Shareholding acquired/ (disposed) %	Purchase price US$'m	BCR US$'m
Movile Mobile Commerce Holdings S.L.	**0.68**	**43**	**(4)**	11.33	190	(136)
Frontier Car Group Inc	**9.30**	**61**	**(59)**	6.33	34	1
Zoop S.A.	**20.12**	**24**	**(32)**	–	–	–
Silver Indonesia JVCo B.V.[1]	**–**	**–**	**–**	34.22	54	(37)
Letgo Global B.V.	**–**	**–**	**–**	20.06	32	(25)
MIH Internet Sea Pte Ltd[1]	**–**	**–**	**–**	8.71	89	(114)
		128	**(95)**		399	(311)

[1] Purchase price for these transactions includes non-cash consideration paid to non-controlling shareholders.

Refer to note 4 for details on the share exchange transaction.

25. Retained earnings

The board recommends that shareholders are entitled to a gross payment, in the form of a capital repayment, of 14 euro cents per listed ordinary share N. Holders of ordinary shares B will receive 0.000014 euro cents per share. Holders of ordinary shares A1 will receive an amount per share equal to the outcome of the formula set forth in article 30.4 of the articles of association. Furthermore, the board recommends that holders of ordinary shares N as at 2 September 2022 (the dividend record date) who do not wish to receive a capital repayment can make a choice to receive a dividend instead. A choice for one option implies an opt-out of the other option.

If confirmed by shareholders at the annual general meeting on 24 August 2022, elections to receive a dividend instead of a capital repayment will need to be made by holders of ordinary shares N by 19 September 2022. Capital repayments and dividends will be payable to shareholders recorded in the books on the dividend record date and paid on 27 September 2022. Capital repayments will be paid from share capital for Dutch tax purposes. No dividend tax will be withheld on the amounts of capital reductions paid to shareholders. Holders of ordinary shares N electing to receive a dividend will receive a dividend declared from retained earnings.

Dividends will be subject to the Dutch dividend tax rate of 15%. Dividends payable to holders of ordinary shares N who elect to receive a dividend and who hold their listed ordinary share N through the listing of the company on the JSE will, in addition to the Dutch dividend withholding tax, be subject to South African dividend tax at a rate of up to 20%. The amount of additional South African dividend tax payable will be calculated by deducting from the 20% South African dividend tax otherwise due, a rebate equal to the Dutch dividends tax paid in respect of the dividend (without any right of recovery). Those shareholders, unless exempt from paying dividend tax or entitled to a reduced withholding tax rate in terms of an applicable tax treaty will be subject to a maximum of 20% total dividend tax.

The issued ordinary share capital as at 27 June 2022 was 2 073 643 605 ordinary shares N, 4 456 650 A1 ordinary shares and 1 128 507 756 B ordinary shares. Distributions to Naspers are subject to the cross-holding agreement entered into between Naspers and Prosus.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial assets and liabilities

Financial assets

Accounting policies

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.

The group assesses the objective of the business model in which a financial asset is held based on all relevant evidence that is available at the date of assessment including how the performance of the financial asset is evaluated and reported to management and the risks affecting the performance of the financial asset as well as how those risks are managed.

In evaluating the contractual cash flows of a financial asset, the group considers its contractual terms, including assessing whether the financial asset is subject to contractual terms that change (or could potentially change) the timing or amount of associated future cash flows.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual cash flows represent solely payments of principal and interest on the amount outstanding. In making this assessment, the group considers the effect of terms (including conversion, prepayment and extension features) that may affect the timing and/or amounts of cash flows.

Financial assets classified as at amortised cost include trade and other receivables, related party receivables and cash and cash equivalents.

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.

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.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the fair value of such investments in other comprehensive income. This election is made on an investment-by-investment basis. These investments are classified as financial assets at fair value through other comprehensive income. The group has classified all equity investments that do not represent investments in subsidiaries, associates or joint ventures in this category.

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 40 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial assets and liabilities continued

Accounting policies continued

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 39 for further details regarding the group's credit risk management.

26. Cash and cash equivalents

Accounting policies

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 as well as subject to insignificant changes in value.

	31 March	
	2022 US$'m	2021 US$'m
Cash at bank and on hand	**1 383**	1 167
Short-term bank deposits[1]	**8 263**	2 404
Bank overdrafts	**(18)**	(9)
	9 628	3 562
Restricted cash		
The following cash balances are restricted from immediate use:	**104**	–
Payments and Fintech	**339**	295
Etail	**27**	25
Other Ecommerce	**44**	16
Total restricted cash	**514**	336

[1] Included in short-term bank deposits is an amount of US$927.8m (2021: US$996.2m) 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, as well as cash held by the group's Russian operations.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial assets and liabilities continued

27. Short-term investments

Accounting policies

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.

The carrying values of short-term investments as at 31 March are shown below.

	Weighted average interest rate	31 March 2022 US$'m	31 March 2021 US$'m
Deposits and money market investments	0.44%	**3 921**	1 209
Accrued interest income		**3**	2
		3 924	1 211

The deposits and money market investments of US$3.92bn (2021: US$1.21bn) are mostly 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 2022.

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 euro 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 39 for further information regarding the credit risk and foreign currency risk of short-term investments.

28. Other investments

	31 March 2022 US$'m	31 March 2021 US$'m
Investments at fair value through other comprehensive income	**5 918**	4 122
Investments at fair value through profit or loss	**63**	1 258
Investments at amortised cost	**–**	11
Total other investments	**5 981**	5 391
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	**5 981**	4 138

1 The balance as at 31 March 2021 represents the contractual right to receive the Delivery Hero shares or cash. Refer to note 6.

Reconciliation of investments at fair value through other comprehensive income

	31 March 2022 US$'m	31 March 2021 US$'m
Opening balance	**4 122**	792
Fair value adjustments recognised in OCI	**(1 210)**	669
Purchases/additional contributions[1]	**5 646**	2 713
Loss of significant influence of an investment in associate	**26**	–
Disposals	**(45)**	(49)
Impact of share exchange[2]	**(2 665)**	–
Foreign currency translation effects	**44**	(3)
Closing balance	**5 918**	4 122

1 Significant movement in the current year relates to the acquisition of Naspers shares prior to the share exchange transaction and the dividend in specie received from Tencent in the form of JD.com shares.
2 Significant movement in the current year relates to the share exchange transaction. Refer to note 4.

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for the year ended 31 March 2022

Financial assets and liabilities continued

28. 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:

	31 March Fair value 2022 US$'m	31 March Fair value 2021 US$'m
Listed investments		
JD.com[1]	**3 940**	–
Trip.com Group Limited	**694**	1 189
Sinch AB[2]	**105**	270
Naspers Limited[3]	**–**	2 526
Other	**26**	12
	4 765	3 997
Unlisted investments		
Residual interest in the Naspers group[4]	**385**	–
GoStudent[5]	**226**	–
Urbanclap Technologies[5]	**84**	–
Wolt Enterprises Oy[6]	**70**	70
Creditas Financial Solutions Limited	**62**	30
Primrose Hill (Zest money)[7]	**38**	–
Sandbox[5]	**33**	–
Pantera Venture Funds	**26**	10
WayFlyer[5]	**25**	–
Mensa Brand Technologies[5]	**25**	–
Other	**179**	15
	1 153	125
Total other investments	**5 918**	4 122

1 The group obtained its interest in JD.com as part of the proceeds from a distribution in specie declared from Tencent. Refer to note 6.
2 The group acquired its interest in Sinch AB as part of the proceeds on disposal of Wavy during the prior year. Refer to note 6.
3 The group acquired Naspers N ordinary shares on the market as part of a share repurchase programme that was concluded prior to the share exchange transaction. Refer to note 23.
4 The group recognised a residual interest in the Naspers group as a result of the share exchange transaction in the current year. Refer to note 4.
5 The group acquired these investments during the current year.
6 The group acquired Wolt Enterprises Oy during the prior year.
7 The group lost significant influence during the current year.

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.

29. Trade receivables

	31 March 2022 US$'m	31 March 2021 US$'m
Carrying value		
Trade accounts receivable – gross	**304**	178
Less: Allowance for impairment of trade receivables	**(28)**	(28)
	276	150
The movement in the allowance for impairment of trade receivables during the year was as follows:		
Opening balance	**(28)**	(23)
Additional allowances charged to the income statement	**(22)**	(14)
Allowances reversed through the income statement	**16**	4
Allowances utilised	**6**	4
Acquisition of subsidiaries	**–**	(2)
Disposal of subsidiaries	**–**	3
Closing balance	**(28)**	(28)

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial assets and liabilities continued

29. Trade receivables continued

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 39 for the group's credit risk management.

At 31 March 2022 and 2021, 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 2022.

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

	31 March 2022			31 March 2021		
	Carrying value US$'m	**Impairment US$'m**	**Expected loss rate %**	Carrying value US$'m	Impairment US$'m	Expected loss rate %
Current	**214**	**(2)**	**1**	124	(1)	1
Past due 30 to 59 days	**51**	**(4)**	**8**	12	(3)	25
Past due 60 to 89 days	**5**	**(1)**	**20**	8	(2)	25
Past due 90 to 119 days	**5**	**(1)**	**20**	4	(1)	25
Past due 120 days and older	**29**	**(20)**	**69**	30	(21)	70
	304	**(28)**		178	(28)	

30. Long-term liabilities

Accounting policies

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.

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 'Accrued expenses and other current liabilities' in the statement of financial position. Written put option liabilities that are linked to a committed employment period are accounted for as share-based compensation benefits. The expected redemption amounts payable for these written put options are dependent on the completion of an employment service period (refer to share-based compensation accounting policy).

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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial assets and liabilities continued

30. Long-term liabilities continued

	31 March 2022			31 March 2021		
	Long-term liabilities US$'m	**Current portion US$'m**	**Total liabilities US$'m**	Long-term liabilities US$'m	Current portion US$'m	Total liabilities US$'m
Interest-bearing	**15 811**	**157**	**15 968**	8 033	84	8 117
Capitalised lease liabilities	**200**	**63**	**263**	173	54	227
Loans and other liabilities	**15 611**	**94**	**15 705**	7 860	30	7 890
Non-interest-bearing	**50**	**31**	**81**	48	18	66
Loans and other liabilities	**50**	**31**	**81**	48	18	66
Total liabilities	**15 861**	**188**	**16 049**	8 081	102	8 183

Interest-bearing: Capitalised lease liabilities

				31 March	
Type of lease	**Currency of year-end balance**	**Year of final repayment**	**Weighted average interest rate**	**2022 US$'m**	2021 US$'m
Buildings	Various	2022 – 2038	1.50% – 6.93%	**226**	197
Computers, furniture and office equipment	Various	2022 – 2026	3.61% – 8.85%	**21**	18
Vehicles	Various	2022 – 2029	1.50% – 10.77%	**16**	12
Total capitalised lease liabilities				**263**	227

Maturity profile

	31 March	
	2022 US$'m	2021 US$'m
Minimum instalments		
Payable within year one	**65**	58
Payable within year two	**68**	52
Payable within year three	**45**	36
Payable within year four	**38**	29
Payable within year five	**30**	24
Payable after year five	**41**	54
	287	253
Future finance costs on capitalised lease liabilities	**(24)**	(26)
Present value of capitalised lease liabilities	**263**	227
Present value		
Payable within year one	**63**	54
Payable within year two	**64**	49
Payable within year three	**41**	33
Payable within year four	**33**	26
Payable within year five	**26**	20
Payable after year five	**36**	45
Present value of capitalised lease liabilities	**263**	227

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial assets and liabilities continued

30. Long-term liabilities continued

Interest-bearing: Loans and other liabilities

	Asset secured	Currency of year-end balance	Year of final repayment	Weighted average year-end interest rate	31 March 2022 US$'m	31 March 2021 US$'m
Unsecured[1]						
Publicly traded bond		US$	2025	5.50%	**225**	1 200
Publicly traded bond		US$	2027	4.85%	**614**	1 000
Publicly traded bond		US$	2030	3.68%	**1 250**	1 250
Publicly traded note[2]		EUR	2028	1.54%	**941**	998
Publicly traded note[3]		EUR	2032	2.03%	**830**	879
Publicly traded bond		US$	2050	4.03%	**1 000**	1 000
Publicly traded bond		US$	2051	3.83%	**1 500**	1 500
Publicly traded bond		US$	2031	3.06%	**1 850**	–
Publicly traded bond		US$	2032	4.19%	**1 000**	–
Publicly traded bond		US$	2027	3.26%	**1 000**	–
Publicly traded bond		EUR	2029	1.29%	**1 107**	–
Publicly traded bond		EUR	2030	2.09%	**664**	–
Publicly traded bond		EUR	2033	1.99%	**941**	–
Publicly traded bond		EUR	2034	2.78%	**719**	–
Publicly traded bond		EUR	2026	1.21%	**553**	–
Publicly traded bond		US$	2052	4.99%	**1 250**	–
Various institutions		Various	Various	Various	**19**	8
Secured[4]						
Exim Bank S.A & Raiffeisen Bank[5]		EUR	2029	EURIBOR 1M + 1.41%		
			2028	EURIBOR 1M + 1.41%	**41**	42
Exim Bank S.A.		EUR	2029	EURIBOR 1M + 1.6%	**14**	17
Raiffeisen Bank	Building	EUR	2031	EURIBOR 3M + 1.6%	**30**	–
Fondo de Inversion Activa		CLP	2024	8.00%	**40**	–
Various institutions		Various	Various	Various	**193**	27
Total facilities					**15 781**	7 921
Unamortised loan costs					**(93)**	(50)
Premium on euro bonds[2, 3]					**17**	19
					15 705	7 890

1 The publicly traded bonds are listed on the Irish Stock Exchange (Euronext Dublin). Refer to note 23.
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 which 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 which 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 42 for details of the group's assets pledged as collateral.
5 The loan is a joint facility between Exim Bank and Raiffeisen Bank.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial assets and liabilities continued

30. Long-term liabilities continued

Non-interest-bearing: Loans and other liabilities

	Asset secured	Currency of year-end balance	Year of final repayment	31 March 2022 US$'m	31 March 2021 US$'m
Secured[1]					
Automotive Finance Corporation	Various	US$	2020	–	13
Unsecured					
Earn-out obligations		Various	Conditional	**20**	13
Preference shares liability		BRL	2023	**61**	36
Other		Various	Various	**–**	4
				81	66
Total long-term liabilities					
Repayment terms of long-term liabilities (excluding capitalised lease liabilities)					
Payable within year one				**142**	48
Payable within year two				**104**	43
Payable within year three				**16**	18
Payable within year four				**792**	7
Payable within year five				**1 012**	1 205
Payable after year five				**13 796**	6 666
				15 862	7 987
Premium on euro bonds				**17**	19
Unamortised loan costs				**(93)**	(50)
				15 786	7 956
Interest rate profile of long-term liabilities (long- and short-term portion, including capitalised lease liabilities)					
Liabilities at fixed rates: one to 12 months				**157**	84
Liabilities at fixed rates: more than 12 months				**15 677**	7 974
Interest-free loans				**81**	66
Liabilities linked to variable rates				**134**	59
				16 049	8 183

[1] Refer to note 42 for details of the group's assets pledged as collateral.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial assets and liabilities continued

30. Long-term liabilities continued

Reconciliation of liabilities arising from financing activities

	31 March 2022		
	Capitalised lease liabilities US$'m	Interest-bearing liabilities US$'m	Non-interest-bearing liabilities US$'m
Balance at 1 April 2021	**227**	**7 890**	**66**
Additional liabilities recognised	**82**	**9 549**	**15**
Repayments of long- and short-term loans[1]	**(51)**	**(1 402)**	**–**
Repayments of interest on capitalised lease liabilities	**(10)**	**–**	**–**
Interest accrued	**10**	**–**	**–**
Acquisition of subsidiary	**10**	**–**	**–**
Disposal of subsidiary	**(1)**	**–**	**–**
Amortisation of transaction costs	**–**	**8**	**–**
Capitalisation of transaction costs	**–**	**(52)**	**–**
Foreign exchange translation	**(4)**	**(288)**	**–**
Balance at 31 March 2022	**263**	**15 705**	**81**
Less: Current portion	**(63)**	**(94)**	**(31)**
Non-current liabilities	**200**	**15 611**	**50**

1 Repayment of long- and short-term loans in the statement of cash flows includes US$217m relating to the early settlement of bonds. This was included in other finance cost on the face of the income statement.

	31 March 2021		
	Capitalised lease liabilities 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)
Repayment 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. Other non-current liabilities

	31 March	
	2022 US$'m	2021 US$'m
Written put option liabilities[1]	**1 158**	1 267
Post-employment liabilities	**2**	2
Deferred income	**16**	–
Total other liabilities	**1 176**	1 269
Less: Current portion of other liabilities	**(1 014)**	(1 207)
Non-current portion of other liabilities	**162**	62

1 Relates to put options written over the non-controlling interests in the group's Dante International S.A. (eMAG), Extreme Digital Hungary (eMAG Hungary), Movile Internet Movel S.A., PaySense Private Limited, letgo B.V. classifieds business (based on OfferUp associate valuation), GoodHabitz and various other smaller ecommerce units.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial assets and liabilities continued

31. Other non-current liabilities continued

During the year, the group recognised an aggregate gain on the remeasurement of written put option liabilities of US$235.7m (2021 loss of: US$508.3m). The movement in the written put option liability in the current year is predominantly due to cancellation of the written put option liabilities as a result of the acquisition of non-controlling interests in the Classifieds segment and a decline in the group's ecommerce subsidiaries enterprise values used to determine the expected redemption amount payable (put option liability). In the prior year the remeasurement was 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.

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	
	2022 US$'m	2021 US$'m
Exercisable within one year	**1 014**	1 207
Exercisable within one to two years	**–**	60
Exercisable after two to five years	**144**	–
Total other liabilities	**1 158**	1 267

The group has the contractual discretion to settle all written put option obligations either in cash, Naspers N or Prosus ordinary shares N.

The majority of the group's written put option liabilities are exercisable when non-controlling shareholders exercise their put option rights 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 2022, 84% (2021: 95%) 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 7).

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	**2022 US$'m**	2021 US$'m
1% increase in the discount rate and a 1% decrease in the terminal growth rate	**(99)**	(247)
1% decrease in the discount rate and a 1% increase in the terminal growth rate	**275**	323

Other assumptions contained in the discounted cash flow analyses as at 31 March 2022 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 shift to online ecommerce platforms, the broader market expectations in the technology industry in which the entities operate and the 10-year performance projections used for the entities.

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	
	2022 US$'m	2021 US$'m
Opening balance	**1 267**	869
Additional obligations raised	**157**	–
Remeasurements recognised in equity	**(236)**	508
Settlements	**–**	(24)
Expirations and cancellations	**(81)**	(71)
Foreign currency translation effects	**51**	(15)
Closing balance	**1 158**	1 267

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities

32. Property, plant and equipment

Accounting policies

Property, plant and equipment comprise 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.

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.

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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

32. Property, plant and equipment continued

Accounting policies continued

Lessee accounting continued

Lease payments included in the measurement of the lease liability comprise 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.
- 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.

Impairment of property, plant and equipment and other intangible assets

Items of property, plant and equipment and other intangible assets (with finite useful lives) 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.

Property plant and equipment and other intangible assets 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

32. Property, plant and equipment continued

	Land and buildings US$'m	Computers and office equipment US$'m	Furniture and fittings US$'m	Other US$'m	Total US$'m
1 April 2021					
Cost	**388**	**112**	**65**	**21**	**586**
Accumulated depreciation and impairment	**(105)**	**(50)**	**(29)**	**(7)**	**(191)**
Carrying value at 1 April 2021	**283**	**62**	**36**	**14**	**395**
Foreign currency translation effects	**(16)**	**(5)**	**2**	**(2)**	**(21)**
Acquisitions of subsidiaries and businesses	**10**	**5**	**–**	**1**	**16**
Disposals of subsidiaries and businesses	**(1)**	**(1)**	**–**	**–**	**(2)**
Acquisitions of assets	**89**	**73**	**46**	**3**	**211**
Acquisitions of right-of-use assets	**82**	**13**	**–**	**11**	**106**
Disposals/scrappings	**(8)**	**–**	**(2)**	**(1)**	**(11)**
Depreciation	**(66)**	**(32)**	**(12)**	**(6)**	**(116)**
31 March 2022					
Cost	**536**	**197**	**107**	**30**	**870**
Accumulated depreciation and impairment	**(163)**	**(82)**	**(37)**	**(10)**	**(292)**
Carrying value at 31 March 2022	**373**	**115**	**70**	**20**	**578**
Work in progress at 31 March 2022					**26**
Total carrying value at 31 March 2022					**604**

	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

The carrying value of work in progress mainly comprises buildings and equipment.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

32. Property, plant and equipment continued

The carrying values and depreciation of right-of-use assets included in property, plant and equipment are as follows:

	31 March 2022		31 March 2021	
	Carrying value US$'m	**Depreciation charge for the year US$'m**	Carrying value US$'m	Depreciation charge for the year US$'m
Vehicles	**16**	**(5)**	12	(3)
Buildings	**203**	**(55)**	184	(50)
Computers, furniture and office equipment	**21**	**(6)**	21	(6)
	240	**(66)**	217	(59)

Included in the acquisition of property, plant and equipment is an amount of US$108.5m (2021: US$44.6m) relating to leased assets, which are non-cash in nature. Refer to note 42 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.

33. Other intangible assets

Accounting policies

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.

Impairment of other intangible assets

Refer to note 32 for details on the impairment of other intangible assets.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

33. Other intangible assets continued

	Customer-related assets US$'m	Brand names US$'m	Software US$'m	Total US$'m
1 April 2021				
Cost	**574**	**624**	**181**	**1 379**
Accumulated amortisation and impairment	**(212)**	**(314)**	**(75)**	**(601)**
Carrying value at 1 April 2021	**362**	**310**	**106**	**778**
Foreign currency translation effects	**(25)**	**(22)**	**5**	**(42)**
Acquisitions of subsidiaries and businesses	**103**	**145**	**61**	**309**
Disposals of subsidiaries and businesses	**(7)**	**(7)**	**(2)**	**(16)**
Acquisitions	**10**	**1**	**5**	**16**
Transfers from work in progress	**1**	**–**	**8**	**9**
Disposals	**–**	**(1)**	**(1)**	**(2)**
Amortisation	**(51)**	**(43)**	**(43)**	**(137)**
Cost	**633**	**689**	**250**	**1 572**
Accumulated amortisation and impairment	**(240)**	**(306)**	**(111)**	**(657)**
Carrying value at 31 March 2022	**393**	**383**	**139**	**915**
Work in progress at 31 March 2022				**13**
Total carrying value at 31 March 2022				**928**

	Customer-related assets US$'m	Brand names US$'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
Transfer from work in progress	–	–	11	11
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

The group recognised no impairment losses on other intangible assets (2021: US$nil).

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

34. Inventory

Accounting policies

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.

	31 March	
	2022 US$'m	2021 US$'m
Carrying value		
Finished products, trading inventory and consumables, gross	**484**	330
Less: Allowance for slow-moving and obsolete inventories	**(14)**	(9)
Net inventory	**470**	321

The total allowance charged to the income statement to write inventory down to net realisable value amounted to US$7.4m (2021: US$1.7m), and reversals of these allowances amounted to US$1.3m (2021: US$1.5m). 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 were taken into account. Overall, the inventory writedown during the year ended 31 March 2022 did not have a significant impact on the group's financial results.

35. Other receivables

	31 March	
	2022 US$'m	2021 US$'m
Prepayments	**191**	111
Accrued income[1, 5]	**46**	17
Staff debtors[5]	**1**	3
VAT and related taxes receivable	**147**	87
Merchant and bank receivables[2, 5]	**342**	268
Sundry deposits	**17**	8
Interest receivable on cross-currency interest rate swap[5]	**2**	8
Disposal proceeds receivable[5]	**21**	34
Service provider receivable[5]	**4**	5
Loan receivable[3, 5]	**205**	31
Other receivables[6]	**23**	21
Total other receivables	**999**	593
Less: Non-current portion of other receivables[4]	**(132)**	(16)
Current portion of other receivables	**867**	577

1 Relates to revenue from contracts with customers. Refer to note 13 for movements in accrued income balances.
2 Merchant and bank receivables are presented net of an allowance for expected impairment (credit) losses of US$3.9m (2021: US$2.7m). Refer to note 39 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$7.1m (2021: US$2.1m).
4 Relates to non-current prepaid rental deposits, loan receivables and employment linked prepayments.
5 These items are classified as financial assets.
6 Includes financial assets of US$23.4m (2021: US$11.8m).

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

36. Equity-compensation benefits

Accounting policies

The Naspers group grants share options, performance stock units (PSUs) and restricted stock units (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 entry 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 entry 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 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.

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), as selected by the trustees, via the capitalisation issue of Naspers M ordinary shares that converted into Prosus ordinary shares N 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.

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 trusts' relevant activities are governed by the remuneration committee as mandated by the board and are 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

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 (ie Naspers) has the obligation to make settlement.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

36. Equity-compensation benefits continued

Accounting policies continued

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 41 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
Prosus N.V. Share Option Plan (Prosus Options)	Note 7	a	10 years	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	Cash 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	Equity 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
Zoop Holding Participações S.A. Share Option Scheme	4 275 000 shares	a	10 years	Cash settled
Stack Exchange, Inc. 2010 Stock Plan	15%	f	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 % of the underlying assets 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.
(f) The vesting period shall be determined for each offer letter individually provided that it shall not exceed 10 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/PSU/Option plans
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 2022

Other assets and liabilities continued

36. 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]	10 years	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
MIH Payments Holdings B.V. SAR Scheme	15%	b[3]	10 years	Cash settled
PayU Credit B.V. SAR Scheme	15%	b	10 years	Cash settled
PayU Global B.V. SAR Scheme	15%	b[3]	10 years	Cash settled
Naspers Global Classifieds SAR Scheme (Global Classifieds)	Note 4	b[3]	10 years	Cash settled
Naspers Global Ecommerce SAR Scheme (Global Ecommerce)	Note 4	b[3]	10 years	Cash settled
MIH Fintech Holdings B.V. SAR Scheme (Global Payments)	Note 4	b	10 years	Cash settled
MIH Food Delivery Holdings B.V. SAR Scheme (Global Food)	Note 4	b	10 years	Cash settled
Naspers Ventures B.V. SAR Scheme	15%	d	10 years	Cash settled
MIH Edtech Investments B.V. SAR plan (Global Edtech)	Note 4	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	12.5%	b	10 years	Cash settled
MIH Learning B.V. (Skillsoft) SAR Scheme	12.5%	b	10 years	Cash settled
Good BidCo (GoodHabitz) B.V. 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 assets' 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.

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 2022 US$'m	31 March 2021 US$'m
Share-based payment liability		
Total carrying amount of cash-settled share-based payment liability	**1 127**	1 056
Current portion of share-based payment liability	**(964)**	(897)
Non-current portion of share-based payment liability	**163**	159

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

36. Equity-compensation benefits continued

Reconciliation of the cash-settled share-based payment liability is as follows:

	31 March	
	2022 US$'m	2021 US$'m
Opening carrying amount of cash-settled share-based payment liability	**1 056**	376
SAR scheme charge per the income statement[1]	**129**	675
Employment linked put option charge per the income statement	**23**	45
Additions	**5**	17
Settlements	**(372)**	(105)
Modification[2]	**265**	49
Foreign currency translation effects	**21**	(1)
Closing carrying amount of cash-settled share-based payment liability	**1 127**	1 056

1 The decrease in the expense is as a result of the decline in the fair values of the underlying businesses that decreased the estimated cash settlement for the schemes.
2 This relates mainly to the prospective modification of the iFood Share Option Scheme that was modified to cash settled (US$302.1m) and the Dante International S.A. Share Option Scheme that was modified to equity settled (US$99.8m).

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. Subsequent to this approval, the group will settle these share options using cash resources. 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. Following this change, the iFood scheme will be accounted for in terms of the group's accounting policy as cash-settled share-based payments.

As at 31 March 2022, 63.04% (2021: 67.5%) 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$89.7m (2021: US$85m) 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 group recognised, in the income statement, a remeasurement of US$23.1m (2021: US$45.1m) included in the current-year cash-settled share-based payment expense related to these 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 2022

Other assets and liabilities continued

36. Equity-compensation benefits continued

Movements in terms of the group's significant share option and RSU plans are as follows:

	31 March 2022					
	Naspers RSU	Prosus RSU (Euro)	Naspers PSU	Prosus PSU (Euro)	MIH Holdings	MIH Internet
Shares						
Outstanding at 1 April	60 999	667 619	227 460	–	17 020	1 909 071
Movements between Naspers and Prosus group companies	–	–	–	–	10 252	11 568
Granted	–	1 833 725	44 268	269 298	1 623	84 755
Exercised	(23 788)	(159 424)	–	–	(645)	(63 801)
Forfeited	(8 960)	(205 460)	(6 056)	–	–	(8 183)
Cancelled	–	(1 400)	–	–	–	(2 724)
Outstanding at 31 March	28 251	2135 060	265 672	269 298	28 250	1 930 686
Available to be implemented by the trust at 31 March	–	–	–	–	17 482	1 633 120
Weighted average exercise price	(SA rand)	(Euro)	(SA rand)	(Euro)	(SA rand)	(SA rand)
Outstanding at 1 April	–	–	–	–	2 885.80	1 863.45
Movements between Naspers and Prosus group companies	–	–	–	–	2 885.80	1 863.45
Granted	–	–	–	–	3 040.00	2 961.41
Exercised	–	–	–	–	2 378.16	1 600.12
Forfeited	–	–	–	–	–	3 051.97
Cancelled	–	–	–	–	–	3 040.00
Outstanding at 31 March	–	–	–	–	2 860.16	1 921.39
Available to be implemented by the trust at 31 March	–	–	–	–	2 664.31	1 715.82
Weighted average share price of options taken up during the year	(SA rand)	(Euro)	(SA rand)	(Euro)	(SA rand)	(SA rand)
Shares	23 788	159 424	–	–	645	63 801
Weighted average share price	2 803.06	68.53	–	–	3 432.25	2 467.59

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

36. Equity-compensation benefits continued

Movements in terms of the group's significant share option and RSU plans are as follows:

	31 March 2022		
	Dante International	iFood	Movile Joint Scheme
Shares			
Outstanding at 1 April	80 424	123 549	1 115 232
Granted	15 405	12 873	302 451
Exercised	(32 776)	(33 920)	(190 675)
Forfeited	(432)	(1 714)	(186 371)
Outstanding at 31 March	62 621	100 788	1 040 637
Available to be implemented by the trust at 31 March	17 968	30 914	331 949
Weighted average exercise price	(US$)	(BRL)	(BRL)
Outstanding at 1 April	786.26	4 117.50	237.36
Movements between Naspers and Prosus group companies	–	–	–
Granted	2 343.84	22 388.59	191.73
Exercised	657.32	3 984.58	266.40
Forfeited	969.53	6 033.30	178.36
Cancelled	–	2 701.27	–
Outstanding at 31 March	1 020.37	6 891.64	229.34
Available to be implemented by the trust at 31 March	753.42	3 583.72	267.79
Weighted average share price of options taken up during the year	(US$)	(BRL)	(BRL)
Shares	32 776	33 920	190 675
Weighted average share price	567.46	4 270.68	2 170.23

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

36. Equity-compensation benefits continued

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)	Naspers PSU	Prosus PSU (Euro)	MIH Holdings	MIH Internet
Outstanding at 1 April	114 055	–	84 886	–	16 568	1 946 833
Movements between Naspers and Prosus group companies	–	–	–	–	2 093	–
Granted	–	696 940	142 574	–	1 130	108 228
Exercised	(31 895)	(93)	–	–	(2 628)	(137 362)
Forfeited	(21 161)	(28 979)	–	–	(143)	(8 628)
Cancelled	–	(249)	–	–	–	–
Outstanding at 31 March	60 999	667 619	227 460	–	17 020	1 909 071
Available to be implemented by the trust at 31 March	–		–	–	6 922	1 436 252
Weighted average exercise price	(SA rand)	(Euro)	(SA rand)	(Euro)	(SA rand)	(SA rand)
Outstanding at 1 April	–	–	–	–	2 952.26	1 795.00
Movements between Naspers and Prosus group companies	–	–	–	–	1 347	–
Granted	–	–	–	–	2 839.97	2 882.65
Exercised	–	–	–	–	2 046.58	1 637.25
Forfeited	–	–	–	–	3 033.43	2 834.24
Outstanding at 31 March	–	–	–	–	2 885.80	1 863.45
Available to be implemented by the trust at 31 March	–	–	–	–	2 489.39	1 522.47
Weighted average share price of options taken up during the year	(SA rand)	(Euro)	(SA rand)	(Euro)	(SA rand)	(SA rand)
Shares	31 895	93	–	–	2 628	137 362
Weighted average share price	3 210.87	90.71	–	–	3 332.12	3 277.14

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

36. Equity-compensation benefits continued

Movements in terms of the group's significant share option and RSU plans are as follows:

	31 March 2021		
Shares	Dante International	iFood	Movile Joint Scheme
Outstanding at 1 April	66 641	104 298	725 854
Granted	22 475	27 272	–
Exercised	(4 181)	–	(176 509)
Forfeited	(4 511)	(8 021)	(8 055)
Cancelled	–	–	–
Outstanding at 31 March	80 424	123 549	541 290
Available to be implemented by the trust at 31 March	33 477	41 240	300 869
Weighted average exercise price	(US$)	(BRL)	(BRL)
Outstanding at 1 April	684.47	3 229.46	301.99
Granted	1 043.32	7 177.42	–
Exercised	597.06	–	118.31
Forfeited	738.48	2 974.06	467.23
Outstanding at 31 March	786.26	4 117.50	359.43
Available to be implemented by the trust at 31 March	612.53	2 289.88	273.61
Weighted average share price of options taken up during the year	(US$)	(BRL)	(BRL)
Shares	4 181	–	176 509
Weighted average share price	1 043.32	–	765.62

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2022				
SARs	**MIH China**	**Naspers Global Classifieds**	**Naspers Global Ecommerce**	**Naspers Ventures**	**PayU Global**
Outstanding at 1 April	**301 927**	**21 304 008**	**10 097 273**	**3 679 357**	**1 433 264**
Movements between Naspers and Prosus group companies	**–**	**–**	**21 100**	**–**	**–**
Granted	**77 615**	**6 194 375**	**1 422 443**	**2 999 945**	**223 332**
Exercised	**(5 373)**	**(4 683 827)**	**(156 208)**	**(116 223)**	**(584 675)**
Forfeited	**–**	**(3 508 555)**	**(47 252)**	**(36 264)**	**(168 358)**
Cancelled	**–**	**(28 016)**	**(25 848)**	**–**	**–**
Outstanding at 31 March	**374 169**	**19 277 985**	**11 311 508**	**6 526 815**	**903 563**
Available to be implemented at 31 March	**176 437**	**5 779 672**	**7 843 728**	**2 009 412**	**265 956**
Weighted average exercise price	**(US$)**	**(US$)**	**(US$)**	**(US$)**	**(US$)**
Outstanding at 1 April	**149.17**	**8.72**	**25.01**	**6.00**	**74.13**
Movements between Naspers and Prosus group companies	**–**	**–**	**25.01**	**–**	**–**
Granted	**244.59**	**12.29**	**64.04**	**16.94**	**138.23**
Exercised	**107.97**	**8.21**	**28.55**	**5.03**	**62.99**
Forfeited	**–**	**9.19**	**44.35**	**6.67**	**95.54**
Cancelled	**–**	**9.05**	**63.89**	**–**	**–**
Outstanding at 31 March	**169.56**	**9.90**	**29.73**	**11.03**	**93.19**
Available to be implemented at 31 March	**136.56**	**8.38**	**21.77**	**5.24**	**75.45**
Weighted average share price of SARs taken up during the year	**(US$)**	**(US$)**	**(US$)**	**(US$)**	**(US$)**
SARs	**5 373**	**4 683 827**	**156 208**	**116 223**	**584 675**
Weighted average share price	**190.31**	**12.29**	**64.27**	**16.25**	**193.61**

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

36. Equity-compensation benefits continued

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2021				
SARs	MIH China	Naspers Global Classifieds	Naspers Global Ecommerce	Naspers Ventures	PayU Global
Outstanding at 1 April	461 548	21 797 387	9 508 178	3 059 822	1 207 454
Movements between Naspers and Prosus group companies	(19 004)	280 854	695	–	–
Granted	64 808	7 257 671	1 036 180	720 903	397 759
Exercised	(205 425)	(3 874 164)	(415 511)	(20 835)	(65 715)
Forfeited	–	(4 157 740)	(32 269)	(80 533)	(106 234)
Outstanding at 31 March	301 927	21 304 008	10 097 273	3 679 357	1 433 264
Available to be implemented at 31 March	90 824	5 357 863	6 659 174	1 392 076	558 725
Weighted average exercise price	(US$)	(US$)	(US$)	(US$)	(US$)
Outstanding at 1 April	103.28	8.24	23.04	5.46	71.10
Movements between Naspers and Prosus group companies	129.86	8.75	36.76	–	–
Granted	213.45	9.05	42.02	8.30	82.86
Exercised	68.13	6.39	22.01	5.76	56.97
Forfeited	–	8.97	27.93	6.10	82.96
Outstanding at 31 March	149.17	8.72	25.01	6.00	74.13
Available to be implemented at 31 March	134.59	7.89	19.56	5.11	60.34
Weighted average share price of SARs taken up during the year	(US$)	(US$)	(US$)	(US$)	(US$)
SARs	205 425	3 874 164	415 511	20 835	65 715
Weighted average share price	217.47	9.05	43.10	7.96	106.75

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

36. Equity-compensation benefits continued

Share option allocations outstanding and currently available to be implemented at 31 March 2022 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 2022	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2022	Weighted average exercise price
MIH Internet (SA rand)					
376.58 to 440.88	**5 661**	0.44	377.82	**5 661**	377.82
482.59 to 661.88	**30 527**	1.27	659.35	**30 527**	659.35
780.68 to 886.69	**4 639**	1.43	783.52	**4 639**	783.52
1 046.88 to 1 272.66	**892 363**	2.01	1 054.45	**892 363**	1 054.45
1 302.89 to 1 477.88	**9 413**	2.64	1 391.02	**9 413**	1 391.02
1 572.04 to 1 634.84	**24 757**	3.42	1 622.49	**24 757**	1 622.49
1 700.53 to 1 886.88	**36 276**	4.15	1 802.00	**36 276**	1 802.00
1 931.85 to 2 319.53	**163 514**	4.39	2 062.13	**160 490**	2 057.46
2 323.52 to 2 755.72	**112 264**	5.50	2 574.02	**101 560**	2 577.01
2 782.5 to 3 017	**236 903**	7.06	2 833.99	**140 301**	2 835.84
3 040 to 3 380	**293 413**	6.94	3 098.83	**167 487**	3 108.07
3 420.55 to 3 809	**120 956**	7.20	3 450.37	**59 646**	3 458.66
	1 930 686			**1 633 120**	
iFood (BRL)					
408.64 to 2 233.05	**11 100**	4.80	1 230.59	**10 272**	1 149.79
3 984.58 to 7 177.42	**76 868**	7.75	5 124.54	**20 642**	4 794.90
22 388.59 to 22 388.59	**12 820**	9.44	22 388.59	**–**	–
	100 788			**30 914**	
Movile Joint Scheme (BRL)					
48.87 to 80.1	**21 750**	2.80	75.79	**21 750**	75.79
117.31 to 211.55	**475 354**	7.95	127.03	**157 891**	133.13
279.9 to 307.38	**51 770**	5.28	297.62	**43 581**	296.37
468.87 to 497	**222 791**	7.18	491.05	**108 727**	490.28
	771 665			**331 949**	
Dante International (US$)					
319.02 to 414.5	**762**	3.24	374.15	**762**	374.15
533.7 to 678.53	**9 192**	4.94	622.53	**6 640**	601.01
829.21 to 1 043.32	**37 262**	7.76	946.38	**10 566**	876.55
2 343.84	**15 405**	6.04	2 343.84	**–**	–
	62 621			**17 968**	

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

36. Equity-compensation benefits continued

Share option allocations outstanding and currently available to be implemented at 31 March 2022 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 2022	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2022	Weighted average exercise price
MIH Holdings (SA rand)					
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 1 712.87	**38 916**	4.44	1 629.16	**38 916**	1 629.16
	1 008 624			**1 008 624**	

Share appreciation rights allocations outstanding and currently available to be implemented at 31 March 2022 by exercise price for the group's significant share incentive plans:

	SARs outstanding			SARs currently available	
Exercise prices	Number outstanding at 31 March 2022	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2022	Weighted average exercise price
MIH China (US$)					
81.78 to 252.82	**374 169**	7.20	169.56	**176 437**	136.56
Naspers Global Classifieds (US$)					
3.54 to 8.5	**3 869 290**	5.51	7.58	**2 920 732**	7.38
9.05 to 12.29	**15 408 695**	8.57	10.49	**2 858 940**	9.41
	19 277 985			**5 779 672**	
Naspers Global Ecommerce (US$)					
15.58 to 23.61	**5 193 466**	2.65	16.08	**5 193 466**	16.08
27.25 to 31.42	**1 293 649**	5.45	27.53	**991 060**	27.53
31.84 to 36.67	**1 023 867**	6.26	33.59	**734 783**	33.58
36.7 to 45.46	**2 409 161**	7.79	38.96	**921 888**	38.15
45.64 to 67.1	**1 391 365**	9.36	63.91	**2 531**	45.64
	11 311 508			**7 843 728**	
Naspers Ventures (US$)					
5 to 8.74	**3 529 885**	196.31	105.28	**2 009 412**	88.99
10.06 to 19.12	**2 996 930**	62.32	72.39	**–**	–
	6 526 815			**2 009 412**	
PayU Global (US$)					
39.1 to 75.16	**202 172**	5.56	61.10	**118 234**	56.13
82.86 to 140.26	**701 391**	8.28	102.44	**147 722**	90.91
	903 563			**265 956**	

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

36. Equity-compensation benefits continued

Share option and RSU plan grants made during the year relating to the group's significant plans:

	Naspers RSU (SA rand)	Prosus RSU (Euro)	Naspers PSU (SA rand)	Prosus PSU (Euro)
31 March 2022				
Weighted average fair value at measurement date	**–**	**74.89**	**2 945.46**	**75.16**
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	**–**	**74.89**	**2 945.46**	**75.16**
Weighted average option life (years)	**–**	**10.00**	**3.00**	**3.00**
Weighted average annual suboptimal rate (%)	**–**	**160**	**160**	**160**
Weighted average vesting period (years)	**–**	**2.5**	**2.5**	**3.0**
31 March 2021				
Weighted average fair value at measurement date	–	80.29	2 839.26	–
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	2 839.26	–
Weighted average option life (years)	–	10.00	3.00	–
Weighted average annual suboptimal rate (%)	–	160	160	–
Weighted average vesting period (years)	–	2.5	3.0	–

	MIH Holdings (SA rand)	MIH Internet (SA rand)	Dante International (US$)	iFood (BRL)	Movile Joint Scheme (BRL)
31 March 2022					
Weighted average fair value at measurement date	**1 234.89**	**1 235.26**	**1 172.63**	**9 165.64**	**–**
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	**2 955.45**	**2 957.08**	**2 343.84**	**19 927.63**	**–**
Weighted average exercise price	**2 955.45**	**2 957.08**	**2 343.84**	**22 388.59**	**–**
Weighted average expected volatility (%)*	**32.5**	**32.4**	**58.0**	**50.4**	**–**
Weighted average option life (years)	**10.0**	**10.0**	**10.0**	**10.0**	**–**
Weighted average dividend yield (%)	**0.2**	**0.2**	**0.0**	**–**	**–**
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	**7.1**	**7.0**	**1.6**	**7.3**	**–**
Weighted average annual suboptimal rate (%)	**160**	**160**	**160**	**160**	**–**
Weighted average vesting period (years)	**2.5**	**2.5**	**2.5**	**2.6**	**–**

* 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 2022

Other assets and liabilities continued

36. Equity-compensation benefits continued

Share option and RSU plan grants made during the year relating to the group's significant plans:

	MIH Holdings (SA rand)	MIH Internet (SA rand)	Dante International (US$)	iFood (BRL)	Movile Joint Scheme (BRL)
31 March 2021					
Weighted average fair value at measurement date	1 207.10	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	2 839.97	2 882.65	2 342.31	7 177.42	–
Weighted average exercise price	2 839.97	2 882.65	1 043.32	7 177.42	–
Weighted average expected volatility (%)*	35.6	35.6	59.3	42.0	–
Weighted average option life (years)	10.0	10.0	10.0	10.0	–
Weighted average dividend yield (%)	0.3	0.2	0.0	0.0	–
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	6.6	6.6	1.7	4.9	–
Weighted average annual suboptimal rate (%)	160	160	160	160	–
Weighted average vesting period (years)	2.5	2.5	2.5	2.5	–

* The weighted average expected volatility of all share options listed above is determined using historical daily share prices.

Share appreciation rights plan grants made during the year relating to the group's significant plans:

	MIH China (US$)	**Naspers Global Classifieds (US$)**	**Naspers Global Ecommerce (US$)**	**Naspers Ventures (US$)**	**PayU Global B.V. (US$)**
31 March 2022					
Weighted average fair value at re-measurement date	**48.73**	**4.28**	**26.08**	**15.14**	**58.70**
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	**155.02**	**11.59**	**57.27**	**25.46**	**132.78**
Weighted average exercise price	**244.59**	**12.29**	**60.20**	**16.94**	**137.83**
Weighted average expected volatility (%)*	**42.0**	**37.0**	**50.1**	**48.3**	**53.8**
Weighted average option life (years)	**10.0**	**10.0**	**10.0**	**15.0**	**10.0**
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	**2.3**	**2.3**	**2.3**	**2.3**	**2.3**
Weighted average annual suboptimal rate (%)	**160.0**	**160.0**	**160.0**	**160.0**	**160.0**
Weighted average vesting period (years)	**2.5**	**2.6**	**2.6**	**3.5**	**2.5**
Share price at measurement date	**155.02**	**11.59**	**57.27**	**25.46**	**132.78**

* 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 2022

Other assets and liabilities continued

36. Equity-compensation benefits continued

Share appreciation rights plan grants made during the year relating to the group's significant plans:

	MIH China (US$)	Naspers Global Classifieds (US$)	Naspers Global Ecommerce (US$)	Naspers Ventures (US$)	PayU Global B.V. (US$)
31 March 2021	83.12	5.30	33.59	4.79	79.03
Weighted average fair value at re-measurement date					
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	247.12	12.19	64.46	9.17	138.96
Weighted average exercise price	213.45	9.05	42.02	8.30	82.66
Weighted average expected volatility (%)*	35.3	34.7	47.6	47.2	53.7
Weighted average option life (years)	5.0	10.0	10.0	15.0	10.00
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	0.8	1.7	1.7	2.0	1.7
Weighted average annual suboptimal rate (%)	160.0	160.0	160.0	160.0	160.0
Weighted average vesting period (years)	2.5	2.5	2.5	3.5	2.50
Share price at measurement date	247.12	12.19	64.46	9.17	138.96

* The weighted average expected volatility of all share appreciation rights listed above is determined using historical daily share prices.

37. Provisions

Accounting policies

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.

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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other assets and liabilities continued

37. Provisions continued

	31 March	
	2022 US$'m	2021 US$'m
Pending litigation	**7**	15
Reorganisation	**–**	1
Long-service and retirement gratuity	**3**	2
Other	**3**	2
Total provisions	**13**	20
Less: Non-current portion of provisions	**(4)**	(4)
Current portion of provisions	**9**	16

The group is currently involved in various litigation matters. The litigation provision has been estimated based on management's assessment on the likelihood of requirements on legal counsel and management's estimates of costs and possible claims relating to these after taking appropriate legal advice.

Refer to note 42 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.

38. Accrued expenses

	31 March	
	2022 US$'m	2021 US$'m
Deferred income[1]	**143**	82
Accrued expenses[2]	**158**	173
Accrued interest related to the bonds[2]	**124**	80
Amounts owing in respect of investments acquired[2]	**3**	170
Taxes and other statutory liabilities	**113**	96
Bonus accrual	**89**	82
Accrual for leave	**28**	23
Other personnel accruals	**57**	45
Payments received in advance	**61**	22
Payables from reverse factoring arrangements[2]	**90**	92
Merchant payable[2]	**724**	504
Other[3]	**48**	32
	1 638	1 401

1 Relates to revenue received in advance from contracts with customers. Refer to note 13 for movements in deferred income balances.
2 These items are classified as financial liabilities.
3 Includes financial liabilities of US$41.7m (2021: US$23.5m).

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial risk management

Hedging

Accounting policies

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 39.

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.

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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial risk management continued

39. 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.

39.1 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 (US$). 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 €200m for US$222m. 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.

In July 2021 the group issued US$1.85bn 3.061% notes due in 2031, €1bn 1.288% notes due in 2029 and €850m 1.985% notes due in 2033 (the bonds). 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 notes due in 2025 was linked to a cross-currency interest rate swap. 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. Cumulative losses of US$13.7m (2021: loss of US$24.1m) 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$2.1bn (2021: increase in value of US$1.50bn).

The hedge ratio remained 1:1 and the risk strategy for this hedge relationship remained unchanged. 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.

During the current year, total gains of US$12.1m (2021: losses of US$79.3m) were recognised on the cross-currency interest rate swap. Gains of US$10.4m (2021: losses of US$48.2m) 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). Gains of US$1.8m (2021: losses of US$31m) 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 2022.

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 2022, the group had a net cash balance including short-term cash investments of US$13.55bn (2021: US$4.77bn). 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial risk management continued

39. Financial risk management continued

39.1 Foreign exchange risk continued

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, Brazilian real, Romanian leu, Turkish lira, Polish zloty and Russian rouble are the most significant. The group is also exposed to the British pound, Chinese yuan renminbi and South African rand 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% increase of the US dollar against the Indian rupee, South African rand, euro and the Romanian leu (2021: 10% decrease on forementioned currencies and 10% increase against the euro), as well as 40% increase against the Russian rouble, and a 20% increase of the US dollar against the Brazilian real, Turkish lira and Polish zloty (2021: 10% decrease of the US dollar against the forementioned currencies). These movements would result in a US$379.7m increase in net profit after tax for the year (2021: US$177.7m decrease). Other equity would decrease by US$124m (2021: US$295.2m increase).

This analysis includes only outstanding foreign currency denominated monetary assets and liabilities (ie 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.

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 2022		31 March 2021	
	Average rate	**Closing rate**	Average rate	Closing rate
Currency (1FC = US$)				
South African rand (ZAR)	**0.0670**	**0.0685**	0.0614	0.0677
Euro (EUR)	**1.1586**	**1.1067**	1.1691	1.1730
Chinese yuan renminbi (CNY)	**0.1562**	**0.1577**	0.1479	0.1526
Brazilian real (BRL)	**0.1891**	**0.2110**	0.1830	0.1775
Indian rupee (INR)	**0.0134**	**0.0132**	0.0135	0.0137
Polish zloty (PLN)	**0.2525**	**0.2382**	0.2593	0.2533
Russian rouble (RUB)	**0.0134**	**0.0122**	0.0134	0.0132
Romania leu (RON)	**0.2346**	**0.2240**	0.2405	0.2384
Turkish lira (YTL)	**0.0927**	**0.0681**	0.1344	0.1212
British pound sterling (GBP)	**1.3620**	**1.3135**	1.3152	1.3782

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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

39. Financial risk management continued

39.1 Foreign exchange risk continued

Foreign exchange rates continued

The table below details the group's unhedged liabilities that are denominated in a currency other than the functional currency of the settling entity:

	31 March 2022		31 March 2021	
	Currency amount of liabilities US$'m	US$'m	Currency amount of liabilities US$'m	US$'m
Uncovered liabilities				
Euro	**5 284**	**5 847**	1 738	2 039
South African rand	**5**	**–**	694	46
US dollar	**13**	**13**	11	11
British pound	**1**	**2**	1	1
Other	**–**	**1**	–	2

Derivative financial instruments

The following table details the group's derivative financial instruments:

	31 March 2022		31 March 2021	
	Assets US$'m	Liabilities US$'m	Assets US$'m	Liabilities US$'m
Current portion				
Forward exchange contracts	**27**	**18**	3	2
Derivatives contained in acquisition agreements	**–**	**–**	15	–
	27	**18**	18	2
Non-current portion				
Derivatives contained in lease agreements	**11**	**2**	9	2
Cross-currency interest rate swap	**2**	**–**	–	30
	13	**2**	9	32
Total	**40**	**20**	27	34

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 agreements have been offset in the statement of financial position. At 31 March 2022 and 2021 there were no contracts that could be offset under the master netting arrangement.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial risk management continued

39. Financial risk management continued

39.2 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 businesses and are included within 'Other receivables' in the statement of financial position.

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 are 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 includes 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. 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. Budget forecasts consider the businesses of these group companies and equity-accounted investments remaining operational amid the pandemic. In addition, these related parties have sufficient liquid assets and will therefore be able to settle their debt. As at 31 March 2022 and 2021, impairment allowances on related party loans and receivables were not material.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

39. Financial risk management continued

39.2 Credit risk continued

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 receivable' in the statement of financial position are outlined above.

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 (ie 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. 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 38) in the event of default. An average payment term of 30 days generally applies 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 2022, an impairment allowance of US$3.9m (2021: US$2.7m) 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 2022, impairment allowances related to disposal proceeds receivable were not significant.

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 2022, impairment allowances related to loan receivables amounted to US$7.1m (31 March 2021: US$2.1m).

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 or 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 2022, 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$12.5m as at 31 March 2022 (2021: US$7.9m). 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 2022, the impact of Covid-19 on the group's impairment allowances was not significant.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial risk management continued

39. Financial risk management continued

39.3 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 2022 and 2021:

	31 March	
	2022 US$'m	2021 US$'m
On call	**121**	78
Expiring within one year	**19**	15
Expiring beyond one year	**2 502**	2 500
	2 642	2 593

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 2022				
	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	**(263)**	**(282)**	**(64)**	**(178)**	**(40)**
Interest-bearing: Loans and other liabilities	**(15 705)**	**(23 098)**	**(464)**	**(3 813)**	**(18 821)**
Non-interest-bearing: Loans and other liabilities	**(81)**	**(109)**	**(44)**	**(65)**	**–**
Other non-current liabilities	**(1 158)**	**(1 158)**	**(1 014)**	**(144)**	**–**
Trade payables	**(549)**	**(549)**	**(549)**	**–**	**–**
Accrued expenses	**(1 141)**	**(1 141)**	**(1 141)**	**–**	**–**
Related party loans and payables	**(10)**	**(10)**	**(8)**	**(2)**	**–**
Bank overdrafts	**(18)**	**(18)**	**(18)**	**–**	**–**
Derivative financial assets/(liabilities)					
Forward exchange contracts – inflow	**27**	**4 769**	**4 769**	**–**	**–**
Forward exchange contracts – outflow	**(18)**	**(4 760)**	**(4 760)**	**–**	**–**
Derivatives contained in lease agreements – inflow	**11**	**11**	**–**	**11**	**–**
Derivatives contained in lease agreements – outflow	**(2)**	**(2)**	**–**	**(2)**	**–**
Cross-currency interest rate swap – inflow	**2**	**268**	**12**	**256**	**–**
Cross-currency interest rate swap – outflow	**–**	**(267)**	**(8)**	**(259)**	

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

39. Financial risk management continued

39.3 Liquidity risk continued

	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 finance leases	(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 31).

39.4 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 30 for the interest rate profiles and repayment terms of long-term liabilities as at 31 March 2022 and 2021.

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 South African, American, European, Brazilian, Russian and London repo rates. Management's best estimate of the possible change in these interest rates is an increase of 100 basis points (2021: 100 basis points for all rates) for South African and European repo rates, an increase of 300 basis points for Brazilian, London and Johannesburg Interbank Average Rate. Best estimate of the possible change in Russian key rate to the interest rates is an increase of 500 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 2022 would increase by US$82.16m (2021: increase on net profit (and equity) by US$6.9m).

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

39. Financial risk management continued

39.5 Price risk

During the 31 March 2022 financial year, 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 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.

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$476.6m decrease in other comprehensive income (2021: US$398.5m). Refer to note 28 for details of the group's listed investments.

40. 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 2022			
	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	5 981	3	–	–
Financial assets at fair value through profit or loss	63	3	–	–
Financial assets at fair value through other comprehensive income[2]	5 918	–	–	–
Receivables and loans[3]	1 354	31	19	17
Trade receivables	276	(3)	–	6
Other receivables	645	–	1	11
Related party receivables	433	34	18	–
Derivative financial instruments[1]	40	6	–	–
Forward exchange contracts	27	–	–	–
Cross-currency interest rate swap	2	–	–	–
Derivatives contained in lease agreements	11	6	–	–
Short-term investments[3]	3 924	(63)	9	–
Cash and cash equivalents[1, 3]	9 646	(29)	30	–
Total	**20 945**	**(52)**	**58**	**17**

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 losses of US$1.21bn (2021: gains of US$669m) were 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial risk management continued

40. Fair value of financial instruments continued

	31 March 2022		
	Carrying value US$'m	Net gains/(losses) recognised in profit or loss US$'m	Total interest expense US$'m
Liabilities			
Long-term liabilities[1]	**16 007**	**68**	**386**
Interest-bearing: Capitalised lease liabilities	**200**	**–**	**8**
Interest-bearing: Bonds	**15 368**	**68**	**362**
Interest-bearing: Loans and other liabilities	**243**	**–**	**16**
Non-interest-bearing: Loans and other liabilities	**50**	**–**	**–**
Other non-current liabilities[2]	**144**	**–**	**–**
Related party loans and payables	**2**	**–**	**–**
Short-term payables and loans[1]	**2 900**	**26**	**10**
Interest-bearing: Capitalised lease liabilities	**63**	**(1)**	**2**
Interest-bearing: Loans and other liabilities	**94**	**–**	**2**
Non-interest-bearing: Loans and other liabilities	**31**	**–**	**–**
Trade payables	**549**	**(7)**	**–**
Other current liabilities[2]	**1 014**	**14**	**–**
Accrued expenses	**1 141**	**6**	**6**
Related party loans and payables	**8**	**–**	**–**
Foreign currency intergroup payables	**–**	**14**	**–**
Derivative financial instruments[3]	**20**	**7**	**–**
Forward exchange contracts	**18**	**8**	**–**
Derivatives contained in lease agreements	**2**	**(1)**	**–**
Bank overdrafts[1]	**18**	**–**	**7**
Total	**18 945**	**101**	**403**

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 31).
3 Measured at fair value through profit or loss.

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 values 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 2022					
Publicly traded bonds[1]	**15 368**	**13 056**	**–**	**13 056**	**–**
31 March 2021					
Publicly traded bonds[1]	7 796	7 935	–	7 935	–

1 Refer to note 30 for further details on the publicly traded bonds.

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 values of the publicly traded bonds are level 2 financial instruments. The publicly traded bonds are listed on the Irish Stock Exchange (Euronext Dublin).

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial risk management continued

40. Fair value of financial instruments continued

	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]	1 258	–	–	–
Financial assets at fair value through other comprehensive income[2]	4 122	–	–	–
Other loans and investments[1]	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 prior year gains of US$669m were 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial risk management continued

40. Fair value of financial instruments continued

	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 finance leases	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 finance leases	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 31).
3 Measured at fair value through profit or loss.

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 (ie as prices) or indirectly (ie 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).

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial risk management continued

40. Fair value of financial instruments continued

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 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 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* – 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. 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.
- *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 believes 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.

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 2022			
	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	**5 918**	**4 765**	**–**	**1 153**
Financial assets at fair value through profit or loss	**63**	**19**	**–**	**44**
Forward exchange contracts	**27**	**–**	**27**	**–**
Derivatives contained in lease agreements	**11**	**–**	**–**	**11**
Cash and cash equivalents[1]	**928**	**–**	**928**	**–**
Cross-currency interest rate swap	**2**	**–**	**2**	**–**
Total	**6 949**	**4 784**	**957**	**1 208**
Liabilities				
Forward exchange contracts	**18**	**–**	**18**	**–**
Derivatives contained in lease agreements	**2**	**–**	**–**	**2**
Earn-out obligations	**20**	**–**	**–**	**20**
Total	**40**	**–**	**18**	**22**

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Financial risk management continued

40. Fair value of financial instruments continued

	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.

The following table shows a reconciliation of the group's level 3 financial instruments:

	31 March 2022			
	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 2021	**(13)**	**133**	**7**	**16**
Additions	**–**	**967**	**–**	**22**
Total (losses)/gains recognised in the income statement	**(9)**	**–**	**2**	**6**
Total gains recognised in other comprehensive income	**–**	**107**	**–**	**–**
Settlements/disposals	**1**	**(46)**	**–**	**–**
Foreign currency translation effects	**1**	**2**	**–**	**–**
Transfers	**–**	**(10)**	**–**	**–**
Total	**(20)**	**1 153**	**9**	**44**

	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 losses 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.

There was a transfer of US$4.4m (2021: US$nil) from level 2 to level 1 and another transfer of US$9.9m (2021: US$nil) from level 3 to level 1, during the current year.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other disclosures

41. 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	
	2022 US$'m	2021 US$'m
Sale of goods and services to related parties[1]		
EMPG Holdings Limited	**12**	18
MIH Holdings Proprietary Limited	**12**	15
Bom Negocio Atividades de Internet Ltda (OLX Brasil)	**14**	3
Skillsoft Corp	**34**	–
Various other related parties	**1**	1
	73	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 equity-accounted investments and subsidiaries of Naspers outside of the group.

	31 March	
	2022 US$'m	2021 US$'m
Services received from related parties[1]		
MIH Holdings Proprietary Limited	**10**	11
Various related parties	**1**	–
	11	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 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$12.2m (2021: US$15.1m) to Naspers companies in respect of services performed on their behalf. In addition Naspers recharged costs of US$10.1m (2021: US$11.4m) to the group's companies.

	31 March	
	2022 US$'m	2021 US$'m
Dividends paid to holding company		
Naspers Limited	**104**	155
	104	155

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other disclosures continued

41. Related party transactions and balances continued

The balances of receivables and payables between the group and related parties are as follows:

	31 March 2022 US$'m	31 March 2021 US$'m
Loans and receivables[1]		
Myriad/MIH (Malta) Limited	**6**	4
MIH Holdings Proprietary Limited	**1**	35
Bom Negocio Atividades de Internet Ltda (OLX Brasil)[2]	**219**	171
MIH Treasury Services Proprietary Limited	**16**	7
MIH Internet Holding B.V. Share Trust[3]	**154**	169
Inversiones CMR S.A.S.	**21**	–
GoodGuyz Investments B.V.	**6**	–
Silvergate Capital Corporation	**4**	–
Other	**6**	14
Less: Allowance for impairment of loans and receivables[4]	**–**	–
Total related party receivables	**433**	400
Less: Non-current portion of related party receivables	**(416)**	(356)
Current portion of related party receivables	**17**	44

[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. Refer to note 6. The loan is repayable by October 2035 and is 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 39 for the group's impairment methodology for related party receivables. Impairment allowance for related parties was not material.

	31 March 2022 US$'m	31 March 2021 US$'m
Payables		
Zitec Com SRL	**2**	–
MIH Holdings Proprietary Limited	**3**	7
Myriad/MIH (Malta) Limited	**2**	1
Other	**3**	2
Total related party payables	**10**	10
Less: Non-current portion of related party payables	**(2)**	(2)
Current portion of related party payables	**8**	8

The was no movement in the allowance for impairment of related party receivables during the year (2021: nil).

Terms of significant related party current receivables and payables

Current portion of related party payables amount to US$7.9m (2021:US$8m). 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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other disclosures continued

41. Related party transactions and balances continued

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 share exchange in August 2021. The group recognised a fair value loss in OCI for the 3.7% Naspers investment amounting to US$699.9m 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 share exchange offer to Naspers shareholders and issued newly created class B ordinary shares to Naspers. The 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 4 for details of the accounting treatment for the above transaction.

Group equity contributions to Naspers share trusts

The group made contributions to Naspers share trusts amounting to US$190.2m (2021: US$78.8m) during the current year.

Directors' remuneration

The executive directors received the following remuneration and emoluments:

	31 March	
	2022 US$'000	2021 US$'000
Executive directors[1]		
Salary	**2 372**	2 332
Annual short-term incentive payments	**1 585**	2 310
Pension contributions and other benefits paid on behalf of director	**223**	226
Share-based payment expense	**(22 705)**	174 251
Total	**(18 525)**	179 119

[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	
	2022 US$'000	2021 US$'000
Non-executive directors[1]		
Directors' fees	**2 429**	2 429
Committee and trust fees	**541**	592
Other fees	**–**	–
Total	**2 970**	3 021

[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	
	2022 US$'000	2021 US$'000
Key management		
Short-term employee benefits	**17 901**	10 741
Post-employment benefits	**513**	414
Share-based payment expense	**65 534**	118 793
Total	**83 948**	129 948

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.

Notes to the consolidated financial statements continued

for the year ended 31 March 2022

Other disclosures continued

41. Related party transactions and balances continued

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 A ordinary shares as at 31 March:

	2022			2021		
	Prosus A ordinary shares			Prosus A ordinary shares		
	Beneficial			Beneficial		
Name	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total
SJZ Pacak[1]	**–**	**486**	**486**	–	383	383
JDT Stofberg[1]	**–**	**810**	**810**	–	639	639
Total	**–**	**1 296**	**1 296**	–	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. As part of the implementation of the share exchange offer approved by shareholders on 9 July 2021, additional A1 ordinary shares were issued to holders of A1 ordinary shares on a pro rata basis on 16 August 2021.

The directors of Prosus (and their associates) had the following interests in Prosus ordinary shares N as at 31 March:

	2022			2021		
	Prosus ordinary shares N			Prosus ordinary shares N		
	Beneficial			Beneficial		
Name	**Direct**	**Indirect[1]**	**Total**	Direct	Indirect	Total
JP Bekker[2]	**–**	**11 513 809**	**11 513 809**	–	4 688 691	4 688 691
H du Toit[2]	**5 111**	**–**	**5 111**	–	–	–
CL Enenstein	**–**	**415**	**415**	–	415	415
FLN Letele	**2 604**	**–**	**2 604**	2 604	–	2 604
SJZ Pacak[2]	**460 911**	**747 086**	**1 207 997**	–	630 635	630 635
V Sgourdos[3]	**110 890**	**102 290**	**213 180**	32 483	98 410	130 893
MR Sorour[2]	**3 955**	**442**	**4 397**	2 145	442	2 587
JDT Stofberg[2]	**415 966**	**141 888**	**557 854**	183 317	141 888	325 205
BJ van der Ross[2, 4]	**6 262**	**5 294**	**11 556**	2 550	2 000	4 550
B van Dijk[2]	**249 975**	**1 085 405**	**1 335 380**	51 809	1 003 928	1 055 737
Total	**1 255 674**	**13 596 629**	**14 852 303**	274 908	6 566 409	6 841 317

[1] Prosus share options that have been released (vested), but have not yet been exercised, are included in the indirect column: Bob van Dijk: 1 085 405 (2021: 1 003 928); Basil Sgourdos: 102 290 (2021: 98 410); Steve Pacak: 54 000 (2021: 54 000).

[2] Each of these directors participated in the share exchange which was approved by shareholders on 9 July 2021 and concluded on 16 August 2021. As part of this transaction, the directors traded a portion of their Naspers N ordinary shares in exchange for Prosus ordinary shares N.

[3] On 31 January 2022, Basil Sgourdos has exercised 11 124 Naspers and Prosus options and decided to dispose of the Naspers N ordinary shares he received and to retain the Prosus ordinary shares N. The full net gain after tax on disposal of these shares was reinvested back into the group in the form of Prosus N.V. ordinary shares N when, on 1 March 2022, he purchased 20 000 Prosus ordinary shares N at a volume weighted average value per share of €56.3933.

[4] On 1 October 2021, an associate of Ben van der Ross purchased 2 100 ordinary shares N at a volume weighted average value per share of R1 185.50.

[5] On 5 January 2022, Bob van Dijk purchased 122 750 ordinary shares N in his own name at a volume weighted average value per share of €71.8983.

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.

42. 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 2022 amount to US$nil (2021: US$2.5m).

(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$132.1m (2021: US$75.8m).

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for the year ended 31 March 2022

Other disclosures continued

42. Commitments and contingencies continued

(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 2022. 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	
	2022 US$'m	2021 US$'m
Minimum lease payments:		
Payable in year one	**5**	1
Payable in year two	**3**	2
Payable in year three	**2**	2
Payable in year four	**2**	2
Payable in year five	**2**	2
Payable after five years	**3**	4
	17	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$317.8m (2021: US$98.9m). Refer to note 30 for further details.

43. Subsequent events

The group entered into an agreement with the shareholders of the India digital payments provider IndiaIdeas.com Limited (BillDesk) to acquire 100% of the equity in BillDesk for a consideration of approximately US$4.7bn (INR345bn). 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.

In May 2022 the group announced its intention to exit its Russian businesses. The group has started the search for an appropriate buyer for its shares in Avito.

On 14 March 2022, the board of directors decided to cancel 69 825 860 ordinary shares N that Prosus held in its own capital. This cancellation was effected on 14 June 2022. Subsequent to the Prosus share cancellation, the Prosus free float's economic interest in the group is 57.71%. The company's issued ordinary shares N post the share cancellation is 2 003 817 745.

In March 2022 the group received a special interim dividend from Tencent, in the form of a distribution in specie of 131 873 028 JD.com shares. The group completed the sale of the 131 873 028 JD.com shares in June 2022, for total proceeds of approximately US$3.6bn. Accumulated fair value losses related to these shares of approximately US$255m will be reclassified from the valuation reserve to retained earnings within equity as a result of this disposal.

In June 2022, the board of directors approved the beginning of an open-ended, repurchase programme in respect of the ordinary shares N of Prosus N.V. and N ordinary shares of Naspers Limited, from the respective Prosus and Naspers free-float shareholders. With the support of Tencent Holdings Limited, Prosus has removed all restrictions on the sale by Prosus of the ordinary shares in Tencent and will begin selling small amounts of Tencent Shares regularly, in an orderly manner, while concurrently purchasing Prosus Ordinary Shares N and Naspers N Ordinary Shares as long as the discount to net asset value is at elevated levels.

Company statement of financial position

as at 31 March 2022 (before appropriation of results)

	Notes	31 March 2022 US$'m	2021 US$'m
ASSETS			
Non-current assets		**153 420**	157 089
Investments in subsidiaries	3	**150 306**	153 514
Investments at fair value through other comprehensive income	4	**385**	2 526
Amounts due from group companies	5	**2 727**	1 049
Derivative financial instruments	18	**2**	–
Current assets		**12 294**	3 647
Amounts due from group companies	5	**8**	78
Derivative financial instruments	18	**27**	1
Other receivables	6	**17**	20
Short-term investments	7	**3 924**	1 211
Cash and cash equivalents	8	**8 318**	2 337
TOTAL ASSETS		**165 714**	160 736
EQUITY AND LIABILITIES			
Shareholders' equity		**150 122**	152 715
Share capital	9, 10	**177**	95
Share premium	9, 10	**142 687**	150 624
Statutory reserve		**138**	138
Legal reserves		**–**	112
Retained earnings		**1 085**	1 835
Undistributed results		**6 035**	(89)
Non-current liabilities		**15 368**	7 826
Long-term liabilities	11	**15 368**	7 796
Derivative financial instruments	18	**–**	30
Current liabilities		**224**	195
Amounts due to group companies	5	**77**	43
Accrued expenses and other current liabilities	12	**135**	150
Derivative financial instruments	18	**12**	2
TOTAL EQUITY AND LIABILITIES		**165 714**	160 736

The accompanying notes are an integral part of these company financial statements.

Company statement of comprehensive income

for the year ended 31 March 2022

	Notes	31 March 2022 US$'m	2021 US$'m
Selling, general and administration expenses	13	**(12)**	(9)
Dividend income	14	**6 472**	–
Operating profit/(loss)		**6 460**	(9)
Interest income	15	**35**	68
Interest expense	15	**(353)**	(234)
Other finance (cost)/income – net	15	**(31)**	10
Profit/(loss) before taxation		**6 111**	(165)
Taxation	16	**(76)**	76
Profit/(loss) for the year		**6 035**	(89)
Other comprehensive (loss)/income (OCI)		**(674)**	112
Net fair value (loss)/gains on financial assets at fair value through OCI[1]	4	**(700)**	115
Net movement in hedging reserve[2]		**26**	(3)
Total comprehensive income for the year		**5 361**	23

1 Financial assets at fair value through OCI will not subsequently be reclassified to profit or loss.
2 This component of other comprehensive income may subsequently be reclassified to profit or loss.

The accompanying notes are an integral part of these company financial statements.

Company statement of changes in equity

for the year ended 31 March 2022

	Share capital US$'m	Share premium US$'m	Treasury shares[1] US$'m	Statutory reserve[2] US$'m	Valuation reserve[3] US$'m	Retained earnings US$'m	Undistri-buted results US$'m	Total US$'m
Balance at 1 April 2021[1]	**95**	**152 040**	**(1 416)**	**138**	**112**	**1 835**	**(89)**	**152 715**
Income for the year	**–**	**–**	**–**	**–**	**(112)**	**(562)**	**6 035**	**5 361**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**6 035**	**6 035**
Other comprehensive loss[4]	**–**	**–**	**–**	**–**	**(112)**	**(562)**	**–**	**(674)**
Appropriation of result	**–**	**–**	**–**	**–**	**–**	**(89)**	**89**	**–**
Share capital movements[5]	**128**	**(128)**	**–**	**–**	**–**	**–**	**–**	**–**
Annual distribution paid to shareholders[5]	**(134)**	**–**	**–**	**–**	**–**	**(104)**	**–**	**(238)**
Repurchase of own shares[6]	**–**	**–**	**(4 995)**	**–**	**–**	**–**	**–**	**(4 995)**
Share exchange transaction[7]	**27**	**(2 814)**	**–**	**–**	**–**	**–**	**–**	**(2 787)**
Prosus ordinary shares B issued[7]	**66**	**–**	**–**	**–**	**–**	**–**	**–**	**66**
Currency translation of share capital	**(5)**	**–**	**–**	**–**	**–**	**5**	**–**	**–**
Balance at 31 March 2022	**177**	**149 098**	**(6 411)**	**138**	**–**	**1 085**	**6 035**	**150 122**

1 During the current year the company made a decision to present treasury shares (a component of share premium) separately within equity. Refer to note 2.
2 As required by article 29 of the company's articles of association, the company holds a legal reserve for the conversion of A1 shares to A2 shares when the conversion criteria are triggered.
3 This component of equity forms part of 'Legal reserves' of the company.
4 Relates predominantly to the company's investment at fair value through other comprehensive income. Refer to note 4.
5 Share capital movements relate to the net increase in the nominal value of the ordinary shares N in respect to those shareholders who elected the distribution in relation to the 2021 financial year in the form of capital repayment. Annual distribution paid to shareholders relates to the actual capital and dividend payments made to shareholders in the current year. Refer to note 9.
6 Relates to repurchase of own shares as per the share repurchase programme. Refer to note 9.
7 Relates to the share exchange transaction. The transaction resulted in an increase in share capital and premium due to the issuance of shares with a subsequent decrease in share premium as a result of the capital restructure. Refer to note 4 of the consolidated financial statements for the accounting treatment.

	Share capital US$'m	Share premium US$'m	Treasury shares[1] US$'m	Statutory reserve[2] US$'m	Valuation reserve[3] US$'m	Retained earnings US$'m	Undistri-buted results US$'m	Total US$'m
Balance at 1 April 2020	90	152 094	–	138	–	962	1 038	154 322
Income for the year	–	–	–	–	112	–	(89)	23
Loss for the year	–	–	–	–	–	–	(89)	(89)
Other comprehensive income[4]	–	–	–	–	112	–	–	112
Appropriation of result	–	–	–	–	–	1 038	(1 038)	–
Share capital movements[5]	54	(54)	–	–	–	–	–	–
Annual distribution paid to shareholders[5]	(55)	–	–	–	–	(159)	–	(214)
Repurchase of own shares[6]	–	–	(1 416)	–	–	–	–	(1 416)
Currency translation of share capital	6	–	–	–	–	(6)	–	–
Balance at 31 March 2021[6]	95	152 040	(1 416)	138	112	1 835	(89)	152 715

1 During the current year the company made a decision to present treasury shares (a component of share premium) separately within equity. Refer to note 2.
2 As required by article 29 of the company's articles of association, the company holds a legal reserve for the conversion of A1 shares to A2 shares when the conversion criteria are triggered.
3 This component of equity forms part of 'Legal reserves' of the company.
4 Relates predominantly to the company's investment at fair value through other comprehensive income. Refer to note 4.
5 Share capital movements relate to the net increase in the nominal value of the ordinary shares N in respect to those shareholders who elected the distribution in relation to the 2021 financial year in the form of capital repayment. Annual distribution paid to shareholders relates to the actual capital and dividend payments made to shareholders during the financial year. Refer to note 9.
6 Relates to repurchase of own shares as per the share repurchase programme. Refer to note 9.

The accompanying notes are an integral part of these company financial statements.

Company statement of cash flows

for the year ended 31 March 2022

	Notes	31 March 2022 US$'m	31 March 2021 US$'m
Cash flows from operating activities			
Cash generated/(utilised) in operations	17	**6 298**	(8)
Interest income received		**35**	99
Interest expense paid		**(300)**	(178)
Net cash generated from/(utilised in) operating activities		**6 033**	(87)
Cash flows from investing activities			
Loans advanced to group companies		**(7 920)**	(5 093)
Loans repaid by group companies		**741**	1 192
Acquisition of Naspers shares	4	**(1 287)**	(2 350)
(Acquisition of)/proceeds from short-term investments	7	**(2 711)**	2 628
Capital repayment received from MIH Internet Holdings B.V.	3	**8 708**	–
Net cash utilised in investing activities		**(2 469)**	(3 623)
Cash flows from financing activities			
Proceeds from issue of share capital	9	**66**	–
Proceeds from long-term loans raised	11	**9 211**	4 386
Repayments of long-term loans	11	**(1 578)**	–
Dividends paid to shareholders	9	**(104)**	(159)
Capital repayments to shareholders	9	**(134)**	(55)
Repurchase of own shares	9	**(4 995)**	(1 416)
Repayment of current receivables by group companies		**–**	22
Other financing activities		**(97)**	(3)
Net cash generated from financing activities		**2 369**	2 775
Net increase/(decrease) in cash and cash equivalents		**5 933**	(935)
Foreign exchange translation adjustments on cash and cash equivalents		**48**	(4)
Cash and cash equivalents at the beginning of the year		**2 337**	3 276
Cash and cash equivalents at the end of the year	8	**8 318**	2 337

The accompanying notes are an integral part of these company financial statements.

Notes to the company financial statements

for the year ended 31 March 2022

1. Principal accounting policies

General information

Prosus N.V. (Prosus or the company) is a public limited liability company 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 Johannesburg Stock Exchange (JSE) Limited and A2X Markets in South Africa. The principal activities of the company are to operate as a holding company for its internet assets and provide equity funding to the subsidiaries of the Prosus group.

Basis of preparation and accounting policies

IFRS compliance

The company financial statements are presented in accordance with, and comply, in all material respects, with the International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRS-EU). All standards and interpretations issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee have been endorsed by the European Union (EU). The accounting policies applied by Prosus also comply with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code.

Accounting policies

The accounting policies of the company are the same as those of the Prosus group, where applicable (refer to the accounting policies in the consolidated financial statements), specifically with regard to financial assets measured at amortised cost.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less accumulated impairment losses.

Non-cash distributions to controlling shareholders/distributions from investments in subsidiaries

When the company declares a non-cash distribution to its controlling shareholders, it recognises the distribution when it is appropriately authorised. Non-cash distributions to controlling shareholders are common control transactions and are therefore measured at the respective carrying amounts of the assets distributed.

Non-cash distributions received from the company's investments in subsidiaries are measured at the fair value of the non-cash assets distributed.

IFRS 9 *Financial Instruments* (IFRS 9)

Classification of loans to subsidiaries

Loans to subsidiaries and related party receivables are classified as financial assets at amortised cost as these items are held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual cash flows represent solely payments of principal and interest on the amount outstanding. In making this assessment, the company considers the effect of terms (including conversion, prepayment and extension features) that may affect the timing and/or amounts of cash flows.

Measurement of financial assets at amortised cost

The company applied the measurement provisions of IFRS 9, including those relating to impairment allowances on financial assets at amortised cost, to all financial instruments within the measurement scope of IFRS 9. The company's impairment methodology related to financial assets at amortised cost is detailed in note 5 of the company financial statements.

Notes to the company financial statements continued

for the year ended 31 March 2022

1. Principal accounting policies continued

Basis of preparation and accounting policies continued

Dividend income

Dividend income is recognised when declared by the company's subsidiaries and the company has a right to payment. Dividend income is recognised in the income statement unless the dividend clearly represents a recovery of part of the cost of investment. Dividend income is presented under operating activities in the statement of cash flows.

Impairment of investments

The company periodically (at least once a year at reporting date) evaluates the carrying value of assets when events and circumstances indicate that the carrying value may not be recoverable. Factors that the company considers important, which could trigger an impairment review, include, but are not limited to, significant underperformance relative to historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for the company's overall business, significant negative industry or economic trends that are likely to prevail into the long term and the market capitalisation of listed investments relative to its net book value. The carrying value of an asset is considered impaired when the recoverable amount of such an asset is less than its carrying value. In that event, a loss is recognised based on the amount by which the carrying value exceeds the recoverable amount of the asset.

An impairment loss is directly recognised in the income statement, while the carrying amount of the asset concerned is concurrently reduced.

Accounting judgements and sources of estimation uncertainty

The preparation of the company financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates, assumptions and judgements 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 and/or judgements are made regarding the accounting treatment of the share exchange transaction with Naspers shareholders and the measurement of the residual interest in the Naspers group (as disclosed in note 4 in the consolidated financial statements), identifying impairment triggers for the impairment of investments in subsidiaries (refer to note 3), the impairment considerations for the expected credit losses of related party loans and receivables (refer to note 5) and the judgements related to taxation (refer to note 16).

2. 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.

Refer to note 4 of the consolidated financial statements for the accounting treatment for the above transaction.

Presentation of treasury shares

The company made a decision to present the treasury shares separately in the statement of changes in equity. The company considers that the change in presentation provides more relevant information about the treasury shares held by Prosus subsequent to the share repurchase programme.

At 31 March 2021, the company held 11 874 493 ordinary shares N as treasury shares. These shares were acquired as part of the share repurchase programme that began in October 2020. The shares repurchased during the year ended 31 March 2021 were measured at the cost on the date of repurchase and were recognised as treasury shares in 'Share premium' on the statement of financial position.

As at 31 March 2021, the treasury shares were recognised against share premium and have subsequently been presented separately within the statement of changes in equity during the current period. The treasury shares are still considered a component of share premium. The separate presentation of treasury shares has no change on the company's overall equity; however, comparative figures on the statement of financial position have been re-presented for the separate presentation of treasury shares between 'Share premium' and 'Treasury shares' on the statement of changes in equity.

Notes to the company financial statements continued

for the year ended 31 March 2022

2. Significant changes in financial position and performance during the reporting period continued

Prosus share exchange with Naspers shareholders continued

Presentation of treasury shares continued

Below is a summary of the impact of the separate presentation of the treasury shares between 'Share premium' and ' Treasury shares' on the statement of changes in equity as at 31 March 2021:

Company statement of changes in equity

	Year ended 31 March 2021 Previously reported US$'m	Separate presentation US$'m	Re-presented US$'m
Share capital	95	–	95
Share premium	150 624	1 416	152 040
Treasury shares	–	(1 416)	(1 416)
Other reserves	250	–	250
Retained earnings	1 835	–	1 835
Undistributed results	(89)	–	(89)
Shareholders' equity	152 715	–	152 715

3. Investments in subsidiaries

The following information relates to Prosus N.V.'s direct interest in its subsidiaries:

Name of subsidiary	Functional currency	Effective percentage interest 2022 %	Effective percentage interest 2021 %	Direct investment in shares 2022 US$'m	Direct investment in shares 2021 US$'m	Nature of business	Country of incorporation
Unlisted companies							
MIH Internet Holdings B.V.	US$	**100.0**	100.0	**150 306**	153 514	Investment holding	The Netherlands
MIH Middle East Holdings B.V.	US$	**–**	100.0	**–**	–	Investment holding	The Netherlands
				150 306	153 514		

Below is a summary of the movements in the company's investments in subsidiaries:

	31 March 2022 US$'m	2021 US$'m
Carrying amount as at 1 April	**153 514**	149 789
Movements during the year	**(3 208)**	3 725
Capital repayments	**(8 708)**	–
Loan capitalisations	**5 500**	3 725
Carrying amount as at 31 March	**150 306**	153 514

Changes in investments in subsidiaries for the year ended 31 March 2022

The company's significant corporate transactions related to its investments in subsidiaries for the year ended 31 March 2022 are as follows:

Capital repayments

During the current year, MIH TC Holdings Limited (the company's indirect subsidiary holding the investment in Tencent) sold 2% of Tencent's issued share capital for US$14.6bn. These proceeds from the sale were declared as a dividend to MIH Internet Holdings B.V.

MIH Internet Holdings B.V. subsequently declared the US$14.6bn as a divided to the company. The company recognised US$8.7bn as a capital repayment against the cost of its investment in MIH Internet Holdings B.V. The capital repayment represents a recovery of part of the cost of the investment in Tencent.

Notes to the company financial statements continued

for the year ended 31 March 2022

3. Investments in subsidiaries continued

Changes in investments in subsidiaries for the year ended 31 March 2022 continued

Loan capitalisations

During the current year, the company converted US$5.50bn of its balance receivable from MIH Internet Holdings B.V. into equity.

Funds provided to MIH Internet Holdings B.V. are primarily to finance various corporate transactions including mergers and acquisitions of the group. The decision in relation to amounts capitalised is determined based on the nature of the corporate transaction and whether this is best provided via loan financing or a capital contribution.

Impairment assessment

MIH Internet Holdings B.V. is the company's only investment in subsidiary and it directly or indirectly holds all of the Prosus group's investments comprising listed and unlisted associates and subsidiaries. At the end of each year, the company assesses whether there is an indication that its investment in subsidiary is impaired. Decline in the market capitalisation of the company, its indirect listed investments and changes in the discount rates used to determine the value in use of the unlisted investments are considered impairment indicators. Accordingly, the company performed an impairment assessment of its investment in subsidiary.

The impairment assessment is performed at the level of MIH Internet Holdings B.V.

The recoverable amount of MIH Internet Holdings B.V. is the sum-of-parts of the underlying listed investments (including Tencent) and non-listed ecommerce investments using a combination of quoted prices (for some of the listed investments) value-in-use calculations and recent funding transactions that occurred during the current year. The value in use was determined using the discounted cash flow method. The group used 10-year projected cash flow models as these businesses have monetisation timelines longer than five years. Forecasts are approved by senior management and/or the various boards of directors of group companies.

The company's impairment assessment takes into account that, in most instances, longer forecast periods are required for many ecommerce businesses, due to the fact that 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/profitable.

Key assumptions in estimating these future cash flows over the forecast period include the entity's ability to capture the required market share and the additional investment required in order for it to reach the appropriate scale. The value-in-use calculations determined the equity values for the non-listed ecommerce portfolio which took into account the following key assumptions:

- Revenue and expenses were based on past experience and management's future expectations of business performance.
- The growth rates were consistent with publicly available information relating to long-term average growth rates for the respective countries in which the entities operate or, where more appropriate, the growth rate of the cash-generating units.
- The discount rates reflected both the time value of money and other market-specific risks relating to the respective entity. The company applied post-tax discount rates in calculations as value in use was determined using post-tax cash flows. Discount rates ranged between 9% and 25%.
- The terminal growth rates considered the steady growth rates that would appropriately extrapolate cash flows beyond the forecast periods. Terminal growth rates ranged between 2% and 7%.

Based on the sum of the fair values of listed and non-listed significant investments, the recoverable amount of MIH Internet Holdings B.V. significantly exceeds the carrying amount of US$150.3bn. Accordingly, there was no impairment loss recognised.

As part of our impairment testing, we performed sensitivity analyses on the underlying discounted cash flow calculations. These analyses reveal that the values are highly sensitive and adjustments to the expected future cash flows, or higher discount rates, could result in an impairment. The main inputs for the expected future cash flows are revenue growth, profit margins, discount rates and long-term growth rates on which sensitivity analyses have been prepared. Reasonable possible changes on the revenue growth rates, profit margins and discount rates used to estimate future performance have been assessed as to whether it impacts the recoverable amounts of the company's investments in subsidiaries. It has been determined that some investments are more sensitive to changes than others. The forecast annual revenue growth rates assumed for the investments in subsidiaries range between 6% and 60%.

As part of our impairment testing, we also compared the sum of the total value of the company's underlying assets, as well as the carrying amounts, to the market capitalisation of the company. The market capitalisation of US$76.8bn as at 31 March 2022 shows a discount to the carrying amount of the company's shareholders' equity based on IFRS. We considered that it is common that investment holding companies trade at a discount to the fair value on the controlling basis of their underlying assets. Holding company discounts vary significantly but are normally in the 10% to 40% range, although, in some cases, this can extend to over 50%. The reasons for holding company discounts can vary according to each company's specific circumstances, but can include management costs, tax leakage, governance and shareholder structure, information asymmetry and perceived reinvestment risk.

Since the listing in 2019, Prosus has mostly been trading between a 15% and 35% discount to its equity value. The total market value of the listed marketable securities held by Prosus N.V. at 31 March 2022 was approximately US$141bn. Based on our analysis, we conclude that this discount does not – as such – result in an additional reduction of the value determined under IAS 36 used in the impairment assessment of the company's subsidiaries.

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 impairments that would have to be recognised.

Notes to the company financial statements continued

for the year ended 31 March 2022

3. Investments in subsidiaries continued

Changes in investments in subsidiaries for the year ended 31 March 2022 continued

MIH Middle East Holdings B.V.

During the current year, the company contributed its subsidiary MIH Middle East Holdings B.V. to MIH Internet Holdings B.V.

Changes in investments in subsidiaries for the year ended 31 March 2021

The company's significant corporate transactions related to its investments in subsidiaries for the year ended 31 March 2021 are as follows:

Loan capitalisations

On 18 December 2020, the company converted US$525m of its balance receivable from MIH Internet Holdings B.V. into equity.

On 31 March 2021, the company converted a further US$3.20bn of its balance receivable from MIH Internet Holdings B.V. into equity in exchange for one ordinary share in the capital of MIH Internet Holdings B.V.

Impairment assessment

In light of the Covid-19 pandemic and losses incurred in some of the company's Ecommerce businesses, the company assessed whether its investments should be impaired. The impairment assessment was performed at the level of MIH Internet Holdings B.V.

As the fair value of MIH Internet Holdings B.V.'s direct listed investments (based on unadjusted quoted prices per balance sheet date) significantly exceeded the carrying amount of US$153.51bn, the risk of impairment was considered to be remote.

As a result, no impairment triggers were identified for the investments in subsidiaries. No further impairment testing was performed on the group's non-listed ecommerce investments.

MIH Middle East Holdings B.V.

On 23 April 2020, the company, as the sole incorporator, incorporated MIH Middle East Holdings B.V. for the intention to optimise the corporate structure of the group.

4. Investments at fair value through other comprehensive income

	Fair value 31 March 2022 US$'m	Fair value 31 March 2021 US$'m
Naspers Limited N shares (domiciled in South Africa)	–	2 526
Residual interest in the Naspers Limited group	385	–
Total investments at fair value through other comprehensive income	**385**	2 526

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 during the year ended 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. Prior to the completion of the voluntary share exchange offer, these Naspers shares were recognised as an investment at FVOCI. A revaluation loss of these Naspers shares of US$699.9m (2021: revaluation gain of US$115.2m) was recognised in other comprehensive income and accumulated in equity.

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, resulted in Prosus holding a 49.5% fully diluted interest representing a 49.9% economic interest in Naspers.

The cross-holding agreement between Naspers and Prosus, which became effective simultaneous to the share exchange programme, 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). The cross-holding agreement impacted the accounting of Naspers N ordinary shares held by Prosus. In August 2021, with the closing of the voluntary share exchange programme, these shares were derecognised as an FVOCI financial instrument, with the amount being transferred to share premium within equity.

The company simultaneously recognised a new 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 a subsequent decrease of US$38.25bn in share capital/share premium, representing the shareholder distribution in contemplation of a capital restructure. Refer to note 4 of the consolidated financial statements for the accounting treatment for the above transaction.

Notes to the company financial statements continued

for the year ended 31 March 2022

5. Related party transactions and balances

Amounts due from group companies

	31 March	
	2022 US$'m	2021 US$'m
MIH Internet Holdings B.V.	**2 727**	1 125
MIH Payments Holdings B.V.	**8**	–
Movile International Holdings B.V.	**–**	2
Total amounts due from group companies	**2 735**	1 127
Less: non-current portion of amounts owing from group companies	**(2 727)**	(1 049)
Current portion of amounts due from group companies	**8**	78

Amounts due to group companies

	31 March	
	2022 US$'m	2021 US$'m
iFood Holdings B.V.	**3**	–
Movile International Holdings B.V.	**56**	42
MIH Nordics Holdings B.V.	**–**	1
OLX Global B.V.	**18**	–
Total amounts due to group companies	**77**	43

Current positions due from or due to group companies are unsecured, denominated in various currencies, non-interest bearing and repayable on demand. Accordingly, the effect of discounting on these loans is insignificant. The non-current loan is denominated in euro and US dollar. The euro-denominated amount bears interest of three-month EURIBOR plus 1.75%. The US dollar-denominated amount is non-interest bearing and repayable on demand. The loan amount shall be repayable in full by the borrower on or before 31 March 2027.

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 credit worthiness 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.

At 31 March 2022 and 2021, the impairment allowances related to loans to group companies were not significant on account of the loan counterparties' holdings of substantial highly liquid marketable securities, and/or cash/short-term cash investment balances. These holdings by the counterparties significantly exceed their obligations, excluding their liabilities towards the company, and accordingly mitigate the credit risk arising from these loans.

Based on the principal activities of the company as a holding company, the transactions disclosed in the notes are related party transactions. The financial statement impact and nature of the transactions are disclosed in the respective notes.

The company and its subsidiaries benefit from the services of Naspers as a result of the shared corporate and governance structures. The corporate costs for these services are included in note 21 of the consolidated financial statements. Post the listing of the company in September 2019, all corporate costs and management fees are carried by the company's indirect subsidiary, Prosus Services B.V. As a result, the company has not recognised any employee costs (refer to note 13) and revenue in the current year.

The non-current amount due from MIH Internet Holdings B.V. in the amount of US$2.73bn is unsecured and denominated in euro (€229.5m) and US dollar (US$2.47bn). The company now provides MIH Internet Holdings B.V. with access to liquidity to fund its subsidiaries. All amounts drawn from the facility are repayable in full by 31 March 2027.

The euro-denominated amount was interest bearing at three-month EURIBOR plus a 1.75 percentage point mark-up (with a minimum interest rate of 1.75 percentage points). All interest on the amounts due under the loan facility agreement shall be paid at the end of each quarter (ie ultimately on 31 March, 30 June, 30 September and 31 December, each such date is referred to as due date). To the extent that the interest due and payable at the due dates remains unpaid, the interest amount is added to the outstanding balance under the facility at the end of each quarter during the term of the facility and becomes part of the balance on which future interest is calculated.

The US dollar-denominated amount is non-interest bearing and repayable in full on or before 31 March 2027. It is therefore presented as a non-current receivable. The outstanding US dollar amount is intended to be (partially) converted into equity once approved by management. Refer to note 3.

During the year, the company provided funding to MIH Internet Holdings B.V. for an amount of US$7.92bn, received a repayment of US$729m and capitalised US$5.50bn (refer to note 3) of the loan balance. The funding was provided for future corporate transactions and other general corporate purposes.

Notes to the company financial statements continued

for the year ended 31 March 2022

5. Related party transactions and balances continued

Dividend distribution

At the prior year annual general meeting, the shareholders approved the proposed capital distribution of 11 euro cents per listed ordinary share N and the dividend distribution of 0.602 euro cents per ordinary share A1. Holders of ordinary shares N could elect to receive a dividend distribution instead of a capital distribution. 96 768 ordinary shares N were unclaimed as of 31 March 2021. The dividend distribution included US$104.2m paid to Naspers (refer to note 9).

Directors' remuneration

Refer to note 41 of the consolidated financial statements for details of the Prosus group's remuneration for directors and key management.

The group has not provided any personal loans, advances or guarantees to the executive and non-executive directors. 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.

6. Other receivables

	31 March	
	2022 US$'m	2021 US$'m
Prepaid expenses	**15**	12
Other	**2**	8
	17	20

7. Short-term investments

The carrying values of short-term investments as at 31 March are shown below.

	Weighted average interest rate	31 March	
		2022 US$'m	2021 US$'m
Deposits and money market funds	0.44%	**3 921**	1 209
Accrued interest income		**3**	2
		3 924	1 211

The deposits and money market funds of US$3.92bn (2021: US$1.21bn) are primarily 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 company's short-term investments were past due or subject to significant impairment allowances as at 31 March 2022 and 31 March 2021.

Most short-term investments are held in the same currency as the company's functional currency. However, there are certain money market investments held in euro, 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 18 for further information regarding the credit risk and foreign currency risk of short-term investments.

8. Cash and cash equivalents

	31 March	
	2022 US$'m	2021 US$'m
Cash at bank and on hand	**8 318**	2 337

At the company's free disposal. Included in cash at bank and on hand is an amount of US$927.8m (2021: US$996.2m) 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 ratings agencies.

Notes to the company financial statements continued

for the year ended 31 March 2022

9. Share capital and premium

	31 March	
	2022 US$'m	2021 US$'m
Authorised		
5 000 000 000 ordinary shares N of €0.05 each (2021: 5 000 000 000)		
10 000 000 ordinary shares A1 of €0.05 each (2021: 10 000 000)		
10 000 ordinary shares A2 of €50.00 each (2021: 10 000)		
3 000 000 000 ordinary shares B of €0.05 each (2021: nil)		
Issued and fully paid		
2 073 643 605 ordinary shares N (2021: 1 624 652 070)	**114**	94
4 456 650 ordinary shares A1 (2021: 3 511 818)	**1**	1
1 128 507 756 ordinary shares B (2021: nil)	**62**	–
Share capital	**177**	95
Share premium	**149 098**	152 040
Treasury shares	**(6 411)**	(1 416)
Share capital and premium	**142 864**	150 719

Equity compensation plans administered by Naspers group share trusts hold 4 543 614 (2021: 2 736 666) of the ordinary shares N.

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 during the year ended 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. At the closing of the voluntary share exchange programme, the company derecognised the Naspers shares as an FVOCI investment, recognised the residual interest in the Naspers group and recognised amounts in equity representing the issue of share capital and the shareholder distribution in contemplation of a capital restructure. Refer to note 4 of the consolidated financial statements for the accounting treatment for the voluntary share exchange programme.

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 US$4.99bn from its free-float shareholders in support of delivering the overall benefits of the Prosus voluntary share exchange offer to Naspers Limited ordinary shareholders N completed on 16 August 2021. The total consideration includes costs and related taxes. 69 825 860 Prosus ordinary shares N were repurchased from the share repurchase programme which was completed in February 2022.

In the prior year, between October and February 2021, the company repurchased 11 874 493 Prosus ordinary shares N amounting to US$1.4bn.

The company intends to cancel the ordinary shares N repurchased under this current and previous repurchase programme in due course, so as to reduce its issued share capital.

Treasury shares

At 31 March 2022, US$6.41bn was recognised as treasury shares. The company holds a total of 69 825 860 ordinary shares N (2021: 11 874 493) of the gross number of ordinary shares N in issue at 31 March 2022 as treasury shares. During the current year, the company made a decision to show the treasury shares separately in the statement of changes in equity. The ordinary shares N were recognised as treasury shares and are disclosed separately. The company considers that the change in presentation provides more relevant information about the treasury shares held by Prosus subsequent to the share repurchase programme. The treasury shares are a component of share premium.

In the 31 March 2021 financial year, the treasury shares were recognised within share premium. The treatment differed from the consolidated financial statements due to the differences in share premium that arose on formation of the group. Refer to note 10 for the reconciliation of consolidated and company equity. The company will hold these treasury shares until they are cancelled.

Notes to the company financial statements continued

for the year ended 31 March 2022

9. Share capital and premium continued

	31 March 2022 Number of shares	31 March 2021 Number of shares
Movement in ordinary shares in issue during the year		
Ordinary shares in issue at 1 April	**1 628 163 888**	1 628 163 888
Ordinary shares N issued to Naspers shareholders (share exchange transaction)	**448 991 535**	–
Ordinary shares A1 issued	**944 832**	–
Ordinary shares B issued to Naspers	**1 128 507 756**	–
Shares in issue at 31 March	**3 206 608 011**	1 628 163 888
Movement in ordinary shares N held as treasury shares during the year		
Shares held as treasury shares at 1 April	**11 874 493**	–
Shares acquired under the share repurchase programme	**57 951 367**	11 874 493
Shares held as treasury shares at 31 March	**69 825 860**	11 874 493

	31 March 2022 US$'m	31 March 2021 US$'m
Share premium		
Balance at 1 April	**150 624**	152 094
Share capital increase[1]	**(326)**	(212)
Share capital decrease[1]	**198**	158
Repurchase of own shares[2]	**(4 995)**	(1 416)
Issue of shares as part of the share exchange transaction	**38 490**	–
Impact of the share exchange transaction (capital restructure)	**(41 304)**	–
Balance at 31 March	**142 687**	150 624

[1] On 10 November 2020, the company amended its articles of association that required it to make a capital repayment to shareholders of 11 euro cents per ordinary share N, by increasing the nominal value of an ordinary share N from 5 euro cents to 16 euro cents. After the distribution, the company amended its articles of association by decreasing the nominal value of an ordinary share N from 16 euro cents to 5 euro cents. On 22 November 2021, the company amended its articles of association that required it to make a capital repayment to shareholders of 14 euro cents per N ordinary share, by increasing the nominal value of an N ordinary share from 5 euro cents to 19 euro cents. After the distribution, the company amended its articles of association by decreasing the nominal value of an N ordinary share from 19 euro cents to 5 euro cents. Refer to 'Distribution to shareholders' for more information below.

[2] Relates to the company's share repurchase programme described above.

Distribution to shareholders

At the annual general meeting on 24 August 2021, the shareholders approved the proposed capital distribution of 14 euro cents per listed N ordinary share, a dividend distribution of 1.19715 euro cents per A1 ordinary share and a dividend distribution of 0.000014 euro cents per B ordinary share. Holders of N ordinary shares could elect to receive a dividend distribution instead of a capital distribution. On 15 November 2021 the dividend distribution/capital repayment was paid.

Notes to the company financial statements continued

for the year ended 31 March 2022

9. Share capital and premium continued

Voting and dividend rights

The company's issued share capital at 31 March 2022 consists of 4 456 650 (2021: 3 511 818) ordinary shares A1, 1 128 507 756 ordinary shares B and 2 073 643 605 (2021: 1 624 652 070) ordinary shares N. The ordinary shares N 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 and ordinary shares B are not listed on a stock exchange and, on a poll, carry one vote per share. The ordinary shares A1 automatically convert to ordinary shares A2 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 the company's articles of association, ordinary shareholders N are entitled to dividends. The dividends declared to ordinary shareholders A are equal to one fifth of the dividends to which Prosus free-float ordinary shareholders N are entitled. The dividends declared to ordinary shareholders B are equal to one millionth of the dividends to which Prosus free-float ordinary shareholders N are entitled.

In respect of all other rights, the ordinary shares A rank pari passu with the ordinary shares N of the company.

Capital management, unissued shares and valuation reserve

Refer to notes 23 and 24 of the consolidated financial statements for the Prosus group's capital management policy and more details regarding the nature of the valuation reserve.

10. Reconciliation between consolidated and company equity

Below is a reconciliation of the consolidated equity attributable to the shareholders of the company and the equity in the company financial statements. The differences between total shareholders' equity and total comprehensive income in the consolidated financial statements and the company financial statements relate to the accounting of investments in subsidiaries at cost in the company financial statements, related impairments, consolidated results of subsidiaries and equity-accounted earnings of the Prosus group's associates and joint ventures.

Reconciliation of consolidated income and equity attributable to shareholders of the group to company income and equity attributable to owners of the company

	31 March		31 March	
	2022 Equity US$'m	**2022 Profit/(loss) US$'m**	2021 Equity US$'m	2021 Profit/(loss) US$'m
Consolidated equity attributable to owners of the group	**50 421**	**18 733**	43 069	7 449
Reconciling items to consolidated equity attributable to owners of the company				
Share premium	**110 085**	**–**	150 106	–
Results from consolidation of subsidiaries, equity-accounted investments and other movements	**(50 941)**	**(12 698)**	(34 761)	(7 538)
Other comprehensive income	**(65)**	**–**	(6 595)	–
Foreign currency translation reserve	**358**	**–**	1 130	–
Share-based compensation reserve	**(3 223)**	**–**	(2 446)	–
Business combination reserve	**43 487**	**–**	2 212	–
Company equity attributable to owners	**150 122**	**6 035**	152 715	(89)

The reconciling items for equity and income are further detailed below:

Reconciling item – movements in share premium

The share premium in the consolidated financial statements differs from the share premium in the company financial statements due to the accounting for:

- the share premium that arose on the formation of the Prosus group;
- the capital repayments as part of annual shareholder distributions;
- the treasury shares as a result of the share buyback programme in the prior year; and
- the share exchange transaction.

Notes to the company financial statements continued

for the year ended 31 March 2022

10. Reconciliation between consolidated and company equity continued

Reconciling item – movements in share premium continued

Share premium on formation of the group

The difference in share premium is as a result of the restructuring on formation of the Prosus group in 2019, particularly the acquisition of MIH Services FZ LLC that held Naspers's investment in Tencent Holdings Limited. The acquisition in the company financial statements was recognised at fair value. In the consolidated financial statements this was accounted for as a common control transaction recognised at the carrying value of Naspers's consolidated financial statements in terms of the principles of predecessor accounting.

Capital repayments as part of annual shareholder distributions

Capital repayments in the company financial statements are recognised as a decrease in share premium. This differs from the consolidated financial statements (through retained earnings) due to the differences in share premium that arose on formation of the group.

Treasury shares as a result of the share buyback programme

In the prior year the share premium decreased due to the share repurchase programme of Prosus ordinary shares N that was completed in February 2021. The ordinary shares N repurchased are recognised as treasury shares. During the prior year the treatment for treasury shares and capital repayment differs from the consolidated financial statements (through retained earnings) due to the differences in share premium that arose on formation of the group.

In the current year the shares repurchased were presented separately as treasury shares. This is aligned with the accounting treatment in the consolidated financial statements. Accordingly, the treatment of treasury shares is no longer a reconciling item between company and consolidated equity. The separate presentation of treasury shares is detailed in note 2.

The share exchange transaction

The share exchange transaction in the company financial statements is accounted for as an increase in share capital and premium with a subsequent decrease in share premium of US$38.25bn as a result of the capital restructure. In the consolidated financial statements, the capital restructure was recognised as a decrease in the 'Existing business combination reserve'. Refer to note 4 of the consolidated financial statements for the accounting treatment.

Reconciling item – results from consolidation of subsidiaries, equity-accounted investments and other movements

The results from consolidation of subsidiaries, associates and joint ventures include the impact of consolidating results from the group's investments as well as the impact of the restructuring that occurred upon formation of the Prosus group.

The company's total net profit for the year of US$6.04bn (2021: net loss US$89m) is lower compared to the group's total profit for the year of US$18.73bn (2021: US$7.40bn) in the consolidated financial statements. This is due to the consolidated profits from subsidiaries and the equity-accounted earnings from associates and joint ventures.

Reconciling item – other comprehensive income

The consolidated financial statements' 'Other comprehensive income' includes net fair value gains and losses from the Prosus group's investments at fair value through other comprehensive income as well as the Prosus group's share of equity-accounted investments' share of other comprehensive income and changes in net asset value. The company's gains or losses in other comprehensive income relate only to the investment in Naspers.

Reconciling item – foreign currency translation reserve

The consolidated financial statements include the translation of the consolidated results of the foreign operations of the Prosus group's subsidiaries and the equity-accounted associates and joint ventures which are not recognised in the company financial statements.

Reconciling item – share-based compensation reserve

The consolidated financial statements include the expenses and accumulated reserves related to Prosus group's share-based compensation plans which are not recognised in the company financial statements.

Reconciling item – business combination reserve

The consolidated financial statements include common control transactions, and the recognition and subsequent measurement of written put option liabilities related to the Prosus group's transactions with non-controlling shareholders which are not recognised in the company financial statements.

11. Long-term liabilities

	31 March			31 March		
	Long-term liabilities 2022 US$'m	**Current portion 2022 US$'m**	**Total liabilities 2022 US$'m**	Long-term liabilities 2021 US$'m	Current portion 2021 US$'m	Total liabilities 2021 US$'m
Interest bearing:						
Loans and other liabilities	**15 368**	**–**	**15 368**	7 795	–	7 795
Total liabilities	**15 368**	**–**	**15 368**	7 795	–	7 795

Notes to the company financial statements continued

for the year ended 31 March 2022

11. Long-term liabilities continued

Interest bearing: Loans and other liabilities

	Currency of year-end balance	Year of final repayment	Interest payments	Weighted average year-end interest rate	31 March 2022 US$'m	31 March 2021 US$'m
Unsecured[1]						
Publicly traded bond[2]	US$	2025	Semi-annual	5.50%	**225**	1 200
Publicly traded bond[2]	US$	2027	Semi-annual	4.85%	**614**	1 000
Publicly traded bond	US$	2030	Semi-annual	3.68%	**1 250**	1 250
Publicly traded bond[3]	EUR	2028	Annual	1.54%	**941**	998
Publicly traded bond[4]	EUR	2032	Annual	2.03%	**830**	879
Publicly traded bond	US$	2050	Semi-annual	4.03%	**1 000**	1 000
Publicly traded bond	US$	2051	Semi-annual	3.83%	**1 500**	1 500
Publicly traded bond	US$	2031	Semi-annual	3.06%	**1 850**	–
Publicly traded bond[5]	EUR	2029	Annual	1.29%	**1 107**	–
Publicly traded bond[5]	EUR	2033	Annual	1.99%	**941**	–
Publicly traded bond	US$	2027	Semi-annual	3.26%	**1 000**	–
Publicly traded bond	US$	2032	Semi-annual	4.19%	**1 000**	–
Publicly traded bond	US$	2052	Semi-annual	4.99%	**1 250**	–
Publicly traded bond[6]	EUR	2026	Annual	1.21%	**553**	–
Publicly traded bond[6]	EUR	2030	Annual	2.09%	**664**	–
Publicly traded bond[6]	EUR	2034	Annual	2.78%	**719**	–
Total facilities					**15 444**	7 827
Unamortised loan costs					**(93)**	(50)
Premium on euro bonds[3,4]					**17**	19
					15 368	7 796

1 The publicly traded bonds are listed on the Irish stock exchange (Euronext Dublin).
2 The bonds maturing in 2025 and 2027 are guaranteed by Naspers Limited. These bonds have been partially repaid for a total consideration of US$1.6bn during the financial year.
3 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, three August 2020), resulting in a premium of €8.3m which is included in the fair value of the bond at initial recognition and is subsequently released over the term of the bond.
4 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 which is included in the fair value of the bond at initial recognition and is subsequently released over the term of the bond.
5 Interest on the bonds maturing in 2029 and 2033 is payable annually (in July).
6 Interest on the euro bonds maturing in 2026, 2030 and 2034 is payable annually (in January).

Reconciliation of liabilities arising from financing activities

	31 March Interest-bearing liabilities 2022 US$'m	31 March Interest-bearing liabilities 2021 US$'m
Balance at 1 April	**7 795**	3 432
New bonds issued	**9 263**	4 402
Premium on issued long-term liabilities	**(2)**	19
Repayments of bonds	**(1 361)**	–
Foreign exchange translation	**(285)**	(26)
Deferred issuing costs	**(52)**	(35)
Amortisation of issuing costs	**10**	3
Balance at 31 March	**15 368**	7 795
Less: Current portion	**–**	–
Non-current liabilities	**15 368**	7 795

Notes to the company financial statements continued

for the year ended 31 March 2022

12. Accrued expenses and other current liabilities

	31 March	
	2022 US$'m	2021 US$'m
Accrued interest related to the bonds	**124**	80
Accrued expenses	**3**	8
Acquisition of Naspers shares	**–**	62
Other	**8**	–
	135	150

13. Expenses by nature

Selling, general and administrative expenses include the following items:

	31 March	
	2022 US$'m	2021 US$'m
Other purchases and expenses	**12**	9
Total expenses	**12**	9

Auditor's remuneration is disclosed in note 14 of the consolidated financial statements.

As at 31 March 2022, the company had no permanent employees (2021: nil).

14. Dividend income

	31 March	
	2022 US$'m	2021 US$'m
Dividend received from MIH Internet Holdings B.V.[1]	**6 472**	–
Dividend income	**6 472**	–

[1] MIH Internet Holdings B.V. declared a dividend to the company which consisted of the annual dividend received from Tencent of US$570.7m and the profit from the sale of 2% of the issued share capital of Tencent of US$5.90bn.

15. Finance costs/income

	31 March	
	2022 US$'m	2021 US$'m
Interest income		
Loans and bank accounts	**35**	68
	35	68
Interest expense		
Loans and bank accounts	**(353)**	(234)
Other	**–**	–
	(353)	(234)
Net gain/(loss) from foreign exchange translation and fair value adjustments on financial instruments		
On translation of assets and liabilities	**190**	88
Losses on derivative and other financial instruments	**(222)**	(78)
Fair value adjustments on financial instruments at fair value through profit or loss	**1**	–
Other finance (cost)/income – net	**(31)**	10
Finance costs – net	**(349)**	(156)

Notes to the company financial statements continued

for the year ended 31 March 2022

16. Taxation

	31 March 2022 US$'m	31 March 2021 US$'m
Current taxation	**(76)**	76
Current year	**(76)**	76
Income tax credit per statement of comprehensive income	**(76)**	76
Reconciliation of taxation		
Profit before taxation	**6 111**	(165)
Taxation at statutory rate of 25.00% (2021: 25.00%)	**(1 540)**	41
Adjusted for:		
Non-deductible expenses[1]	**(141)**	(22)
Non-taxable income[1]	**1 635**	–
Unrecognised tax losses of the company	**46**	(19)
Income taxes from members within the fiscal unity	**(76)**	76
Income tax credit per statement of comprehensive income	**(76)**	76

[1] Non-deductible expenses relate primarily to the interest and early redemption paid on bonds. In the prior year these mainly concerned the negative fair-value remeasurement of derivative financial instruments. The non-taxable income relates primarily to dividend income.

As at 31 March 2022, the company is the head of a fiscal unity comprising a number of group subsidiaries for Dutch corporate income tax purposes.

In terms of Dutch tax law *(Invorderingswet)*, the members of the fiscal unity are jointly and severally liable for the payment of any Dutch corporate income tax liability of the fiscal unity. The company is responsible for payments to the tax authorities (if any). For the year ended 31 March 2022 the fiscal unity did not have a corporate income tax liability and it has sufficient carry forward losses available to offset (future) taxable income.

Tax on profit before taxation is calculated based on the fiscal unity's profit before tax taking into account losses available for setoff from previous financial years (to the extent that they have not expired), the exempt profit components and the addition of non-deductible costs.

The Dutch corporate income tax charge is calculated by applying the corporate income tax rate during this financial year of 25% and 25.8% (2021: 25%) to the fiscal profit of the company. Furthermore, as head of the fiscal unity for corporate income tax purposes, the company reflects the recharges of the calculated tax of other participating entities in the fiscal unity in line with the principles described below.

During the current financial year the company reviewed and amended its settlement principles of corporate income tax positions within the fiscal unity. The company will no longer seek to recover corporate income tax from entities within the corporate function. In the prior financial year, MIH Internet Holdings B.V., a direct subsidiary of the company within the corporate function and a member of the fiscal unity, recognised a fiscal profit and accordingly an income tax expense (US$76.45m). This resulted in MIH Internet Holdings B.V. owing a liability in this amount to the company, due to the company being the head of the fiscal unity and liable for the settlement of this income tax liability to the tax authorities.

As a consequence of the amendment in the settlement principles, the income tax amounts recognised in the prior financial year statement of comprehensive income of the company and MIH Internet Holdings B.V., have been reversed.

As of 31 March 2022, the company has tax losses carried forward, available for setoff against future profits of approximately US$2.01bn (2021: US$1.91bn). A summary of the tax losses carried forward at 31 March 2022 are set out below:

	Total US$'m
Indefinite based on assessment received from Dutch tax authorities	**1 458**
Indefinite based on filed corporate income tax returns	**397**
Indefinite based on management's best estimate of 2021/2022	**151**
Expires in year 4	**–**
Expires in year 5	**–**
Non-expiring/expires after year 5	**–**
	2 006

This amount is based on the assessment received from the Dutch tax authorities for the years up to and including 2018/2019, the filed 2019/2020 and 2020/2021 corporate income tax returns and management's best estimate of the 2021/2022 corporate income tax position.

As it is not considered probable that the company and/or the fiscal unity that it forms with its group subsidiaries will generate taxable income in the future, no deferred tax asset for carry-forward losses has been recognised.

Notes to the company financial statements continued

for the year ended 31 March 2022

17. Cash generated from/(utilised in) operations

	31 March 2022 US$'m	31 March 2021 US$'m
Profit/(loss) before taxation per statement of comprehensive income	**6 111**	(165)
Adjustments:		
Non-cash and other	**289**	159
Finance (income)/costs – net	**291**	161
Impairment of receivables	**–**	1
Other	**(2)**	(3)
	6 400	(6)
Working capital	**(102)**	(2)
Cash movement in other receivables	**(8)**	1
Cash movement in trade payables and accruals	**(94)**	(3)
Cash generated from/(utilised in) operations	**6 298**	(8)

18. Financial risk management

Foreign exchange risk

Refer to note 39 of the consolidated financial statements for the Prosus group's foreign exchange risks policy.

Following the acquisition of the Prosus group's interests 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 (US dollar). To hedge the exposure to the foreign currency translation risk arising on translation of the Prosus group's euro-denominated equity-accounted investment at a consolidated level, the company entered into a cross-currency interest rate swap agreement. The cross-currency interest rate swap agreement has been designated as a hedge of the net investment in Delivery Hero SE in the consolidated financial statements.

The cross-currency interest rate swap matures in July 2025. In July 2021 the company issued US$1.85bn 3.061% notes due in 2031, €1bn 1.288% notes due in 2029 and €850m 1.985% notes due in 2033 (the bonds). 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 notes due in 2025 was linked to a cross-currency interest rate swap. Due to the part settlement of the 2025 bond notes, the company partly settled the cross-currency interest rate swap (the swap) related to the portion of the bond notes that was settled. The repayment of the swap amounted to US$20m in July 2021, representing the fair value of the portion settled at that date. On maturity the group will exchange €200m for US$225m.

The company entered into a deal contingent forward (DCF) in which it locked in on the US dollar/Indian rupee exchange rate in order to settle the acquisition of the Indian rupee investment in IndiaIdeas.com Limited (BillDesk). The settlement of the DCF is subject to the competition commission approval to acquire the investment. The DCF is disclosed with the forward exchange contracts of the company.

Foreign currency sensitivity analysis

The company's functional currency is the US dollar, but is also exposed to the euro through loan receivables that are denominated in euro.

The sensitivity analysis below details the company's sensitivity to a 10% increase (2021: 10% increase) in the dollar against the euro. These percentage decreases represent management's assessment of the possible changes in the foreign exchange rates at the respective year-ends. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, derivative financial instruments and adjustments to translation at the period-end for the above percentage change in foreign currency rates.

A 10% increase (2021: 10% increase) of the US dollar against the euro would result in an increase in net profit after tax of US$372.7m (2021: US$38.6m increase in net profit after tax). The weakening of the US dollar (increase in US dollar/euro rate) will result in a US$24.4m decrease in net profit after tax for the year (2021: US$121.8m decrease) related to the cross-currency interest rate swap.

Credit risk

The company has made various loans to its subsidiaries. The maximum potential exposure to credit risk for the loans is their carrying amount. As the amounts owing are due by group companies, the impairment assessment for these related party receivables 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) as well as the existence of collateral, letters of support by group companies and budgets and forecasts of group companies. As at 31 March 2022 and 31 March 2021 no impairment losses were recognised for amounts owing from group companies.

Refer to note 23 of the consolidated financial statements for details regarding the Prosus group's capital management policies.

Guarantees

The company has provided a guarantee for the payment obligations of OLX Group GmbH under a lease agreement, amounting to US$32.1m (2021: US$32.2m) for the period of the lease. The guarantee expires on 22 December 2027.

The maximum potential exposure to credit risk for the lease amounts to US$32.1m (2021: US$32.2m). Expected credit losses for these guarantees are not material. The company has issued a declaration of joint and several liabilities for Prosus Services B.V. in accordance with article 403 of Book 2 of the Dutch Civil Code.

Notes to the company financial statements continued

for the year ended 31 March 2022

18. Financial risk management continued

Liquidity risk

	Carrying value US$'m	Contractual cash flows US$'m	0 – 12 months US$'m	1 – 5 years US$'m	5 years + US$'m
31 March 2022					
Non-derivative financial liabilities					
Interest bearing: long-term liabilities	**(15 368)**	**(22 721)**	**(354)**	**(3 673)**	**(18 694)**
Accrued expenses and other current liabilities	**(135)**	**(135)**	**(135)**	**–**	**–**
Trade payables	**–**	**–**	**–**	**–**	**–**
Derivative financial assets/(liabilities)					
Forward exchange contracts – inflow	**27**	**4 769**	**4 769**	**–**	**–**
Forward exchange contracts – outflow	**(12)**	**(4 754)**	**(4 754)**	**–**	**–**
Cross-currency interest rate swap – inflow	**2**	**268**	**12**	**256**	**–**
Cross-currency interest rate swap – outflow	**–**	**(267)**	**(8)**	**(259)**	**–**
31 March 2021					
Non-derivative financial liabilities					
Interest bearing: Long-term liabilities	(7 796)	(12 022)	(211)	(2 558)	(9 253)
Accrued expenses and other current liabilities	(150)	(150)	(150)	–	–
Derivative financial assets/(liabilities)					
Forward exchange contracts – inflow	1	1	1	–	–
Forward exchange contracts – outflow	(2)	(2)	(2)	–	–
Cross-currency interest rate swap – inflow	–	977	43	934	–
Cross-currency interest rate swap – outflow	(30)	(1 011)	(30)	(981)	–

Revolving credit facility

The company has an undrawn revolving credit facility (RCF) of US$2.5bn which matures in March 2027 with the option of two extensions of one year each. The RCF is undrawn and is denominated in US dollar and euro and bears interest at a secured overnight financing rate (SOFR) plus a variable mark-up based on credit rating varying between 0.65% and 1.10% before commitment and utilisation fees. The company's obligations under the RCF were guaranteed by its ultimate parent company, Naspers. Naspers was removed as guarantor of the RCF effective 2 April 2020.

The company has specific financial covenants in place regarding the RCF, all of which were complied with during the reporting period. These financial covenants are linked to various financial metrics.

The upfront facility and arrangement fees paid in respect of the RCF are amortised over the period of the facility. Since the RCF has been fully repaid for a number of years and remains available at the balance sheet date, the facility and arrangement fees have been included in the prepayments and other receivables.

	31 March	
	2022 US$'m	2021 US$'m
Facility arrangement fees	**62**	56
Fees related to revolving credit facility	**(50)**	(45)
Accumulated amortisation of fees	**12**	11

Interest rate risk

Refer to note 39 of the consolidated financial statements for the Prosus group's interest rate risks policy.

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 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 company is mainly exposed to interest rate fluctuations of the American and European repo rates. The following changes in the repo rates represent management's assessment of the possible change in interest rates at the respective year-ends:

European repo rate: increases by 100 basis points (2021: increases by 100 basis points).

American and European Interbank rates: increase by 100 basis points each (2021: increase by 100 basis points each).

Interest sensitivity analysis

If interest rates change as stipulated above and all other variables were held constant, specifically foreign exchange rates, the company's profit after tax for the year ended 31 March 2022 would increase by US$11.84m (2021: US$5.70m).

Notes to the company financial statements continued

for the year ended 31 March 2022

19. Fair value of financial instruments

The carrying values, net gains or losses recognised in profit and loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	31 March 2022				
	Carrying value US$'m	Net gains/(losses) recognised in profit or loss US$'m	Impairment US$'m	Total interest income US$'m	Total interest expense US$'m
Assets					
Amounts due from group companies	**2 735**	**(13)**	**–**	**8**	**–**
Investments at fair value through other comprehensive income	**385**	**–**	**–**	**–**	**–**
Derivative financial instruments	**27**	**12**	**–**	**–**	**–**
Other receivables	**2**	**–**	**–**	**–**	**–**
Short-term investments	**3 924**	**(63)**	**–**	**9**	**2**
Cash and cash equivalents	**8 318**	**(30)**	**–**	**19**	**5**
Total	**15 391**	**(94)**	**–**	**36**	**7**
Liabilities					
Long-term liabilities	**15 368**	**68**	**–**	**–**	**362**
Amounts due to group companies	**77**	**5**	**–**	**–**	**–**
Derivative financial instruments	**12**	**–**	**–**	**7**	**–**
Accrued expenses and other current liabilities	**135**	**8**	**–**	**–**	**–**
Total	**15 592**	**81**	**–**	**7**	**362**

The carrying values, net gains or 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	Impairment US$'m	Total interest income US$'m	Total interest expense US$'m
Assets					
Amounts due from group companies	1 127	51	–	15	–
Investments at fair value through other comprehensive income	2 526	–	–	–	–
Derivative financial instruments	1	–	–	–	–
Other receivables	8	–	–	–	–
Short-term investments	1 211	5	–	21	–
Cash and cash equivalents	2 337	6	–	32	–
Total	7 210	62	–	68	–
Liabilities					
Long-term liabilities	7 795	26	–	–	229
Derivative financial instruments	32	(78)	–	–	–
Amounts due to group companies	43	1	–	–	–
Accrued expenses and other current liabilities	151	(1)	–	–	–
Total	8 021	(52)	–	–	229

Notes to the company financial statements continued

for the year ended 31 March 2022

19. 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 fair values of the following instruments that are not measured at fair value have been disclosed, as their carrying values are not a reasonable approximation of fair value:

Financial liabilities	Carrying value US$'m	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
31 March 2022					
Publicly traded bonds	**15 368**	**13 056**	**–**	**13 056**	**–**
31 March 2021					
Publicly traded bonds	7 796	7 935	–	7 935	–

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. Refer to note 40 of the consolidated financial statements for the valuation techniques and inputs used in the fair-value measurement.

The publicly traded bonds are listed on the Irish stock exchange (Euronext Dublin). The company 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. Refer to note 40 of the consolidated financial statements for details of valuation techniques and key inputs used to measure significant level 2 fair values.

The fair values of the company's financial instruments that are measured at fair value at each reporting period are categorised as follows:

	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
31 March 2022				
Asset/(liability)				
Financial assets at fair value through other comprehensive income[1]	**385**	**–**	**–**	**385**
Foreign exchange contracts	**15**	**–**	**15**	**–**
Cash and cash equivalents[2]	**928**	**–**	**928**	**–**
Cross-currency interest rate swap	**2**	**–**	**2**	**–**
31 March 2021				
Asset/(liability)				
Financial assets at fair value through other comprehensive income	2 526	2 526	–	–
Foreign exchange contracts	(2)	–	(2)	–
Cash and cash equivalents[2]	996	–	996	–
Cross-currency interest rate swap	(30)	–	(30)	–

[1] Relates to the fair value of the residual interest in the Naspers group. Refer to note 4 in the consolidated financial statements for details of the measurement.
[2] 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 ratings agencies.

20. Subsequent events

Refer to note 43 of the consolidated financial statements for the subsequent events of the Prosus group.

Notes to the company financial statements continued

for the year ended 31 March 2022

21. Proposal for profit allocation

The board recommends that shareholders are entitled to a gross payment, in the form of a capital repayment, of 14 euro cents per listed ordinary share N. Holders of ordinary shares B will receive 0.000014 euro cents per share. Holders of ordinary shares A1 will receive an amount per share equal to the outcome of the formula set forth in article 30.4 of the articles of association. Furthermore, the board recommends that holders of ordinary shares N as at 2 September 2022 (the dividend record date) who do not wish to receive a capital repayment can make a choice to receive a dividend instead. A choice for one option implies an opt-out of the other option.

If confirmed by shareholders at the annual general meeting on 24 August 2022, elections to receive a dividend instead of a capital repayment will need to be made by holders of ordinary shares N by 19 September 2022. Capital repayments and dividends will be payable to shareholders recorded in the books on the dividend record date and paid on 27 September 2022. Capital repayments will be paid from share capital for Dutch tax purposes. No dividend tax will be withheld on the amounts of capital reductions paid to shareholders. Holders of ordinary shares N electing to receive a dividend will receive a dividend declared from retained earnings.

Dividends will be subject to the Dutch dividend tax rate of 15%. Dividends payable to holders of ordinary shares N who elect to receive a dividend and who hold their listed ordinary share N 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.

Amsterdam, 25 June 2022

Executive directors

B van Dijk
B Sgourdos

Non-executive directors

JP Bekker
HJ du Toit
CL Enenstein
M Girotra
RCC Jafta
AGZ Kemna
FLN Letele
D Meyer
R Oliveira de Lima
SJZ Pacak
MR Sorour
JDT Stofberg
BJ vans der Ross
Y Xu

Other information
Independent auditor's report

To: The general meeting and the board of directors of Prosus N.V.

Report on the financial statements 2022

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 2022, 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 2022 of Prosus N.V., Amsterdam, The Netherlands. 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 2022;
- the following statements for the year ended 31 March 2022: 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 assurance-opdrachten' (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
We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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, the Americas and Africa in consumer internet services in Classifieds, Food Delivery, Payments and Fintech, Education Technology (Edtech), Etail, Other Ecommerce and Social and Internet platforms. The Group identifies both as an investor (non-controlling interests in associates and other investments) and 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.

The 2022 financial year was impacted by a number of significant transactions and events. Significant corporate activity included the voluntary share exchange offer to Naspers Limited shareholders (as described in note 4 to the consolidated financial statements), acquisition of and/or (further) investment in subsidiaries and associates (as described in note 6 to the consolidated financial statements), bonds issued, and share repurchase programmes. The Russian government's military invasion of Ukraine impacted the Group's business in Ukraine and the new sanctions imposed on Russian individuals and entities as a result of this invasion impacted the businesses in Russia (as described in note 4 to the consolidated financial statements). Significant market volatility demonstrated market uncertainties with respect to macro-economic and geopolitical conditions, providing input to the Company's assessment of the value of its investments. This affected our audit procedures as described in the section 'Key audit matters'.

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we considered where management 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 3 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, the related higher inherent risk of material misstatement and the magnitude of the impact:
- accounting for the voluntary share exchange transaction;
- valuation of intangible assets arising as a result of acquisitions;
- impairment assessment of goodwill and intangible assets arising from business combinations and of investments in associates (applicable to the consolidated financial statements) and subsidiaries (applicable to the company financial statements); and
- valuation of share-based compensation schemes and share-based payments.

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Independent auditor's report continued

The most significant investment is in Tencent Holdings Limited (Tencent). We considered the accounting for this investment also as a key audit matter.

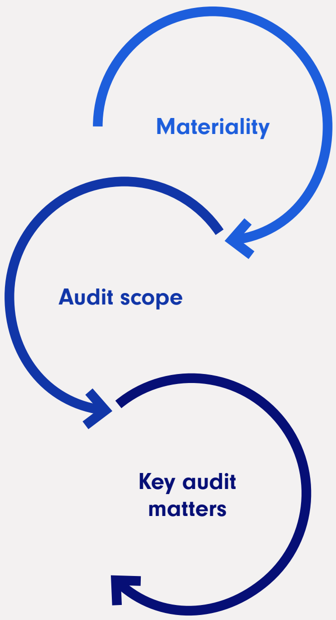
These key audit matters are set out in the section 'Key audit matters' of this report.

Prosus N.V. assessed the possible effects of climate change. The Company considered, among others, physical and transitional risks. Management also assessed the potential impact on the financial position including underlying assumptions and estimates. As part of our audit risk assessment, we gained an understanding of management's assessment of the potential impact of climate change on the financial statements and discussed this with management. The impact of climate change is not considered a key audit matter.

Other areas of focus, that were not considered to be key audit matters, were the accounting for corporate transactions (other than those that are included as part of the key audit matters), valuation of put option liabilities, the accuracy, occurrence and completeness of revenue recognition, and the impact of the Russian government's military invasion of Ukraine on the financial statements.

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 company with a diversified investment portfolio as well as for the audit of the various consumer internet businesses. We therefore included in our team specialists and experts in the areas of among others IT, tax, valuation, actuarial expertise, share-based payments, financial instruments and sustainability.

The outline of our audit approach was as follows:



Materiality
- Overall consolidated materiality: US$505 million
- Overall company materiality: US$1 billion

Audit scope
- We conducted our procedures at eight components in five 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: 99% of consolidated revenue, 96% of consolidated total assets and 97% of consolidated profit before tax.

Key audit matters
- Accounting for the voluntary share exchange transaction.
- Accounting for the equity-accounted investment in Tencent Holdings Limited.
- Valuation of intangible assets arising as a result of acquisitions.
- Impairment assessment of goodwill and intangible assets arising from business combinations and of investments in associates and subsidiaries.
- Valuation of share-based compensation schemes and share-based payments.

Materiality
The scope of our audit was 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.

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Independent auditor's report continued

	Consolidated financial statements	Company financial statements
Overall materiality	US$505 million (2021: US$431 million).	US$1 billion (2021: 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.	We used our professional judgement and our knowledge obtained of the Company to determine overall materiality. As a basis for our judgement, we used 1% of net assets as a preliminary guideline for determining overall materiality. We considered US$1 billion as an appropriate measure, which is approximately 0.7% of net assets.
Rationale for benchmark applied	Based on our analysis of the common information needs of users of the financial statements we determined that an asset-based benchmark is appropriate. We believe that, given the focus on long-term value creation of the investments, 'net assets' is the most suitable benchmark.	
Component materiality	To each component in our group 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$20 million and US$422 million. Certain components were audited to a local statutory materiality that was also less than our overall group materiality.	

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$25 million (2021: US$21.5 million) for the consolidated financial statements and US$50 million (2021: 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, achieve 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 two additional components (the Payments and Fintech segment 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 consolidated financial line items:

Revenue	99%
Total assets	96%
Profit before tax	97%

None of the remaining components represented more than 1% of total group profit before tax or 2% of total group assets. For those remaining components we performed, among other things, analytical procedures to corroborate our assessment that there was no significant risk of material misstatement within those components.

In establishing the overall approach to the group audit, we determined the extent of 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.

Where component auditors performed the work, we determined the level of involvement we needed to have in their work to be able to conclude whether we had obtained sufficient and appropriate audit evidence as a basis for our opinion on the consolidated financial statements as a whole.

We issued group audit instructions to the component audit teams in our audit scope. These instructions included among others our risk analysis, materiality and the scope of the work. We explained to the component audit teams the structure of the Group, the main developments that were relevant for the component auditors, the risks identified, the materiality levels to be applied and our global audit approach. We had individual calls and video-meetings with each of the in-scope component audit teams before them commencing their respective audits, throughout the audit and upon conclusion of their work. During these meetings, we discussed our instructions, the audit plan and execution, significant risks, the significant accounting and audit issues and other relevant audit topics identified by the component auditors, their reports, the findings of their procedures and other matters that could be of relevance for the consolidated financial statements.

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In addition, we discussed the strategy and financial performance of the local businesses with group and segment management and local management of selected businesses.

The Covid-19 pandemic continued to limit our ability to physically visit significant components during the year, hence we conducted a series of video meetings 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.

To a large extent, our teams globally worked remotely and digitally, supported by video meetings and PwC's digital tooling. While maintaining compliance with local health regulations, we performed sufficient physical checks of inventory and documents.

The group engagement team performed a substantial part of the audit work on the corporate transactions, share-based compensation schemes, consolidation and financial statements in South Africa where the Group's financial reporting, consolidation and accounting department is located.

By performing the procedures outlined above at the components, combined with additional procedures exercised 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.

Audit approach fraud risks
We identified and assessed the risk of material misstatement of the financial statements due to fraud. During our audit we obtained an understanding of the Group and its environment and of the components of the internal control system, including among others, the Code of business ethics and conduct, the Speak Up policy, procedures on various anti-bribery and anti-corruption risks and incident registration and reporting. This included the risk assessment process and management's process for responding to the risks of fraud, monitoring the system of internal control, how the audit committee exercises oversight, as well as the outcomes thereof.

We evaluated the risk of material misstatement due to fraud on the financial statements. We conducted interviews with executive and non-executive board members, including the chair of the audit and risk committee, with segment management and with others including internal audit and the ethics and compliance function, to obtain an understanding of management's fraud risk assessment and the processes for identifying and responding to the risks of fraud and the internal control that management has established to mitigate these risks. In these interviews we also asked them whether they are aware of any actual or suspected fraud. They responded that they were not aware of signals of actual or suspected fraud that may lead to a material misstatement. 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. Based on our evaluation we identified fraud risks with respect to management override of controls and the risk of fraud in revenue recognition.

As for any company, management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. The fraud risk of management override of controls would manifest itself in inappropriate journal entries, management bias in estimates and significant transactions outside the normal course of business. We therefore performed procedures on journal entries, including consolidation and elimination entries, with the support of data analytics. With regards to significant estimates and assumptions we have considered and discussed with management the risk of bias. For example, with respect to valuations underpinning share-based compensation schemes, impairment tests and put option liabilities we have challenged management on the assumptions in the cash flow projections and the resulting valuations. For further information on our audit approach with respect to these estimates, we refer to the section key audit matters. Furthermore, we assessed matters reported on the Group's Speak Up procedures and the results of management's investigation of such matters, if deemed applicable, and discussed this with the audit committee and risk committee. We also paid attention to significant transactions outside the normal course of business, such as corporate transactions – including investments, divestments, share buy-back and bonds programmes, and related transaction fees.

With regard to the risk of fraud in revenue recognition, we concluded that, depending on the operating segment, this risk is related to accuracy and/or occurrence of revenue transactions due to their nature in combination with incentives and pressures. We performed procedures over this risk, including evaluation of the design and implementation of relevant internal controls, tracing samples of revenue transactions to supporting documents such as agreements, invoices, delivery documents and proof of payment, and testing revenue journal entries with unexpected account combinations. We evaluated judgements applied by management in determining the appropriate accounting policies pertaining to the recognition for revenues per operating segment, specifically focusing on policies relating to determining the timing of the satisfaction of performance obligations, transaction price, and the amounts allocated to the performance obligations as required by IFRS 15, 'Revenue from contracts with customers'.

We incorporated elements of unpredictability in our audit. During the audit we remained alert to indications of fraud. We also considered the outcome of our audit procedures and evaluated whether any findings were indicative of fraud or non-compliance of laws and regulations.

Audit approach going concern
As disclosed in note 2 in the consolidated financial statements, management performed their assessment of the entity's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going concern risks). Our procedures to evaluate management's going concern assessment included, among others:

- Considering whether management's going concern assessment included relevant information of which we are aware as a result of our audit, by inquiring with management and with the audit committee regarding management's most important assumptions underlying their going concern assessment.
- Evaluating management's current budget including cash flows for at least 12 months from the date of preparation of the financial statements taking into account current developments in the industry such as inflation, credit ratings and other relevant information of which we are aware as a result of our audit, including, among others, the long-term cash flow projections obtained as part of the impairment testing;

Other information
Independent auditor's report continued

- Analysing whether the current and the required financing has been secured to enable the continuation of the entirety of the entity's operations, including compliance with relevant covenants;
- Considering the available balance of short-term investments and cash and cash equivalents; and
- Performing inquiries of management as to their knowledge of going concern risks beyond the period of management's assessment.

Our procedures did not result in outcomes contrary to management's assumptions and judgements used in the application of the going concern assumption.

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 describe the key audit matters and include a summary of the audit procedures we performed on those matters. Key audit matters are in line with the prior year except for the new key audit matters 'Accounting for the voluntary share exchange transaction' and 'Valuation of intangible assets arising as a result of acquisitions' covering the significant corporate transactions that occurred in the current year.

Key audit matter	Our audit work and observations
Accounting for the voluntary share exchange transaction (refer to notes 4, 22, 23 and 28 of the consolidated financial statements and notes 4 and 9 of the company financial statements) Following the approval by an extraordinary general meeting of shareholders in July 2021, the Group executed a voluntary share exchange transaction, whereby newly issued Prosus N ordinary shares were exchanged for Naspers N ordinary shares, resulting in Prosus holding 49% of the Naspers N ordinary shares with 49.9% economic interest in Naspers. A cross-holding agreement was concluded between Naspers and Prosus that arranged future distributions by Prosus and Naspers through a waiver by Prosus of its entitlement to distributions that originates from Prosus on the Naspers shares that it holds. The issuance of the new shares was recognised in share capital and share premium for an aggregate amount of US$38.6 billion and US$38.2 billion was recognised in the existing business combination reserve (in the consolidated financial statements) representing the distribution in contemplation of a capital restructure. In the company financial statements this distribution was recognised in share premium. On the date of the transaction Prosus recognised a fair value through other comprehensive income (FVOCI) investment amounting to US$385 million representing the sum-of-the-parts of the underlying components of its residual interest in the Naspers group. Under the cross-holding agreement, and embedded in the articles of association, Naspers has waived its entitlement to distributions from Prosus for a calculated number of the N ordinary shares it holds in Prosus. These represent the portion of the Prosus N ordinary shares that Prosus indirectly owns in itself and have been excluded from the weighted average number of shares in the earnings per share calculation, since these shares do not have an economic interest in the earnings of the group. Management applied significant judgement in determining the accounting for the transaction, the valuation of Prosus' residual interest in Naspers and the earnings per share information considering the cross-holding arrangement. The accounting for the voluntary share exchange transaction was considered as a key audit matter due to the complexity of the transaction, the magnitude of the amounts involved and the significant judgements applied by management in the accounting for the transaction.	Our audit procedures included, among others: • With the support of our technical accounting specialists, we evaluated the accounting, recognition and presentation of the transaction; • With the support of our valuation experts, we evaluated the methodology and the reasonableness of the assumptions applied by management in the determination of the value of Prosus' residual interest in the Naspers group; • Tested the transaction through reconciliation to underlying documentation; • Tested the calculations of earnings per share information and reconciled adjustments made to the number of shares used in the calculation to the terms of the cross-holding arrangement and the articles of association; and • Tested the related financial statement disclosures against the disclosure requirements of EU-IFRS. In respect of the audit procedures specified above no material findings were identified.

Other information
Independent auditor's report continued

Key audit matter	Our audit work and observations
Accounting for the equity-accounted investment in Tencent Holdings Limited (refer to notes 3, 6 and 9 of the consolidated financial statements) The Group holds an investment in Tencent Holdings Limited (Tencent) which is accounted for in accordance with IAS 28, 'Investments in Associates and Joint Ventures'. The carrying amount is US$34.8 billion. In April 2021, the Group sold 2% of Tencent's issued share capital resulting in a gain on partial disposal of US$12.3 billion. In December 2021, Tencent declared a special interim dividend in the form of shares in JD.com which was distributed on 25 March 2022. Tencent has a year-end (31 December) that is not coterminous with that of the Group. In accordance with IAS 28, the Group included a lag period adjustment reflecting significant transactions that occurred between Tencent's year end and 31 March (the Group's year-end). Management calculated the gain on partial disposal as the excess of the proceeds received on the disposal over the proportion of the carrying value of the investment disposed. Management accounted for the dividend received from Tencent relating to JD.com as a reduction of the carrying value of the investment in associate and the recognition of a FVOCI investment at the fair value on the date of distribution amounting to US$3.9 billion. 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 judgement involved 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.	We performed, among others, the following procedures: • Obtained the equity-accounted results recorded by the Group and reconciled them to the audited 31 December 2021 financial statements of Tencent; • Assessed the appropriateness of the lag period adjustments based on Tencent's publicly available first quarter financial information for the period ended 31 March 2022, as well as input from the component team to gain comfort that material lag period adjustments were appropriately accounted for; • Independently assessed the accounting policies of the associate to that of the Group to identify material differences with EU-IFRS; and • Reperformed the calculation underlying the gain on partial disposal of the investment in Tencent and the receipt of the dividend relating to JD.com and agreed both transactions to minutes of the board of directors and external supporting documentation such as bank statements, the shareholder register and external public information. In respect of the audit procedures specified above, no material findings were identified.
Valuation of intangible assets arising as a result of acquisitions (refer to notes 6 and 9 of the consolidated financial statements) The Group concluded acquisitions of subsidiaries and associates throughout the year, most notably the acquisition of 100% interest in Stack Overflow for a consideration of US$1.7 billion and the acquisition of an additional interest in associate Delivery Hero of 6.3% for US$2.5 billion. In accordance with IFRS 3, 'Business Combinations' and IAS 28, 'Investments in Associates and Joint Ventures', the accounting for these acquisitions requires management to perform a purchase price allocation which requires significant judgement by management to determine the fair value of the identifiable assets and liabilities and the resulting goodwill. As part of the valuation process, management involved external valuation experts to assist in the determination of the purchase price allocation and valuation of identified assets and liabilities. The purchase price allocation performed for Stack Overflow resulted in the recognition of intangible assets of US$247 million and goodwill of US$1.5 billion. The purchase price allocation for equity accounting purposes performed for the additional investment in associate Delivery Hero resulted in notional intangible assets of US$0.5 billion and notional goodwill of US$2.1 billion. The valuation of the intangible assets arising as a result of acquisitions was a matter of significance due to the judgement and complexity involved in performing the purchase price allocations, specifically the underlying estimates involved in forecasting cash flows and other significant assumptions used in the valuation. Therefore, we considered the accounting for the valuation of the intangible assets as a key audit matter.	With support of our internal valuation experts, we performed the following procedures: • Agreed transaction details to supporting documentation such as signed purchase agreements and proof of payment; • Evaluated the competence, capabilities and objectivity of valuation experts engaged by the Group; • Assessed the appropriateness of the identifiable intangible assets identified by management and their valuation experts based on our knowledge of the business models of acquired businesses; • Assessed the reasonableness of the fair value measurements prepared by management and their valuation experts by corroborating and where appropriate benchmarking key data and assumptions used in the valuation model, such as pre-acquisition carrying values, royalty rates and retention rates for identified intangible assets; • Compared the assumptions and data underlying the weighted average cost of capital (WACC) with our own assumptions and publicly available data; • Tested the computational accuracy of the fair value measurement calculations prepared by management and their valuation experts; • Tested the reasonability of future cash flow forecasts and underlying management assumptions by reconciling the resulting valuation to the purchase consideration; and • Tested the related financial statement disclosures against the disclosure requirements of IFRS 3 and IAS 28. In respect of the audit procedures specified above, no material findings were identified.

Other information
Independent auditor's report continued

Key audit matter	Our audit work and observations
Impairment assessment of goodwill and intangible assets arising from business combinations and of investments in associates and subsidiaries (refer to Basis of consolidation section and notes 7, 9 and 33 of the consolidated financial statements and note 3 of the company financial statements) The consolidated financial statements include material assets resulting from business combinations and investments in associates. Such assets include: – Goodwill (US$3.4 billion) – Intangible assets recognised in purchase accounting (US$0.9 billion) – Investments in associates (US$44.5 billion) In accordance with IAS 36 'Impairment of Assets', at each reporting date the Company tests these assets for impairment whenever there is objective evidence of impairment. For goodwill, this test is performed at least annually at the level of relevant Cash Generating Units (CGUs) and whenever there is an impairment indicator identified by management at an intermediate reporting date. As a result of the impairment tests performed, impairment charges of US$246 million (goodwill) and US$582 million (investments in associates) were recognised in the consolidated financial statements. As described in note 3 to the company financial statements, the carrying amount of investments in subsidiaries, being the investment in MIH Internet Holdings B.V., amounts to US$150.3 billion as of 31 March 2022. The decline in the market capitalisation of the Company and quoted prices for several of its listed investments and changes in the discount rates used to determine the value in use of the unlisted investments were considered impairment indicators and the Company performed an impairment assessment of the investment in MIH Internet Holdings B.V. The recoverability of the carrying amount was tested for potential impairment through the 'sum-of-the-parts' of valuation estimates for the underlying investments. 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.	We performed procedures, with the support of our valuation experts, which varied in depth per CGU or investment. Based on our assessment of the risk of material misstatement due to fraud or error, we considered among others, (i) the size and maturity of the underlying business, (ii) the headroom between the recoverable amount and carrying amount, (iii) availability of external market data, and (iv) possible indicators of management bias. We performed, among others, the following procedures: • Assessed the composition of future cash flow forecasts and the underlying management assumptions by evaluating (i) the accuracy of previous forecasts of the CGU or investment by comparing the budgets of previous financial years with actual result and by analysing deviations, (ii) the consistency with external market and industry data, (iii) the corroboration of strategic initiatives with evidence obtained in other areas of the audit, (iv) the expectations of certain equity analysts covering Prosus for a specific CGU or investment, and (v) the impact of the Russian government's military invasion of Ukraine and overall market volatility in recent months on discount rates, future cash flow forecasts and potential other valuation adjustments; • Assessed the reasonableness of terminal growth rates used by management per CGU or investment by comparing to the long-term growth rates most reflective of the underlying operations, obtained from independent external sources; • Compared the inputs to discount rates used by management to externally obtained data such as risk-free rates, equity market risk premiums, country risk premiums as well as the betas of comparable companies; • Assessed the reasonableness of additional risk adjustment factors included in discount rates for certain CGUs and investments in relation to the risk profile of the future cash flow forecasts; • Recalculated the carrying amount of the goodwill CGUs with reference to underlying documentation; • Challenged management's valuation analyses by performing our own sensitivity analyses based on independent inputs for key valuation assumptions; • Evaluated external analyst report valuations for certain CGUs or investments and compared these to management's valuations; • Where value in use was applied to listed investments, compared the determined value to the listed share price (fair value less cost of disposal) as at year end and considered market related adjustments; • With respect to the carrying amount of the investment in subsidiaries in the company financial statements, we compared the 'sum-of-the-parts' valuation of Prosus' subsidiaries and associates and the resulting implied value of the Company to the Company's market capitalisation and considered whether the resulting implied holding discount would indicate the need to include certain adjustments to the valuations used in the impairment assessment; and • Tested the related financial statements disclosures against the disclosure requirements of EU-IFRS. In respect of the audit procedures specified above, no material findings were identified.

Other information
Independent auditor's report continued

Key audit matter	Our audit work and observations
Valuation of share-based compensation schemes and share-based payments (refer to note 36 of the consolidated financial statements) The Group has share-based compensation plans which are used to grant share options, restricted stock units (RSUs), performance share units (PSUs) and share appreciation rights (SARs) to employees. When these schemes are settled in cash or in Naspers shares, they are accounted for as cash-settled schemes. The share-based compensation expense amounts to US$129 million for cash settled schemes, and US$125 million for equity settled schemes and the total cash-settled liabilities amount to US$1.1 billion for the year ended 31 March 2022. The grant date fair value and the remeasured fair value of the options at each reporting period were calculated by management using an option valuation model. In estimating the fair value of options management used 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 were granted subject to the completion of a requisite service (vesting) period by employees. The share schemes as disclosed within note 36 were considered to be the most significant in terms of their contribution to the total share-based compensation balances of the Group and have therefore been separately disclosed by management in the consolidated financial statements. Management used an external management valuation expert to assist them in determining the company value and the scheme share value ('sum-of-the parts') on an annual basis. In determining the company value and the scheme share value, the management expert used a number of valuation methods, including, the use of comparable peer multiples, precedent transactions and discounted cash flow (DCF) valuations. 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 potential for management bias in determining the values, the valuation of share-based compensation schemes and share-based payments was considered a key audit matter.	Using our valuation expertise, we assessed if the approach adopted by management in the option valuation 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. Based on our assessment of the risk of material misstatement due to fraud or error, we considered among others possible indicators of management bias. With the support of our internal valuation experts, we assessed the key inputs in the option valuation calculation by performing the following procedures, among others: • Agreed risk free rates to independently obtained external data; • 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; • For schemes with listed shares, agreed the share prices to the listed share price as at the grant date for equity-settled awards and 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; • Assessed dividend yields by agreeing the share price information to independently obtained data and recalculating the average historical dividend yield; • 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; and We assessed the competence, capabilities and objectivity of management's experts utilised in performing the business valuations for the valuation of schemes with unlisted shares. With the support of our internal valuation experts, we obtained an understanding and assessed the reasonableness of the valuation methods applied by the management expert in determining the enterprise value of the schemes with unlisted shares. Where the enterprise value was determined using a DCF valuation, the procedures performed were consistent with those detailed under the impairment assessment of non-financial assets key audit matter. Where market related inputs such as trading multiples and transaction multiples were used by the management expert, we assessed the reasonableness thereof by comparing it to independent external market sources. We have discussed the governance process on the share scheme valuations with the chair of the remuneration committee and the audit committee chair. We evaluated whether the disclosures were in compliance with the disclosure requirements of IFRS 2. In respect of the audit procedures specified above, no material findings were identified.

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

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 all the information regarding the Directors' report and the other information that is required by Part 9 of Book 2 and regarding the remuneration report required by 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 the 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 procedures performed in our audit of the financial statements.

Other information
Independent auditor's report continued

The board of directors of Prosus N.V. is 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. The board of directors of Prosus N.V. is responsible for ensuring that the remuneration report is drawn up and published in accordance with sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Our appointment

We were re-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 eighteen years. Since the Company listed in September 2019, this is the third year that the Company is a public-interest entity.

European Single Electronic Format (ESEF)

Prosus N.V. has prepared the annual report, including the financial statements, in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (these requirements are hereinafter referred to as: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the partially marked-up consolidated financial statements, as included in the reporting package by Prosus N.V., complies, in all material respects, with the RTS on ESEF.

The board of directors of Prosus N.V. is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby the board of directors of Prosus N.V. combines the various components into a single reporting package. Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

Our procedures, taking into account Alert 43 of the NBA (Royal Netherlands Institute of Chartered Accountants), included among others:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- Obtaining the reporting package and performing validations to determine whether the reporting package, containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared, in all material respects, in accordance with the technical specifications as included in the RTS on ESEF; and
- Examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

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, with the exception of a tax advisory service provided by a member firm to an insignificant entity of the Group. The fee value, which was not billed to the Group, is less than 0,05% of PwC's audit fees for the financial statements 2022. We consulted with the audit committee and reported the matter to the Dutch regulator. The audit committee agreed with our conclusion that due to the nature and limited size of the service, our independence was not compromised.

Services rendered

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in note 14 of 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 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, 25 June 2022

PricewaterhouseCoopers Accountants N.V.

Original has been signed by Fernand Izeboud RA

Other information
Independent auditor's report continued

Appendix to our auditor's report on the financial statements 2022 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; and
- 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.

Other information to the company financial statements

for the year ended 31 March 2022

Extract from the articles of association relating to net profit/(loss) appropriation

“Article 30. Profits and Distributions

30.1 The Board may decide that all or part of the profits realised during a financial year will be fully or partially appropriated to increase and/or form reserves.

30.2 The profits remaining after application of Article 30.1 shall be put at the disposal of the General Meeting. The Board shall make a proposal for that purpose. A proposal to make a distribution shall be dealt with as a separate agenda item at the General Meeting.

30.3 In connection with the crossholding between Naspers and the Company, Naspers and the Company entered into the cross-holding agreement dated the twenty-seventh day of May two thousand and twenty-one, as it will read from time to time (the Cross-Holding Agreement). To give full effect to the Cross-Holding Agreement Articles 30.4 and 30.5 were introduced in the Articles of Association, and these Articles will cease to apply upon the Cross-Holding Agreement having been terminated or otherwise ceasing to be operative in accordance with applicable law and/or its terms.

30.4 If it concerns a Terminal Economics Distribution, the Distributable Amount will be distributed among the Ordinary Dividend Prosus Shares as follows:

(a) On each Ordinary Share A: the amount equal to the Distributable Amount times the Ordinary Shares A Effective Economic Interest divided by the number of Ordinary Shares A issued and outstanding, excluding Prosus Treasury Shares. Whereby the Ordinary Shares A Effective Economic Interest is calculated as follows:

- z = c / (1 – (ax b)) or in words z equals c divided by 1 minus (a times b), where:
  - z means the Ordinary Shares A Effective Economic Interest;
  - a means the Distribution Rights % of the Naspers Held Cross-Holding Shares;
  - b means the Distribution Rights % of the Prosus Held Cross-Holding Shares; and
  - c means the Distribution Rights % of the Ordinary Shares A.

(b) On each Ordinary Share B: the Aggregate B Share Entitlement divided by the number of issued and outstanding Ordinary Shares B, excluding Prosus Treasury Shares. Whereby the Aggregate B Share Entitlement is calculated as follows: Distribution Rights % of Ordinary Shares B times Naspers Effective Economic Interest times the Distributable Amount divided by the Distribution Right % of the Naspers Held Cross-Holding Shares.

(c) On each Ordinary Share N: the amount equal to the Distributable Amount times the Prosus Free-Float's Effective Economic Interest divided by the number of Ordinary Shares N issued and outstanding, excluding Prosus Treasury Shares and excluding the number of Ordinary Shares N which are Naspers Held-Cross Holding Shares. Whereby Prosus Free-Float's Effective Economic Interest is calculated as follows:

- z = c / (1 – (a x b)) or in words z equals c divided by 1 minus (a times b), where:
  - z means Prosus Free-Float's Effective Economic Interest;
  - a means the Distribution Rights % of the Naspers Held Cross-Holding Shares;
  - b means the Distribution Rights % of the Prosus Held Cross-Holding Shares; and
  - c means the Distribution Rights % of the Ordinary Shares N held by the Prosus Free-Float Shareholders.

(d) On any other Ordinary Dividend Prosus Share: the amount equal to the Distributable Amount times the Effective Economic Interest of such Ordinary Dividend Prosus Share.

30.5 The definitions used in Article 30.4

30.6 Notwithstanding the provisions of Article 30.4, due to the cross holding between Naspers and the Company, and as long as such cross holding exists, the distribution to Naspers on the Naspers Held Cross-Holding Shares will be capped at an amount equal to the Distributable Amount multiplied by the Naspers Effective Economic Interest, with the reduction, if any, being applied first to the Ordinary Shares N forming part of the Naspers Held Cross-Holding Shares.

30.7 If it concerns any other distribution than referred to in Articles 30.4 through 30.6, the Distributable Amount will be distributed among the Shares as follows:
(a) on the Ordinary Shares Non a Pari Passu basis;
(b) each Ordinary Share A is entitled to one-fifth (1/5) of the amount of a distribution made on each Ordinary Share N, multiplied by the Free Float Percentage; and
(c) each Ordinary Share B is entitled to one-millionth (1/1,000,000) of the amount of a distribution made on each Ordinary Share N.

30.8 Distributions from the Company's distributable reserves may only be made pursuant to a resolution of the General Meeting at the proposal of the Board.”

Other information

Shareholder and corporate information

Administration and corporate information

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1082 MS Amsterdam
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Incorporated in the Netherlands

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ADR programme
Bank of New York Mellon maintains a Global BuyDIRECT[SM] plan for Prosus N.V.

For additional information, visit Bank of New York Mellon's website at www.globalbuydirect.com or call Shareholder Relations at 1-888-BNY-ADRS or 1-800-345-1612 or write to:

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Shareholder Relations Department – Global BuyDIRECT[SM]
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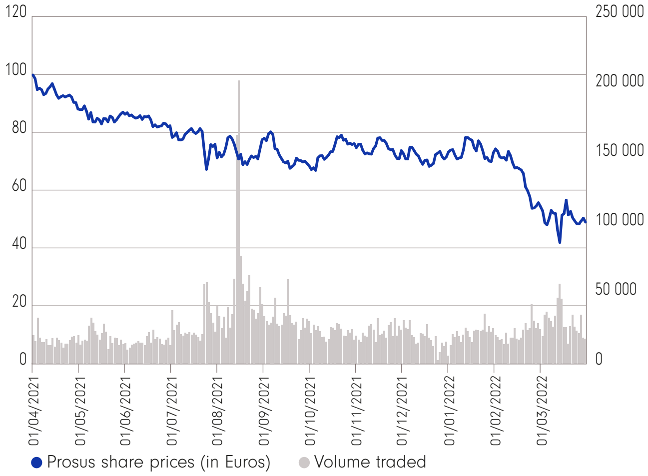
Analysis of shareholders and shareholders' diary

The following shareholders hold 5% and more of the N ordinary issued share capital of the company:

Name	% of N ordinary shares held	Number of N ordinary shares owned
Naspers Limited	56.92%*	1 180 250 012*

As a result of the cross-holding between Prosus and Naspers, the economic interest attributable to Naspers is 41.97%. More information can be found in the Governance section.

Prosus share price and trade volume for FY22



Shareholders' diary

Annual general meeting	24 August 2022
Reports	
Interim for half-year to September	23 November 2022
Announcement of annual results	27 June 2022
Financial statements	27 June 2022
Dividend	
Declaration	24 August 2022
Payment	27 September 2022
Financial year-end	31 March 2023

Non-IFRS financial measures and alternative performance measures

1 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 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) one-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.

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 excludes the share of its associate equity-settled share-based compensation expenses.

Non-IFRS financial measures and alternative performance measures continued

1 Core headline earnings (continued)

Reconciliation of core headline earnings

	Year ended 31 March	
	2022 US$'m	2021 US$'m
Headline earnings	**3 076**	5 840
Adjusted for:		
– Equity-settled share-based payment expenses	**1 535**	746
– Remeasurement of cash-settled share-based incentive expenses	**(5)**	594
– Reversal of deferred tax assets	**—**	6
– Amortisation of other intangible assets	**747**	440
– Fair-value adjustments and currency translation differences	**(1 685)**	(2 896)
– Retention option expense	**14**	62
– Transaction-related costs	**46**	47
– Covid-19 donations	**—**	13
– Other[1]	**—**	7
Core headline earnings	**3 728**	4 859
Per share information for the year		
Core headline earnings per ordinary share (US cents)	**247**	299
Diluted core headline earnings per ordinary share (US cents)[2]	**236**	291

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$170.2m (2021: US$139.3m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.

Non-IFRS financial measures and alternative performance measures continued

1 Core headline earnings (continued)

Equity-accounted results

The group's equity-accounted investments contributed to the summarised consolidated financial statements as follows:

	Year ended 31 March	
	2022 US$'m	2021 US$'m
Share of equity-accounted results	**9 256**	7 095
– Gains on acquisitions and disposals	**(6 227)**	(1 132)
– Impairment of investments	**1 092**	933
Contribution to headline earnings	**4 121**	6 896
– Amortisation of other intangible assets	**680**	355
– Equity-settled share-based payment expenses	**1 512**	735
– Fair-value adjustments and currency translation differences	**(1 761)**	(2 734)
Contribution to core headline earnings	**4 552**	5 252
Tencent	**5 413**	5 721
VK (previously Mail.ru)	**(51)**	(34)
Delivery Hero	**(409)**	(230)
Other	**(401)**	(205)

The group applies an appropriate lag period of not more than three months in reporting the results of equity-accounted investments.

Non-IFRS financial measures and alternative performance measures continued

2 Growth in local currency, excluding acquisitions and disposals

The group applies certain adjustments to segmental revenue and trading profit reported in the summarised consolidated financial statements to present the growth in such metrics in local currency and 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 with 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:

	Year ended 31 March	
Currency (1FC = US$)	**2022**	2021
South African rand (ZAR)	**0.0670**	0.0614
Euro (EUR)	**1.1586**	1.1691
Chinese yuan renminbi (RMB)	**0.1562**	0.1479
Brazilian real (BRL)	**0.1891**	0.1830
Indian rupee (INR)	**0.0134**	0.0135
Polish zloty (PLN)	**0.2525**	0.2593
Russian rouble (RUB)	**0.0134**	0.0134
British pound sterling (GBP)	**1.3620**	1.3152
Turkish lira (TRY)	**0.0927**	0.1344
Romanian leu (RON)	**0.2346**	0.2405

- 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.

Non-IFRS financial measures and alternative performance measures continued

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 alternative performance measures financial information:

Year ended 31 March 2022

Transaction	Basis of accounting	Reportable segment	Acquisition/ disposal
Dilution of the group's interest in Tencent	Associate	Social and Internet Platform	Disposal
Dilution and lag period catch-up adjustment following the subsequent loss of control of the group's interest in VK (Mail.ru)	Associate	Social and Internet Platform	Disposal/ acquisition
Acquisition of the group's interest in Encuentra	Associate	Ecommerce	Acquisition/ disposal
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	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Kiwi Finance	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Obido	Subsidiary	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 Aasaanjobs	Subsidiary	Ecommerce	Disposal
Disposal of the group's interest in iFood Colombia	Subsidiary	Ecommerce	Disposal/ acquisition
Disposal of the group's interest in iFood Mexico	Subsidiary	Ecommerce	Disposal
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/ disposal
Acquisition of the group's interest in Shipper	Associate	Ecommerce	Acquisition

Non-IFRS financial measures and alternative performance measures continued

2 Growth in local currency, excluding acquisitions and disposals (continued)

Year ended 31 March 2022

Transaction	Basis of accounting	Reportable segment	Acquisition/ disposal
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
Acquisition of the group's interest in 99 Minutos	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Aruna	Associate	Ecommerce	Acquisition
Dilution of the group's interest in SimilarWeb	Associate	Ecommerce	Disposal
Dilution of the group's interest in Swiggy	Associate	Ecommerce	Disposal
Acquisition of the group's interest in Flink	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in DotPe Private Limited	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in FinWizard	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Flat White Capital	Associate	Ecommerce	Acquisition
Dilution of the group's interest in Udemy	Associate	Ecommerce	Disposal
Acquisition of the group's interest in Skillsoft	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Delivery Solutions KFT	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Flip	Associate	Ecommerce	Acquisition
Disposal of the group's interest in Interbase Resources	Associate	Ecommerce	Disposal
Acquisition of the group's interest in Meesho	Associate	Ecommerce	Acquisition

The net adjustment made for all acquisitions and disposals on continuing operations that took place during the year ended 31 March 2022, amounted to a negative adjustment of US$738m on revenue and a negative adjustment of US$591m on trading profit.

Non-IFRS financial measures and alternative performance measures continued

2 Growth in local currency, excluding acquisitions and disposals (continued)

The adjustments to the amounts reported in terms of IFRS, which have been made in arriving at the alternative performance measures financial information, are presented in the table below:

	Year ended 31 March							
	2021 A IFRS 8[1] US$'m	2022 B Group composition disposal adjustment US$'m	2022 C Group composition acquisition adjustment US$'m	2022 D Foreign currency adjustment US$'m	2022 E Local currency growth US$'m	2022 F[2] IFRS 8[1] US$'m	2022 G[3] Local currency growth % change	2022 H[4] IFRS 8 % change
Revenue								
Ecommerce	6 230	(133)	822	(224)	3 130	9 825	**51**	**58**
Classifieds	1 599	(33)	81	(121)	1 449	2 975	**93**	**86**
Food Delivery	1 486	(9)	374	(1)	1 142	2 992	**77**	**>100**
Payments and Fintech	577	(7)	9	(38)	255	796	**45**	**38**
Edtech	115	14	225	–	71	425	**55**	**>100**
Etail	2 250	(2)	10	(61)	62	2 259	**3**	**–**
Other	203	(96)	123	(3)	151	378	**>100**	**86**
Social and Internet Platforms	22 526	(1 497)	70	1 305	3 390	25 794	**16**	**15**
Tencent	22 155	(1 493)	–	1 302	3 297	25 261	**16**	**14**
VK	371	(4)	70	3	93	533	**25**	**44**
Corporate segment	–	–	–	–	–	–	**–**	**–**
Group economic interest	28 756	(1 630)	892	1 081	6 520	35 619	**24**	**24**

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.

Non-IFRS financial measures and alternative performance measures continued

2 Growth in local currency, excluding acquisitions and disposals (continued)

The adjustments to the amounts reported in terms of IFRS, which have been made in arriving at the alternative performance measures financial information, are presented in the table below:

	Year ended 31 March							
	2021 A IFRS 8[1] US$'m	2022 B Group composition disposal adjustment US$'m	2022 C Group composition acquisition adjustment US$'m	2022 D Foreign currency adjustment US$'m	2022 E Local currency growth US$'m	2022 F[2] IFRS 8[1] US$'m	2022 G[3] Local currency growth % change	2022 H[4] IFRS 8 % change
Trading profit								
Ecommerce	(429)	45	(218)	3	(512)	(1 111)	**<(100)**	**<(100)**
Classifieds	9	13	9	7	(13)	25	**(59)**	**>100**
Food Delivery	(355)	33	(129)	(2)	(271)	(724)	**(84)**	**<(100)**
Payments and Fintech	(68)	6	(1)	(5)	8	(60)	**13**	**12**
Edtech	(14)	1	(48)	(1)	(55)	(117)	**<(100)**	**<(100)**
Etail	68	–	(3)	3	(103)	(35)	**<(100)**	**<(100)**
Other	(69)	(8)	(46)	1	(78)	(200)	**<(100)**	**<(100)**
Social and Internet Platforms	6 154	(413)	(5)	342	241	6 319	**4**	**3**
Tencent	6 126	(413)	–	342	218	6 273	**4**	**2**
VK	28	–	(5)	–	23	46	**82**	**64**
Corporate segment	(110)	–	–	1	(58)	(167)	**(53)**	**(52)**
Group economic interest	5 615	(368)	(223)	346	(329)	5 041	**(6)**	**(10)**

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.

Glossary

Term/Acronym	Description
ADR	American Depository Receipt
AFM	Netherlands Authority for the Financial Markets *(Stichting Autoriteit Financiële Markten)*
AGM	Annual general meeting
Agtech	Agriculture technology
AI	Artificial intelligence
app	Software application designed to run on smartphones and tablet computers.
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.
B2C	Business-to-consumer (direct-to-consumer)
BIT	Business information technology
bn	Billion
BNPL	Buy now pay later
BRICS	Brazil, Russia, India, China and South Africa
BRL	Brazilian real
C2C	Consumer-to-consumer
CAGR	Compound annual growth rate
Capex	Capital expenditure
CEE	Central and Eastern Europe
CEO	Chief executive officer
CFO	Chief financial officer
CODM	Chief operating decision-maker
COHE	Core headline earnings
COO	Chief operating officer
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 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 instruments and unrealised currency translation differences, as these items obscure the group's 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 the group's composition and are not reflective of the group's 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 the group as well as the group's share of earnings of associates and joint ventures, to the extent that the information is available.
Covid-19	Coronavirus disease
DAU	Daily active users
Dmart	Small Delivery Hero-owned warehouse

Glossary continued

Term/Acronym	Description
EBIT	Earnings before interest and tax
Adjusted EBITDA	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).
Ecommerce	Electronic commerce
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 analyses 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.
Edtech	Marrying learning with technology, enabling new and exciting ways for more people to add to their skills and knowledge.
EMEA	Europe, Middle East and Africa
E&S	Environmental and social
ESG	Environmental, social and governance
EU	European Union
Fintech	Financial technology is an economic industry that introduces new solutions demonstrating an incremental or radical/disruptive innovation development of applications, processes, products or business models in the financial services industry.
FLIGHT	Funding and Learning Initiative for Girls in Higher Education and Skills Training (Prosus initiative)
FMCG	Fast-moving consumer goods
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.
FY	Financial year
GAAP	Generally accepted accounting policies
GDP	Gross domestic product
GDPR	EU's General Data Protection Regulation
GHG	Greenhouse gas
Gig economy	Labour market characterised by the prevalence of short-term contracts or freelance work as opposed to permanent jobs.
GMV	Gross merchandise value

Glossary continued

Term/Acronym	Description
GPO	Global payments operations
GRI	Formerly Global Reporting Initiative
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.
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. • 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.
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, 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 1/2021, 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.
Healthtech	Health technology involves the design, development, creation, use and maintenance of information systems and the internet for the healthcare industry. Automated and interoperable healthcare information systems are expected to lower costs, improve efficiency and reduce error while providing better consumer care and service.
HEPS	Headline earnings per share
HR	Human resources
I&T	Information and technology
IAPP	International Association of Privacy Professionals
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICT	Information and communications technology
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
ILO	International Labour Organization
IMF	International Monetary Fund

Glossary continued

Term/Acronym	Description
Internal rate of return (IRR)	IRR is presented in this report for illustrative purposes only and is calculated based on the estimated valuations of our internet investments. The estimated valuations are calculated as of 31 March 2022 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 Naspers 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.
IP	Intellectual property
IPO	Initial public offering
IR	Investor relations
IRR	Internal rate of return
ISE	Irish Stock Exchange
ISL	Indian Sign Language
ISP	Internet service provider
JSE	JSE Limited (Johannesburg stock exchange)
JV	Joint venture
K–12	Kindergarten to grade 12
KPI	Key performance indicator
LatAm	Latin America
LGBTQIA+	Lesbian, gay, bisexual, transgender, queer/questioning, intersex, asexual and many other gender and sexual identities
LIFE	Leadership in the food delivery ecosystem
LSE	London Stock Exchange
LTI	Long-term incentive
m	Million
M&A	Mergers and acquisitions
MAU	Monthly active users
MCSI index	Morgan Stanley Capital International index
MENA	Middle East and North Africa region
MIH B.V.	Myriad International Holdings B.V.
ML	Machine learning
N	Naira – Nigerian currency
NASDAQ	American stock market
Naspers	Naspers Limited
NGO	Non-governmental organisation
NPS	Net promoter score
OECD	Organisation for Economic Cooperation and Development (Brazil)
Omnichannel	A cross-channel content strategy that organisations use to improve their user experience.
OTA	Online travel agency
OTT	Over-the-top
1P	First party – in the context of food delivery, a capital-intensive own-delivery model.

Glossary continued

Term/Acronym	Description
3P	Third party – in the context of food delivery, a capital-light marketplace model where meals are delivered by restaurants.
P2P	Peer-to-peer
PLN	Polish zloty
POPIA	Protection of Personal Information Act
Prosus	Prosus N.V.
Prosus FLIGHT	Funding and Learning Initiative for Girls in Higher Education and Skills Training
PSP	Payment service provider
PvE	Player versus environment
PwC	PricewaterhouseCoopers Accountants N.V.
R&D	Research and development
RCF	Revolving credit facility
RMB	Chinese renminbi
ROI	Return on investment
RSU	Restricted stock unit
RUB	Russian rouble
R (or ZAR)	South African rand
SA	South Africa
SaaS	Software as a Service
SAR(s)	Share appreciation right(s)
SASB	Sustainability Accounting Standards Board
SAST	South African standard time
SBTi	Science Based Targets initiative
SDG	United Nation's Sustainable Development Goals
SICA	Prosus Social Impact Challenge for Accessibility
SME	Small and medium-sized enterprise
SO(s)	Share option(s)
STI	Short-term incentive
TAM	Total addressable market
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	Tonnes of CO_2 equivalent
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 (ie those that link a merchant's website to its processing network and enable merchants to accept credit or debit card online payments).
TPV	Total payment value
Trading profit/loss	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).

Glossary continued

Term/Acronym	Description
TVET	Technical and vocational education training
Twitter	Social networking service
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UNEP	United Nations Environment Program
Unicorns	Start-up companies rapidly reaching a valuation of US$1bn.
US	United States of America
US$	US dollar
US$c	US dollar cent
VAS	Value-added services
VC	Venture capital
WHO	World Health Organization
YoY	Year on year
ZAR (or R)	South African rand

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