prosus

Annual report

2023

Improving everyday life for billions of people through technology

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The Netherlands

www.prosus.com

Prosus is a global consumer internet group and one of the largest technology investors in the world.

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Definitions
Terms used in the annual report shall bear the meanings ascribed to them in the glossary unless context clearly states otherwise.

Alternative performance measures
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, refer to about this report in the governance section.

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 2023 annual report of Prosus N.V. The 2023 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 2023 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.

Artificial intelligence

Artificial intelligence and machine learning (AI and ML) are rapidly becoming ubiquitous features of modern life.

Highlights 2023

AI adoption globally is
2.5 times higher
in 2022 than in 2017

AI market size expected to reach
US$407bn
by 2027 (2022*: US$87m)

Projected annual growth rate of
37.3%
from 2023 to 2030

Over
75%
of consumers are concerned about companies using AI – addressing these apprehensions will be crucial

But
65%
of consumers say they'll still trust businesses that use AI – companies using AI responsibly and transparently can maintain consumer confidence and harness AI's potential to improve customer experiences

* *Estimated.*

Prosus offers

» 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.

» We ensure we develop and deploy AI as quickly as possible to support business growth, and innovate and improve our competitive ability. And we seek to always do this in the right way – by design, ethically and responsibly.

» Robust principles on how we develop and deploy AI:
- Deploy AI everywhere it makes business sense.
- Develop AI-by-design for innovation in products and services.
- Develop and deploy AI ethically and responsibly.

» Ahead of increased regulatory scrutiny, we have formal policies on responsible and ethical use of AI, data privacy and sharing, cybersecurity and more.

» Across the group, we apply data science and AI in numerous ways to add value for customers, partners and the business, and to fulfil our purpose: 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 content creation and search in Edtech.

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

Snapshot FY23

A reduction in the holding company discount
16 percentage points

- Repurchased US$10.5bn Prosus and Naspers shares since June 2022
- 152 797 117 ordinary shares N repurchased
- 4 152 285 Naspers N ordinary shares purchased
- NAV per share accretion[1] of 4.5%

Revenue[2] from continuing operations
US$32.2bn

- 23% growth on revenue from our consolidated Ecommerce business
- Trading loss from our consolidated Ecommerce business widened by US$95m

Total taxes paid
US$1.1bn

- Direct taxes levied: US$729m and indirect taxes collected: US$391m
- Prosus' approach to tax centres around paying taxes in the countries where we operate

Support to those impacted by the war in Ukraine

- Renounced the group's interest in VK
- Disposed of Avito on 14 October 2022 for RUB151bn (US$2.4bn) to Kismet Capital Group
- We allocated US$4.5m to Tvoya Opora and US$2.5m to the Kolo Charitable Foundation to procure medical supplies and equipment

Commitment to **profitability**

- Commitment to deliver consolidated Ecommerce trading profit in the first half of FY25

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 reinforced with all our group companies

We developed our climate targets by applying the **Science-based Targets initiative's** (SBTi) guidance

- Implemented actions towards absolute reductions of scope 1 and 2 emissions to zero (for Prosus corporate entities). Improved GHG reporting by including scope 3
- We developed group principles and approaches to help our subsidiaries and associates develop impactful packaging strategies

Diversity and **inclusion** training cascaded to all group companies

- Employee inclusivity is core to our success as a business

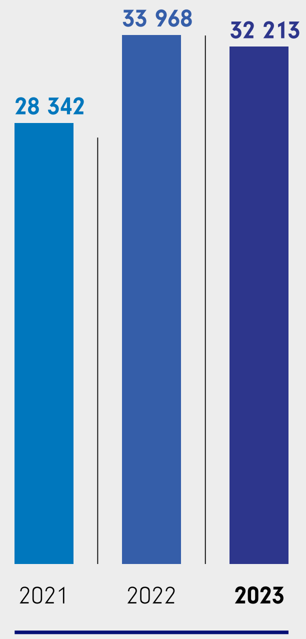
Cost-saving initiatives

- Reduction in corporate workforce by 30% and broader action to reduce other significant costs

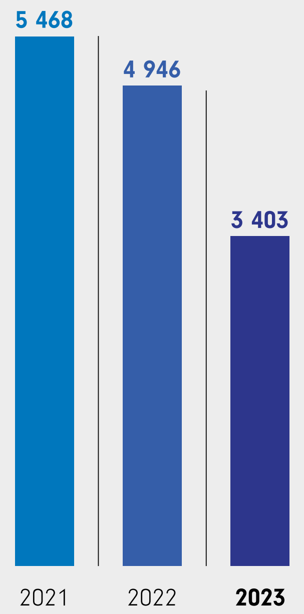
>500 data scientists now part of the Prosus AI community

Strong financial performance

Revenue[2] (US$'m)



Trading profit[2] (US$'m)



2 Presented on an economic-interest basis from continuing operations.

1 NAV per-share accretion includes all per-share enhancing actions: the Prosus repurchase programme and Naspers purchase programme initiated in FY21, the voluntary share exchange programme executed in FY22, the Prosus share repurchase initiated in FY22 and open-ended share repurchase programme initiated in FY23.

Group overview

Who we are

We are a global consumer internet group operating across platforms and geographies, and one of the largest technology investors in the world.

As a group, we build useful products for over 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.

Strong position

Proven core businesses
Our core businesses in Food Delivery, Payments and Fintech, and Classifieds recorded profits of US$161m in FY23, improving from US$103m in FY22

+

Catalysts for value creation
Accelerate Ecommerce profitability; continue open-ended share repurchase; expect strong recovery from Tencent; simplify group structure; build a repeatable process of investing towards crystallisation and return

+

Solid financial position
Net cash and excellent liquidity are strategic advantages in the current environment

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 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.

Our values

Our values underpin our culture, which guides our actions

We build

At heart, we're entrepreneurs.
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 sustainable long-term value creation means 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 on what we deliver and how we deliver it.

We're responsible

We matter to our customers and communities.
We strive to maximise our positive impact on society and the planet. Wherever we operate, we hold ourselves to the highest standards, 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 create supportive and flexible environments so we can perform at our best. We're empowered to make decisions about our work because we're trusted to do a great job.

We estimate that around **one fifth of the world's population** uses products and services of businesses that we have built, acquired or invested in. Many use the products and services of **more than one**.

Group overview
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What sets us apart

We think global and act local	Track record
» Focus on emerging large consumer trends linked to disruptive innovation – we identify changes early, invest in and adapt proven business models for the high-growth markets we focus on.	Food Delivery
» Leverage our skills, local knowledge and position to build businesses that are scalable and benefit from local network effects.	PayU
» By operating locally, we benefit from the insights of our local operations and their markets. We gain early views on emerging models and are therefore better positioned to drive organic and inorganic growth and support entrepreneurial, seasoned business leaders.	Edtech
» We believe our platforms offer customers fast, intuitive and secure environments for communicating and conducting transactions.	PayU
» Focus on markets that we believe present above-average growth opportunities given their economic growth prospects, scalability and fast-growing, mobile internet penetration levels.	India
» We believe building strong global and local brands is an important way for our businesses to differentiate themselves, driving organic growth through word of mouth while complying with the laws and regulations of jurisdictions in these markets.	OLX

We are both an operator and an investor	Track record
» As operator, we are able to make smarter investment decisions.	Food Delivery
» As investor, we support our businesses with the right combination of capital, market knowledge and know-how to succeed. We benefit from access to attractive opportunities globally. We have long-standing and successful relationships with prominent internet businesses in our largest markets.	Food Delivery
» Concentrating on customers, thinking about their lives and how best to meet their needs is central to what we do. Across our portfolio, we are building ecosystems with multiple customer touchpoints to improve their experience and retain their loyalty. We align technology and data with key customer needs such as convenience, ease of use, reliability and safety.	Food Delivery Payments and Fintech Edtech
» Ours is a long-term business. It takes continued investment to build the end-to-end capabilities supporting closer, stronger relationships with customers across the ecosystems of our core segments. But, it delivers long-term gain – not least, customer loyalty and more lasting value creation.	Ecommerce
» The leaders of our businesses are compensated directly on the performance of their divisions, fostering a strong culture of entrepreneurship in our group.	Ecommerce
» We are disciplined, but not tied to a rigid investment regime, which enables us to take a long-term view. This means we can support our businesses at every stage of their life cycle and focus on creating value over the long term.	Ecommerce

Growth opportunities

- Our consumer internet businesses have **significant potential for growth**.
- They offer opportunities for an **enhanced range of internet transactions and services** in our markets, as well as possible expansions into new markets.
- We believe **demand for our products and services will be driven** by several trends, including growth in:
  - **gross domestic product (GDP)**
  - **population growth in the younger demographics and middle class**
  - **continued growth in mobile and high-speed internet penetration**
  - **increasing adoption of new internet-based business models that are disrupting existing traditional business models across a range of industries.**

Risks to growth opportunities

- Slowing economic growth with record inflation and rising interest rates. Interest rates increased sharply in the 2022 calendar year and continued to increase in 2023 as central banks reacted to high inflation rates, resulting in deteriorating consumer sentiment and slowing economic growth.
- While macroeconomic drivers are the same across the world, there is wide variation in how significant economies have been performing.
- Regulation is increasing. Broad 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.
- Global ventures investment plummeted in 2022 to the levels of 2017. However, in contrast to panic-selling at the onset of the pandemic in 2020, the sell-off in 2022 was orderly, with relatively lower volatility. Further downside is possible.
- Escalating geopolitical tensions could seriously impact markets. Geopolitical tension has caused stress on the global economy and capital markets, significantly increasing the cost of capital.
- Climate change and its consequences have a significant impact on people's lives. Rising occurrence of extreme weather conditions, drought and flooding may impact on our customers, employees and our business.
- We have reduced cost and headcount. The impact of these necessary actions weighs on our staff. While we find new ways of working and organising ourselves to be as efficient as we can be, the risk of unexpected operational issues and reduced morale is currently heightened.

Segment overview

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

Food Delivery

Our portfolio of food-delivery businesses allows customers to order their favourite food online and via apps to be conveniently delivered wherever they are.

Read more on page 48.

iFood	96.05%	Delivery Hero	29.83%
Swiggy	32.83%		

Revenue[1]	Trading loss[1]	Employees
US$4.2bn up 40% (44%)	US$649m down >10% (12%)	5 210

Classifieds[2]

OLX serves hundreds of millions of people every month across **five** continents, helping people buy and sell cars, find housing, get jobs and buy and sell household goods.

Read more on page 52.

OLX	99.00%	EMPG	37.57%

Revenue[1]	Trading loss[1]	Employees
US$1.6bn up 19% (42%)	US$156m up >100% (>100%)	4 500

Payments and Fintech

PayU is an online payment services platform that has processed more than US$78bn payment volumes globally and is a payment gateway for merchants in high-growth markets as well as large international companies.

PayU operates on **four** continents, in **17** high-growth markets and offers over **300** payment options.

Read more on page 54.

PayU	100%	iyzico	91.13%
ZOOZ	100%	Remitly	21.44%
PayU Red Dot	85.37%	rdp	96.54%
wibmo	100%		

Revenue[1]	Trading loss[1]	Employees
US$1.1bn up 32% (51%)	US$116m up 93% (72%)	3 447

Edtech

We reach **90%** of Fortune 100 companies across our corporate learning platforms. We also have a strong presence in K–12 (kindergarten to grade 12) in key markets.

Read more on page 58.

skillsoft	37.25%	goodhabitz	62.23%
stackoverflow	100%		

Revenue[1]	Trading loss[1]	Employees
US$545m up 28% (18%)	US$258m up >100% (54%)	859

Etail

eMAG is an ecommerce leader in Central and Eastern Europe.

Read more on page 62.

eMAG	80.08%

Revenue[1]	Trading loss[1]	Employees
US$2.0bn down 14% (4%)	US$63m up 80% (80%)	7 698

Other ecommerce: Ventures

Includes our Ventures arm that partners with entrepreneurs to build prominent technology companies, aiming to fuel the next wave of growth for the group.

Read more on page 66.

99minutos.com	22.82%	aruna	10.77%
meesho	13.83%	elasticrun	22.63%
Detect Technologies	9.21%	DeHaat	11.36%
VEGROW	8.04%		

Revenue[1]	Trading loss[1]	Employees
US$616m up 63% (67%)	US$267m up 34% (22%)	750

Social and internet platforms

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

Read more on page 68.

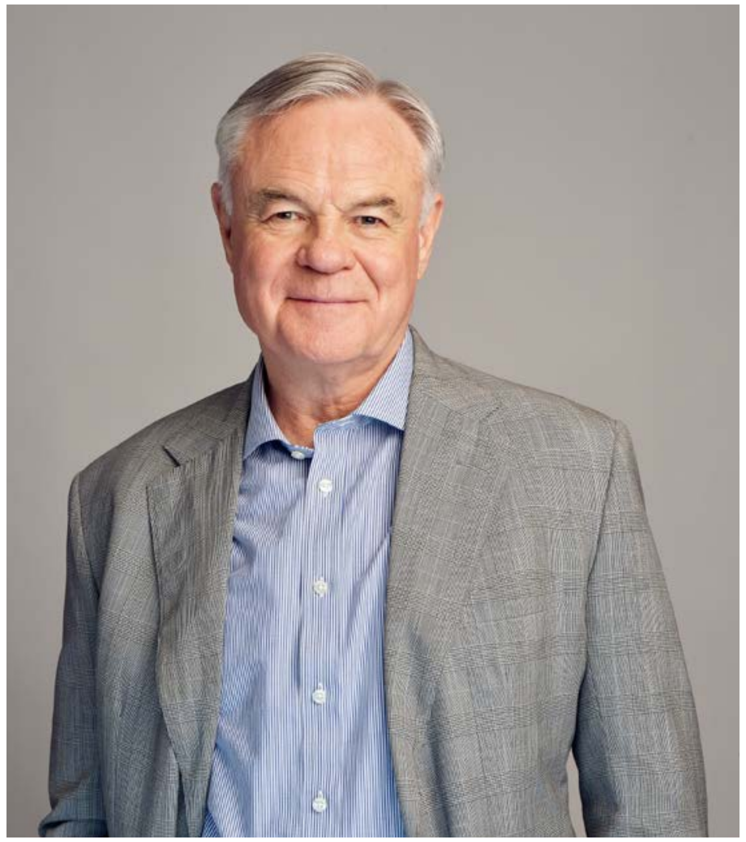
Tencent	26.16%

Revenue[1]	Trading profit[1]
US$22.3bn down 12% (1%)	US$5.1bn down 19% (9%)

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

1 Presented on an economic-interest basis from continuing operations.
2 From 1 March 2023, following the group's decision to exit the OLX Autos business unit, its operations are classified as held for sale and those that have been closed by 31 March 2023 were presented as a discontinued operation. In May 2022, as a result of the continued conflict in the region, the group announced its decision to exit its Russian business. Accordingly, Avito was presented as a discontinued operation.

Chair's review



We create long-term value for our shareholders by improving the everyday lives of billions of people through technology.

Koos Bekker
Chair

Creating real value in a world of change

As digitisation advances, a large part of our lives is now lived online. New technological breakthroughs are accelerating this transition, which plays out against a backdrop of geopolitical tensions, inflation and supply-chain disruptions.

> In the face of uncertainty, we tried to maintain our focus and our purpose. As a consumer internet group and one of the largest technology investors, we are helping to bring the benefits of a digital world to our customers. We do this in the core segments of Food Delivery, Classifieds, Payments and Fintech, and Edtech, where we aim to build useful ecosystems.

Creating value for shareholders

In June 2022, the board approved an open-ended repurchase programme of Prosus and Naspers shares. The aim was to unlock value for shareholders and increase net asset value (NAV) per share over time. This implies a programmatic trimming of Tencent shares and will remain active while the discount to NAV is at elevated levels. At the same time, Tencent remains our most important asset and we are convinced that it will grow further in future.

Investors responded positively, acknowledging the repurchase programme as a signal of long-term commitment to unlocking value, although some cautioned that this was not the only solution to remedy discounts. Our intention is to do more, including improving profitability of Ecommerce. A major ambition is to reach consolidated profitability in our Ecommerce business during the first half of FY25. We also wish to address some complexities around the cross-holding structure, if possible.

By year-end, the Prosus NAV discount had reduced by 16 percentage points from 54% to 38%, creating over US$16bn of value for shareholders. To fund the process, we realised US$10.7bn from the sale of 3% of Tencent's issued share capital, reducing our stake to 26.16%.

Discount to net asset value progression since implementing the repurchase programme

In March 2023, we announced our exit of OLX Autos, an adjacent operation to our successful core OLX classifieds business. This strategic development is detailed by our chief executive.

Focus on sustainability

As outlined extensively in this report, our aim is to be a sustainable business. We do this by investing in tech-driven ventures in many countries, building them into enterprises that support local job creation and prosperity. Sometimes these services create more environmentally friendly alternatives to traditional solutions. Many are also socially transformative.

Doing the right things in the right way

Our values are reflected in our code of business ethics and conduct. Our directors promote a culture of strong business ethics aimed at long-term value creation. This underpins the group's activities as a responsible corporate citizen. Governance of information and technology – particularly data privacy and cybersecurity – remained focus areas. We updated multiple key group policies, including the sanctions and export controls policy.

In October 2022, Sharmistha Dubey, independent non-executive director, was appointed as a member of the audit committee, enhancing its composition.

Dividend

The board recommends that, in total, shareholders receive a distribution (in the form of a capital repayment for holders of ordinary shares N and a dividend for holders of ordinary shares B and ordinary shares A1) of approximately €175m, which currently represents an increase of approximately 7% for free-float shareholders. Holders of ordinary shares B and ordinary shares A1 will receive an amount per share equal to their economic entitlement as set out in the articles of association. Furthermore, the board recommends that those holders of ordinary shares N as at 3 November 2023 (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 the annual general meeting on 23 August 2023, elections to receive a dividend instead of a capital repayment will need to be made by holders of ordinary shares N by 20 November 2023. More information regarding the distribution will be published in the notice of annual general meeting.

Capital repayments and dividends will be payable to shareholders recorded in our books on the dividend record date and paid on 28 November 2023. Capital repayments will be paid from qualifying share capital for Dutch tax purposes. No dividend withholding tax will be withheld on the amounts of capital reductions paid to shareholders. However, if holders of ordinary shares N rather elect to receive a dividend from retained earnings, dividends will be subject to the Dutch dividend withholding tax rate of 15%.

Dividends payable to holders of ordinary shares N who elect to receive a dividend and who hold their listed ordinary shares N through the listing of the company on the JSE will, in addition to the 15% 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%, a rebate equal to the Dutch dividend tax paid in respect of the dividend (without right of recovery). Shareholders holding their listed ordinary shares N through the listing of the company on the JSE, unless exempt from paying South African 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% South African dividend tax.

Looking ahead

During the new financial year we will undoubtedly face challenges again. We will navigate these as best we can. Hopefully, new opportunities may also appear along the way.

On behalf of the board, I thank everyone who contributed to our results for the year. We look forward to continued growth as a global consumer internet company dedicated to improving people's lives around the world.

Koos Bekker
Chair

26 June 2023

Our board

Koos Bekker
70, male, South African and Dutch
Non-executive chair
P* H N

Date of first appointment: 14 August 2019
Start and end of current term:
AGM 2022 – AGM 2025
Area of expertise and contribution: M&A, corporate finance, strategy, entrepreneur

Bob van Dijk
50, male, Dutch
Chief executive and executive director
P R S

Date of first appointment: 16 May 2019
Start and end of current term:
Not applicable
Area of expertise and contribution: M&A, tech expertise, entrepreneur

Basil Sgourdos
53, male, South African
Chief financial officer and executive director
P R S

Date of first appointment: 16 May 2019
Start and end of current term:
Not applicable
Area of expertise and contribution: Corporate finance, capital raising, debt management, capital allocation, statutory and public reporting, risk management, systems of internal control

Sharmistha Dubey
52, female, American
Independent non-executive director
A

Date of first appointment: 24 August 2022
Start and end of current term:
AGM 2022 – AGM 2025
Area of expertise and contribution: Engineering, insights into tech businesses

Hendrik du Toit
61, male, South African and British
Non-executive director and lead independent director
N

Date of first appointment: 14 August 2019
Start and end of current term:
AGM 2021 – AGM 2024
Area of expertise and contribution: Investment management, sustainability and economics

Craig Enenstein
54, male, American
Independent non-executive director
H* N

Date of first appointment: 14 August 2019
Start and end of current term:
AGM 2021 – AGM 2024
Area of expertise and contribution: M&A, corporate finance, economics, valuations

Manisha Girotra
53, female, Indian
Independent non-executive director
A

Date of first appointment: 1 October 2019
Start and end of current term:
AGM 2020 – AGM 2023
Area of expertise and contribution: Investment banking, economics, corporate finance, insight into Indian businesses

Rachel Jafta
62, female, South African
Independent non-executive director
P N* S R

Date of first appointment: 14 August 2019
Start and end of current term:
AGM 2020 – AGM 2023
Area of expertise and contribution: Economics, sustainability, corporate governance and education

Angelien Kemna
65, female, Dutch
Independent non-executive director
A R

Date of first appointment: 24 August 2021
Start and end of current term:
AGM 2021 – AGM 2024
Area of expertise and contribution: M&A, finance, risk, corporate governance

Nolo Letele
73, male, South African
Independent non-executive director
S

Date of first appointment: 14 August 2019
Start and end of current term:
AGM 2021 – AGM 2024
Area of expertise and contribution: Engineering, media

Debra Meyer
56, female, South African
Independent non-executive director
S*

Date of first appointment: 14 August 2019
Start and end of current term:
AGM 2022 – AGM 2025
Area of expertise and contribution: Sustainability, strategy

Roberto Oliveira de Lima
72, male, Brazilian
Independent non-executive director
H N

Date of first appointment: 14 August 2019
Start and end of current term:
AGM 2021 – AGM 2024
Area of expertise and contribution: Insights into Brazilian businesses, business management, information technology

Steve Pacak
68, male, South African
Independent non-executive director
P A* R*

Date of first appointment: 14 August 2019
Start and end of current term:
AGM 2022 – AGM 2025
Area of expertise and contribution: M&A, finance, risk, strategy

Ying Xu
59, female, Chinese
Independent non-executive director
Date of first appointment: 18 August 2020
Start and end of current term:
AGM 2020 – AGM 2023
Area of expertise and contribution: Corporate finance, retail, insights into online businesses in China

Cobus Stofberg
72, male, South African
Independent non-executive director
S

Date of first appointment: 14 August 2019
Start and end of current term:
AGM 2022 – AGM 2025
Area of expertise and contribution: M&A, corporate finance, strategy

Mark Sorour
61, male, South African
Non-executive director
P

Date of first appointment: 14 August 2019
Start and end of current term:
AGM 2020 – AGM 2023
Area of expertise and contribution: M&A, corporate finance, strategy

Key
- **A** Audit committee
- **R** Risk committee
- **S** Sustainability committee
- **P** Projects committee
- **N** Nominations committee
- **H** Human resources and remuneration committee
- * Chair

For more detailed biographies, including relevant outside positions on each director, refer to our website at www.prosus.com/about.

Chief executive's review

The power of technology is driving change in the world and Prosus is at the heart of this change.

Bob van Dijk
Chief executive

Improving everyday life

We use technology to improve daily life for billions of people. This creates sustainable value for our customers and communities, our many stakeholders and our group as we build companies that today serve over two billion customers. We believe there is much more to come.

> Our approach is founded on a multigenerational record of innovation, adaptation and reinvention. We understand the opportunity and importance of solving everyday problems for customers. Equally, we understand that local entrepreneurs are often best placed to do this.

As such, we continually identify and back innovative, ambitious local entrepreneurs. We nurture and support the companies we invest in, because our experience proves this is the best way to build sustainable businesses. Entrepreneurs find this long-term approach attractive, along with access to our operating experience and global scale. These are important criteria in a fast-moving and competitive world where available funding has almost halved since peaking in September 2021.

> 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.

However, it also requires a disciplined approach to capital allocation, grounded in future returns. Typically, we progressively grow our capital commitments as we learn and scale. But we are disciplined about divesting from assets that no longer meet our rigorous return expectations. A clear example is our decision to exit the OLX Autos business prior to year-end, as discussed below.

Since we are focused on capturing the value of future technological change, AI is integral to our growth, innovation, and competitiveness. AI is employed ethically and responsibly across the organisation for improving customer experience and operational efficiency. We have fully embraced the potential of generative AI (GenAI), both as a technology to make all our businesses better, and as a key factor in our investment decisions. Our central AI team, which we started about five years ago, is instrumental to be a leader in developing and responsibly deploying GenAI.

Progress on strategy this year

Our businesses continued to deliver strong growth while navigating a challenging and fast-changing environment. Despite widespread uncertainty throughout the review period, we have made good progress on our strategy to build valuable businesses across the group.

In 2022, growth expectations and valuations were under pressure as consumers adapted to higher inflation and interest rates. To address these challenges, we are reducing our cost base and we are taking further action to deliver long-term value to our shareholders.

In March 2023, we announced our exit from OLX Autos. This adjacency to our core classifieds business of OLX Group faced ongoing macroeconomic and market challenges. Higher cost of capital, high inflation and the reversal of pandemic trends resulted in a significant and persistent slowdown in the second-hand car market. While OLX Autos had built leading positions across many of its key markets given its strong technology platforms and local focus, pursuing a global growth strategy was no longer the right approach for our shareholders. We are exploring all options for this business, acknowledging that significant value exists in local markets.

> Group revenue from continuing operations grew
> **7% to US$32.2bn**

The exit of OLX Autos will significantly improve the profitability profile of our Classifieds segment as a whole and supports our stated first half of FY25 ambition of a profitable Ecommerce segment.

That said, this turbulent environment has reduced the risk appetite for many investors and depressed market valuations, particularly in the tech and internet sectors. By mid-year, this had led to a very substantial widening in our discount to the sum of the group's asset value. To take advantage of this dislocation and generate substantial shareholder value, in June 2022, the group launched an open-ended multiyear share repurchase programme, funded by the daily sales of a limited number of Tencent shares and the concurrent repurchase of Prosus shares. This transaction locks in value immediately, while at the same time increasing the group's exposure to Tencent and its ecommerce portfolio on a per-share basis.

The recent groupwide initiative at corporate and in the segments to reduce headcount introduces risks. We rely on the expertise and knowledge of our people in the markets in which we operate but the reductions create capacity constraints that impact people's morale. We are working hard to adapt our operations to enhance their sustainability. We are focusing on core tasks so that our people have a sustainable workload. We are also changing our processes to ensure we manage our risks in this evolving legislative landscape. We remain committed to improving the engagement of our people and will maintain that focus in the coming financial year.

Performance

We detail our performance on pages 48 to 69, with a detailed financial review from page 22.

In summary, on an economic-interest basis, group revenue from continuing operations grew by 7% in local currency, excluding acquisitions and disposals, to US$32.2bn. This was driven by our ecommerce businesses maintaining topline momentum. Consolidated revenue from continuing operations grew 10% (23%)[1] to US$5.8bn. Trading profit declined to US$3.4bn, reflecting a lower share of profits from Tencent and increased organic investment to scale ecommerce extensions. As such, core headline earnings decreased to US$2.5bn.

1 Percentages in brackets represent growth in local currency, excluding mergers and acquisitions (M&A).

As a global consumer internet group and a leading long-term technology investor, we recognise the power of technology to create solutions for some of the world's most pressing needs.

We are cutting costs as we expect the operating environment to remain challenging for the foreseeable future. We are accelerating various paths to profitability, with direct incremental investment in areas where we identified the best opportunities to create future value, profitability and cash flow generation. We closed operations where we believe profitable growth cannot be achieved. This will improve both operating leverage and profitability for the group in the medium term while creating a more efficient operating structure in the long term. We also continued cost-saving initiatives, reducing our corporate footprint.

To summarise our results, beginning with the four components of our Ecommerce segment:

» **Food Delivery's** performance remained robust, driven by growth in quick commerce, which leverages the scale achieved in the restaurant delivery business. iFood grew in scale and improved its consolidated trading margins in both core food delivery and quick commerce. Given this strength, we acquired the remaining 33.3% stake of iFood from Just Eat Takeaway for €1.5bn, plus a contingent consideration of up to €300m.

» **Classifieds'** revenue grew strongly and the core Classifieds sustained growth and improved profitability, despite the impacts of a tough global economy and Russia's invasion of Ukraine, which significantly affected OLX Europe.

» In **Payments and Fintech**, the business continued to show growth in the core payment service provider (PSP) business and in credit in India. India's payments business grew on the back of increased wallet share in existing merchants and further diversification of the revenue base, both of which contributed to the improved trading profit margin. Global Payments Operations (GPO) showed robust revenue growth but was impacted by currency translation, while a once-off loss provision due to a merchant that went bankrupt and higher merchant acquisition costs drove GPO into a trading loss. Credit continued to scale while improving its trading margin through operating leverage.

» **Edtech** recorded 28% (18%) revenue growth. Our enterprise platforms, Stack Overflow and GoodHabitz, invested in product enhancement and footprint expansion, which drove a higher trading loss. Such investments were necessary to scale the platforms and improve product offerings as these businesses are positioned to benefit from companies upskilling and reskilling their workforce in a fast-changing, technology-driven world.

» In our **Etail** segment, eMAG had a challenging year as online demand subsided in the face of a resurgent post-pandemic offline economy. In addition, the war in Ukraine resulted in a broader macroeconomic slowdown across Central and Eastern Europe.

» Our **Ventures** arm adopted a prudent approach. While investing less capital during the year, the team continues to build a healthy pipeline of prospects for coming years. Ventures remains our engine for growing into new segments and markets.

Responsible operator and investor

As a global consumer internet group and a leading long-term technology investor, we recognise the power of technology to create solutions for some of the world's most pressing needs. We view technology as the cornerstone of a successful transition to a green economy that is inclusive and leaves no one behind.

As such, we are creating sustainable value through strategies that improve material efficiency, driving a systemic transition to a circular economy and low-carbon growth.

We are embedding our groupwide climate transition plan by setting and achieving absolute reduction targets on our net-zero journey.

In line with our decarbonisation strategy, we are setting groupwide, multiyear, science-based greenhouse gas emissions reduction targets that will drive our climate transition plan.

The war in Ukraine

Russia's protracted war on Ukraine remains a human tragedy, with significant global, social and economic repercussions.

While our OLX business in Ukraine has proven its resilience, we continue to support our people in several ways, and with financial support for humanitarian initiatives in the country.

In our last report, we announced our exit from the Russian classifieds business, Avito. We completed this disposal and received proceeds of RUB151bn (US$2.4bn) in October 2022. Avito is now treated as a discontinued operation in the financial results and thus excluded from continuing operations. We also renounced our entire stake in VK, a social and internet platform in Russia.

Looking forward

We adapted our strategy to an uncertain macroeconomic environment to drive continued development of valuable, global, consumer internet businesses. The fundamentals of these businesses remain sound. We continue to have conviction in our platforms and are excited about opportunities ahead.

We are long-term investors and have invested through a number of economic downturns in volatile internet markets. We remain disciplined in our capital allocation, as investments now face a higher bar. We will continue to drive profitability, build scale and take action to manage expenses and free cash flow, even as we invest for growth. In the current environment, we maintain our preference for organic investment – focused on credit, and food and grocery delivery. We are building capabilities, expanding ecosystems and improving competitiveness to accelerate growth and deliver returns across our portfolio. This will expand the profit potential of our ecosystems over the medium term.

A healthy liquidity profile is helpful in uncertain times. Our ambition remains to manage the balance sheet within our investment-grade rating.

Finally, we remain committed to structural actions that unlock value for our shareholders over time. As part of this commitment, we will continue our open-ended repurchase programme as long as the discount remains elevated to structurally improve returns on investment.

Bob van Dijk
Chief executive

26 June 2023

Chief financial officer’s review

Decisive management actions in the review period support our purpose and strategy to create value for shareholders and all stakeholders.

Basil Sgourdos
Chief financial officer

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 further explanation of the use of APMs, refer to about this report in the governance section.

A reconciliation of the alternative performance measures to the equivalent IFRS metrics is provided in ‘Other information – Non-IFRS financial measures and alternative performance measures’ of these consolidated annual financial statements.

The operating environment in the fiscal year ended 31 March 2023 remained difficult and continued to be characterised by geopolitical and macroeconomic uncertainty. Amid that uncertainty, the group leveraged its strong financial footing and remained focused on building long-term sustainable value in local marketplaces across its main segments. After years of investment and growth, these segments have scaled meaningfully, creating clear paths to profitability for each. The group is committed to achieving consolidated Ecommerce profitability in the first half of FY25 while maintaining industry-leading levels of growth. We believe this will form a strong basis to continue delivering long-term value to our shareholders.

Please note that the growth rates discussed below represent a comparison between FY23 and FY22, unless otherwise stated. The percentages in brackets represent local currency growth, excluding mergers and acquisitions (M&A), and a clearer view of the underlying operating performance.

Operating review

Our Ecommerce businesses maintained topline momentum. Consolidated revenue from continuing operations grew 10% (23%) to US$5.8bn, with the biggest contributions from Food Delivery, and Payments and Fintech. Given a sharp rise in the cost of capital, M&A investment of US$2.5bn was considerably lower than in recent years. We continue to explore opportunities, but are cautious as private market valuations remain high.

Increased consolidated trading losses from continuing operations of US$790m reflect our focused approach to incremental investment in our Ecommerce growth extensions. Our businesses are focused on accelerating their paths to aggregate profitability while continuing to invest in high-conviction growth areas. We drove efficiencies and cut back aggressively on costs, including at a corporate level. This supported an improvement in trading loss from US$365m in the first half of the year to US$252m in the second half in our Ecommerce segment. For the year, growth extensions accounted for US$492m of the trading losses. With the decision on OLX Autos, cost focus and focused investment on opportunities with high conviction on future profitability, we expected a continued significant reduction in trading losses in each reporting period and are committed to delivering consolidated Ecommerce trading profit during the first half of the 2025 financial year.

The core Classifieds business delivered sustained growth and improved profitability through stable operating metrics and strong performance in Europe. The autos and real-estate verticals and pay-and-ship initiatives contributed to revenue growth. Like listed peers, the OLX Autos business faced significant challenges and the group announced its intention to exit this business. This decision was driven by a major deterioration of market conditions in this industry towards the end of the second half of the year. The exit of OLX Autos will lead to a sizeable improvement in Classifieds and Ecommerce profitability.

Food Delivery’s performance remained strong, with revenue growing well ahead of peers and profitability improving meaningfully. iFood continued to benefit from sustained momentum in the core restaurant food-delivery businesses and improved extensions, with targeted and disciplined investment in quick commerce and grocery marketplace. Given the group’s conviction in iFood, we acquired the remaining 33.3% stake of iFood from Just Eat Takeaway in November 2022 for €1.5bn, plus a contingent consideration of up to €300m.

Payments and Fintech continued to see meaningful growth in the core payment service provider (PSP) business and in its burgeoning Indian credit business. India’s payments business grew on the back of increased wallet share in existing merchants and further diversification of the revenue base, both of which contributed to improved trading profit margin. The credit business in India continued to scale and improved its trading loss margin, now approaching breakeven, by diversifying funding sources and enhancing cost discipline and risk management. The Global Payments Operations (GPO) showed strong revenue growth, but profitability was impacted by a once-off loss provision. Excluding this provision, the GPO business remains profitable.

In Edtech, our majority-owned enterprise platforms, Stack Overflow and GoodHabitz, continued to grow but investments weighed on profitability. We invested in sales, product enhancements and global footprint expansion to better position the businesses, improving their overall product offerings and bringing scale to the platforms as corporations look for alternative ways to upskill and reskill their workforces. The current focus of investment is to leverage our strong generative AI (artificial intelligence) in-house capabilities to deliver significant value to customers.

Our robust balance sheet continues to provide liquidity and optionality with which to navigate a volatile environment. During the year, the balance sheet benefited from Tencent’s distribution of JD.com and Meituan shares. The group exited the JD.com stake mid-year and received US$3.7bn. The Meituan shares were received on 24 March 2023. In April 2023, Tencent announced a 50% increase in its dividend, which resulted in a dividend of around US$758m received in June 2023.

In October 2022, the group completed the disposal of its Russian classifieds business, Avito, and received the proceeds of RUB151bn (US$2.4bn). Avito is treated as a discontinued operation in the financial results and thus excluded from continuing operations. For OLX Autos, the operations that are classified as held for sale and the operations that are closed down by 31 March 2023 have been presented as discontinued operations and are reviewed separately by the CODM. OLX Autos operations whose exit process has not been finalised as at 31 March 2023 are presented as continuing operations.

In all, the group ended the year in a strong position with US$16.2bn in gross cash and cash equivalents and US$15.9bn in debt.

We are pleased with the group's resilient performance and financial footing in a particularly difficult macroeconomic environment. As noted by the chair, in FY23, we initiated an open-ended repurchase programme of Prosus and Naspers shares to preserve value for shareholders and increase our net asset value (NAV) per share over time. As announced, this is being funded by the regular on-market sale of Tencent shares. In the review period, we sold 3% of our shareholding in Tencent (being 9.7% of the issued share capital), generating proceeds of US$10.7bn and reducing our holding to 26.16%. At the closing price of HK$385.8 on 31 March 2023, this stake is valued at US$123bn. We have been investors in Tencent for over 20 years, and remain confident in the future of the China tech industry and Tencent in particular. By 31 March 2023, Prosus had repurchased 152 797 117 Prosus shares and 4 152 285 Naspers shares, with a total value of US$10.5bn, leading to a 4.5% accretion in the NAV per share. As long as the discount remains elevated, the group will continue to take advantage of this market aberration to create value for shareholders on a daily basis.

As part of this programme, Naspers received approval from the South African Reserve Bank to continue funding its buyback with regular sales of Prosus shares. By 31 March 2023, Naspers had sold 43 356 695 Prosus shares and bought back 16 320 371 of its own shares to the value of US$2.5bn. Over time, the group intends to execute the programme in a manner that will keep the respective Prosus and Naspers free-float shareholder groups' relative economic interest in the underlying assets aligned with their position at the start of the programme.

In the fiscal year ended 31 March 2023, and in coming years, the group remains committed to: bringing its consolidated Ecommerce portfolio to profitability; continuing the open-ended share repurchase programme while its shares remain at elevated discount levels; pursuing simplification of the overall corporate structure; and crystallising value for investors in our portfolio of assets. We believe that these drivers acting in concert will result in meaningful value creation and shareholder return.

Given the wide geographical span of our operations and significant M&A activity in ecommerce, reported earnings were materially impacted by foreign exchange movements and the effects of acquisitions and disposals.

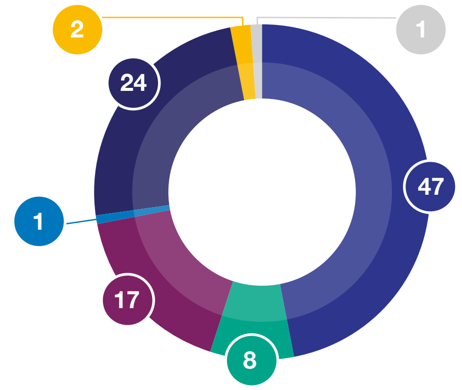
Financial review

Revenue

Our total revenue increased by US$545m, or 10%, from US$5 220m in the year ended 31 March 2022 to US$5 765m in the year ended 31 March 2023, primarily due to the biggest contributions to growth from Food Delivery, and Payments and Fintech.

We operate in countries and markets across the world, resulting in significant exposure to foreign exchange volatility. This can have an impact on reported revenues and costs as they are generally denominated in the local currency. The financial performance of our businesses is accounted for in the group in their respective functional currencies and translated to US dollar. The weakening of certain currencies against the US dollar in the year ended 31 March 2023 negatively affected our year-on-year performance by US$2 572m, or 49%, through the translation impact, specifically in the Classifieds, and Payments and Fintech businesses. Revenue growth expressed in local currency, excluding acquisitions and disposals, of 7% was achieved in the year ended 31 March 2023.

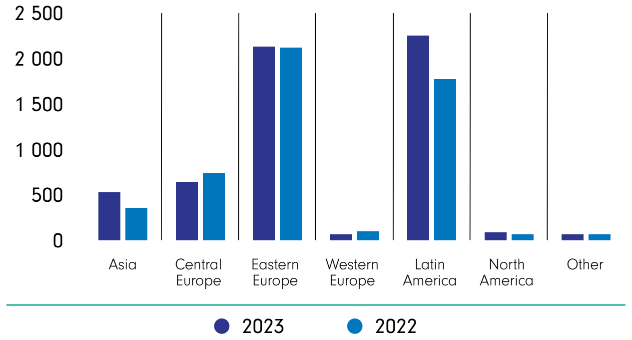
Total revenue (%)



	US$'m	%
Online sale of goods revenue	2 695	47
Classifieds listings revenue	436	8
Payment transaction commissions and fees	987	17
Mobile and other content revenue	51	1
Food-delivery revenue	1 366	24
Advertising revenue	32	0
Edtech	134	2
Other revenue	64	1
Total	**5 765**	**100**

Online sales of goods revenue represented 47% and 54% of our total revenue in the year ended 31 March 2023 and the year ended 31 March 2022 respectively.

Revenue by geographic market (US$'m)



	2023	2022
Asia	**528**	358
Central Europe	**641**	736
Eastern Europe	**2 130**	2 121
Western Europe	**62**	99
Latin America	**2 252**	1 776
North America	**87**	65
Other	**65**	65
Total	**5 765**	5 220

Group revenue, measured on an economic-interest basis, was US$32.2bn, grew 7% in local currency, excluding acquisitions and disposals, driven by a healthy 22% (31%) increase in Ecommerce segment revenues.

Costs of providing services and sale of goods

The costs of providing services and sale of goods increased by US$259m, or 7%, from US$3 849m for the year ended 31 March 2022 to US$4 108m for the year ended 31 March 2023.

Platform/website hosting, warehousing costs and costs of goods sold on those platforms decreased by US$15m, from US$2 526m in the year ended 31 March 2022 to US$2 511m in the year ended 31 March 2023.

Delivery service costs increased from US$611m in the year ended 31 March 2022 to US$738m in the year ended 31 March 2023. This increase primarily related to logistics costs in the Food Delivery business on the back of increased gross merchandise value (GMV) of 27%.

Payment facilitation transaction costs increased by US$105m from US$588m in the year ended 31 March 2022 to US$693m in the year ended 31 March 2023. The increase primarily related to the Payments and Fintech business, particularly in India, where the increased transaction volumes with merchants resulted in increased transaction processing costs. In addition, following the growth in the Food Delivery business, payments facilitation costs increased accordingly.

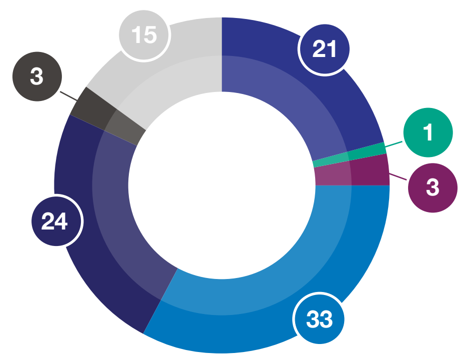
Selling, general and administrative costs

Selling, general and administrative costs increased by US$96m, or 4%, from US$2 152m in the year ended 31 March 2022 to US$2 248m in the year ended 31 March 2023.

General business administrative cost increased by US$75m from US$416m in the year ended 31 March 2022 to US$491m in the year ended 31 March 2023, primarily due to cost increases across all the segments as they scale.

Staff costs[1] decreased by US$55m, or 4%, from US$1 317m in the year ended 31 March 2022 to US$1 262m in the year ended 31 March 2023, primarily due to a decrease in share-based compensation costs. This was partially offset by increased salaries, wages and bonuses resulting from annual increases.

Average number of employees (%)[2]



	Number of employees	%
Classifieds	4 869	21
Corporate	178	1
Edtech	772	3
Etail	7 579	33
Food Delivery	5 596	24
Other	746	3
Payments and Fintech	3 512	15
Total	**23 252**	**100**

1 Adjusted and restated to account for OLX Autos.
2 Average number of employees from 1 April 2022 to 31 March 2023.

Total permanent staff decreased from 23 437 at 31 March 2022 to 22 634 at 31 March 2023. Staff decreased particularly in the Classifieds and Etail segments. For further information regarding headcount, refer to the section on our people on page 75.

Cash share-based compensation costs decreased by US$315m 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$22m, or 13%, from US$168m in the year ended 31 March 2022 to US$190m in the year ended 31 March 2023. The increase in depreciation expenses primarily related to the acquisitions of property, plant and equipment, notably computer and office equipment, following growth in our Food Delivery businesses. Amortisation increased on the back of acquired intangible assets related to business combinations.

Finance income/(costs) – net

Net finance cost decreased by US$267m from US$346m in the year ended 31 March 2022 to US$79m in the year ended 31 March 2023.

Interest expense increased by US$157m, or 39%, from US$398m in the year ended 31 March 2022 to US$555m in the year ended 31 March 2023, as a result of full-year interest paid on the publicly traded bonds.

Interest income increased by US$424m, or 815%, from US$52m in the year ended 31 March 2022 to US$476m in the year ended 31 March 2023, due to increased cash balances on hand.

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 income increased from a finance loss of US$92m for the year ended 31 March 2022 to an income of US$18m for the year ended 31 March 2023. This relates primarily to a gain on foreign exchange differences related to the foreign exchange impacts on the translation of assets and liabilities offset by fair value losses of derivative instruments, which include options exercised, forward exchange contracts, derivatives embedded in lease agreements and the cross-currency interest rate swap.

Share of equity-accounted results

Our equity-accounted results in equity-accounted companies decreased by US$4 083m, or 44%, from US$9 257m in the year ended 31 March 2022 to US$5 174m in the year ended 31 March 2023. This is driven primarily by a decrease in our share of fair value gains on financial instruments of US$1.7bn, reduced gains on acquisitions and disposals of US$396m and additional impairment losses of US$827m. This was in addition to reduced profitability in Tencent of US$1.2bn and a decrease in Tencent's contribution to equity-accounted earnings as a result of the sale of this investment to fund the open-ended share repurchase programme.

Impairments

Impairment on goodwill increased from US$246m recognised in the year ended 31 March 2022 to US$684m in the year ended 31 March 2023. This relates to an impairment of US$560m recognised on Stack Overflow and US$116m recognised on the OLX Autos business unit.

Impairment on equity-accounted investments increased from US$581m recognised in the year ended 31 March 2022 to US$1 742m in the year ended 31 March 2023. This relates to an impairment of US$997m (recognised in the first half of the financial year related to Delivery Hero), US$301m related to Skillsoft and US$442m related primarily to unlisted equity-accounted investments.

Net gains on acquisitions and disposals

Gains on acquisitions and disposals of US$55m were recognised in the year ended 31 March 2023, compared to a loss of US$1 127m in the year ended 31 March 2022.

In March 2022 a loss of significant influence of US$1 137m was recognised on VK as a result of our resignation from the board of directors. 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.

Taxation

Our tax expenses decreased by US$15m, or 28%, from US$54m in the year ended 31 March 2022 to US$39m in the year ended 31 March 2023.

Profit from discontinued operations

Discontinued operations consist of the group's Russian business and the autos business unit. In May 2022, as a result of the continued conflict in the region, the group announced its decision to exit its Russian business. Accordingly, Avito was presented as a discontinued operation. The transaction was completed in October 2022. The group recognised a gain on disposal of the subsidiary of US$568m. Discontinued operations for the OLX Autos business include the operations classified as held for sale and the operations closed down by 31 March 2023. Refer to note 36 for details of this business unit's disposal group.

Core headline earnings

Core headline earnings for the year were US$2.5bn, a decrease of -32% (-13% in local currency), primarily due to lower contributions from our associates (US$1.3bn) of which US$1.1bn relates to Tencent. Refer to 'Non-IFRS financial measures and alternative performance indicators' of this report for a reconciliation of non-IFRS financial measures.

Cash and debt position

At year-end the group had a net cash position of US$0.3bn, comprising US$16.2bn in cash (including short-term investments) net of US$15.9bn of interest-bearing debt (excluding capitalised lease liabilities).

The group's free cash outflow (excluding Avito) was US$410m, a sizeable year-on-year improvement. This was due to improved working capital management and lower tax paid, specifically withholding tax due to fewer Avito dividends being received. Excluding OLX Autos, the free cash outflow was limited to US$30m. Tencent remains a meaningful contributor to our cash flow via a stable dividend of US$565m.

Basil Sgourdos
Chief financial officer

26 June 2023

Group overview
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Sustainability review
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Engaging with our stakeholders

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

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.

Our key stakeholder groups:

1 Customers and users

We want to help customers and users improve their everyday lives. Customers are indirectly represented through our portfolio of companies across various geographies that deliver services to their customer base.

2 Employees

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

3 Investors

We are a for-profit organisation committed to delivering value to shareholders and investors.

4 Business partners

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

5 Industry bodies

We aim to be an industry leader in both the digital technology and investing sectors, playing an active part in our shared progress.

6 Our planet and 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 communicate to our broad stakeholder community through constructive relationships with the media.

8 Government and regulators

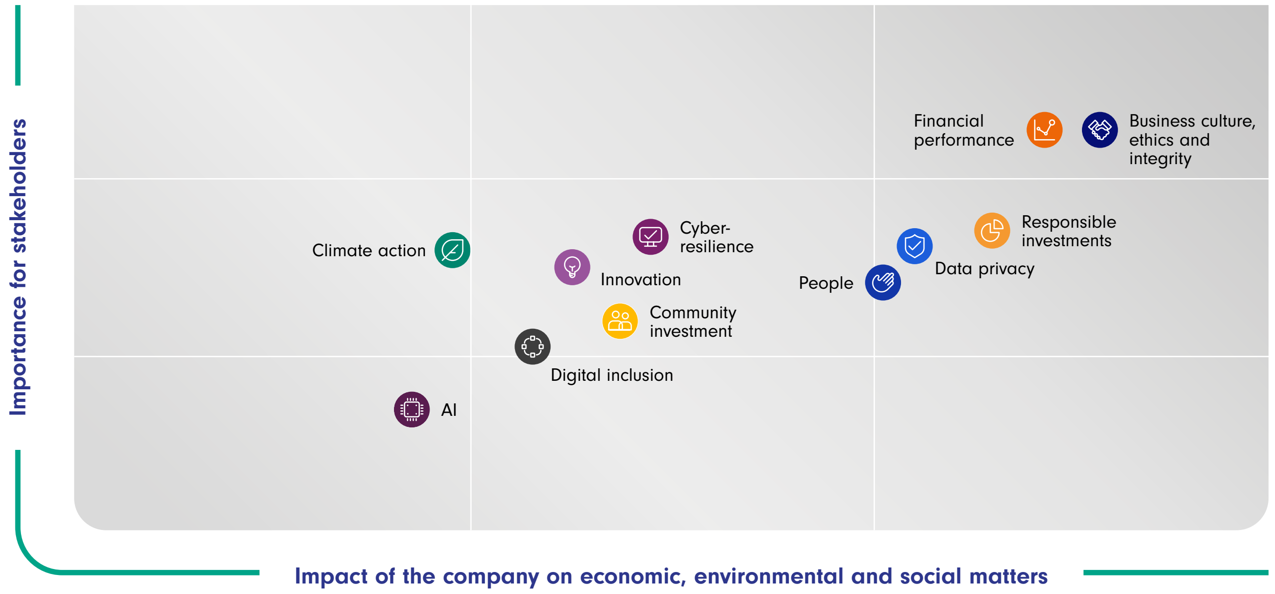
We recognise how important it is to work with governments and regulators as our portfolio of companies have a big impact on people's lives across diverse jurisdictions.

Identifying material matters

Last year, we conducted a materiality assessment. This helped us identify material matters that are high priority for our stakeholders and with a significant potential impact on our business and society. We focus on these material matters and proactively communicate our position and performance on each, with three overarching objectives: to mitigate risk, manage performance and create sustainable value.

Based on feedback from our stakeholders, we identified 11 material matters. Predictably, for a technology group, these include data privacy, cyber-resilience, digital inclusion and artificial intelligence. Sustainability issues – from climate action to responsible investment – are high on that list. Stakeholders affected and our responses are summarised by stakeholder group on the following pages.

Materiality results



With a view on the upcoming Corporate Sustainability Reporting Directive (CSRD) regulation, we have started the process to update our materiality assessment to align with the double-materiality approach. This means looking at material matters that represent relevant impacts of our business on the economy (environment, people and their human rights) as well as those that have or could have financial effects on Prosus. Building on our existing material matters, we created a long list of topics informed by the latest World Economic Forum (WEF) global risks report, referenced to the standards of European Sustainability Reporting Standards (ESRS) and the Sustainability Accounting Standard Board (SASB). This list was contextualised to Prosus and referenced to our internal risk register. This list formed the basis of an online survey that asked stakeholders/experts to prioritise material matters and rank them based on: severity of impact on the economy, environment and people; and magnitude of potential financial effect on Prosus in the short, medium and long term.

We will continue to engage with stakeholders and experts to complete this assessment in coming months as interpretations of CSRD (and the underlying European Sustainability Reporting Standards) become clearer. We will disclose results in the next year.

Our material matters

Financial performance

We create value by growing our revenues and market shares, increasing our exposure to financial revenue from sustainable business models and driving profitability and cash generation. Our understanding of sustainable value creation applies strict discipline to capital allocation and performance management.

See page 22.

Material matter: Financial performance

Stakeholders affected
» Investors and shareholders

Responsible investments

We are a responsible investor. We apply ESG factors in selecting and assessing new prospects and apply these criteria in managing the performance of businesses and investments across our portfolio.

See page 73.

Material matter: Responsible investments

Stakeholders affected
» All

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 74 to 78.

Material matter: People

Stakeholders affected
» Employees

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 78.

Material matter: Digital inclusion

Stakeholders affected
» Employees
» Customers and users

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 pages 78 and 79.

Material matter: Innovation

Stakeholders affected
» All

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 82 to 84.

Material matter: AI

Stakeholders affected
» Society
» Customers and users
» Business partners
» Investors and shareholders
» Government and regulators

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 pages 85 to 87.

Material matter: Cyber-resilience

Stakeholders affected
» Society
» Customers and users
» Business partners
» Investors and shareholders
» Government and regulators

Data privacy

We create and adhere to the right policies and frameworks to control and secure the data of our business, customers and employees.

See pages 88 to 90.

Material matter: Data privacy

Stakeholders affected
» Society
» Customers and users
» Business partners
» Investors and shareholders
» Government and regulators

Business culture, ethics and integrity

We embed our group goals, purpose and values in all business activities and operations. Although 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 91 and 92.

Material matter: Business culture, ethics and integrity

Stakeholders affected
» Customers and users
» Business partners
» Employees

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 94 to 96.

Material matter: Community investment

Stakeholders affected
» Society

Climate action

Reducing GHG emissions and energy consumption is a priority for all our operations and investments.

See pages 97 to 105.

Material matter: Climate action

Stakeholders affected
» All

Stakeholders

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

Material matters

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 are continuously improving our product ranges and the customer experience.
» We ensure our offerings are competitively priced.
» Our customer-focused initiatives include 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
» Providing jobs with meaning and a sense of purpose
» Recruitment, retention and development of talent
» Culture, including diversity and inclusion, employee wellbeing and engagement
» Job security

Material matters

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, online collaboration and content-sharing
» Continuous learning and development through our online learning platform MyAcademy, and through live education programmes
» Support given to retrenched employees

Our response and impact
» We continually invest 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.
» On our path to profitability, cost-saving initiatives were necessary, including staff reductions.

Society

What matters to them
» Social investment to support meaningful impact
» Minimising our environmental impact
» Local employment and value creation, including supporting local businesses
» Adhering to local laws and paying taxes due

Material matters

How we engage
» Community investment programmes
» Employment offering and service providers
» Website content and public announcements on material matters

Our response and impact
» Our businesses focus on maximising positive impact in local communities.
» Our group 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 paramount, for example our initiatives in Ukraine.
» Our group legal compliance programme is tailored to unique risks and local laws for each business.
» We adopt a responsible approach to tax.

Quality of relationship

Positive Stable Challenging

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Media

What matters to them
» 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

Material matters

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

Our response and impact
» We regularly engage with key journalists and editors to build relationships and understanding.
» We proactively schedule media interviews to brief them 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.

Investors

What matters to them
» Holding-company discount
» Path to profitability and cash flow generation
» Developing the optimal structure for the group
» Capital allocation: Further buybacks, investment in core assets, and responsible M&A
» Crystallising value at the right time
» Internal rates of return
» Remuneration policy and disclosure
» ESG strategy, performance and disclosures
» Strategy for core segments, and how we are investing for growth
» Competition in various markets
» Our approach to managing geopolitical and macroeconomic risks

Material matters

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 regularly with investors.
» Our engagement and reporting includes focused messaging on the path to profitability, value crystallisation, open-ended repurchase programme and simplifying the group structure.
» We provide biannual updates on our internal rate of return for the total portfolio and Ecommerce.
» We are concentrating on reducing the holding-company discount.
» We improved our ESG communications and disclosures.

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

Material matters

How we engage
» Direct participation in advisory committees, meetings and public consultations
» Formal one-on-one meetings and round-table discussions
» Response to sector and company-specific enquiries
» Indirectly through sector and industry associations
» Participation in international events, such as BRICS (Brazil, Russia, 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

Material matters

How we engage
» Structured meetings, calls and electronic communication
» Informal day-to-day communication

Our response and impact
» Strong relationship management systems ensure regular communication between key management and business representatives.
» Structured grievance processes ensure that, in any dispute, we take 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 matters
» Engagement around increasing meaningful and positive impact
» How to ensure a positive sector experience, for example through regulation and culture of the sectors

Material matters

How we engage
» Membership of selected and appropriate bodies
» Co-operating 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 material matters, such as how we align to changing legislation.
» We produce thought leadership and position papers.

Quality of relationship

Positive Stable Challenging

Material matters

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

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Our strategy

Our strategy for building sustainable long-term value remains relevant and differentiated – we pursue growth by building leading companies that empower people and enrich communities.

Build global technology leaders to ...

... address big societal needs ...

... in high-growth markets ...

... where we can build sustainable leading positions.

Underpinned by a rigorous process: Invest, scale, crystallise

Robust operating model

Global outlook	Local entrepreneurs
Investor	Operator

Our core and sustainable approach

Active: We see funding as the baseline. We like to play an active role in the growth of the companies we back.	**Focused:** We make targeted investments across our core segments.
Long-term view: We are patient and disciplined, and we build companies sustainably over time.	**Responsible:** We matter to the customers and communities that we serve. We strive to maximise our positive impact on society and the planet.

Building four core segments

Food Delivery	Classifieds	Payments and Fintech	Edtech

Three strategic priorities

Flowing from our core strategy and the implications of key trends in the world around us

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

Strategic priority 1:

Drive organic growth in our core businesses

We have identified significant opportunity in technology globally, knowing that certain markets will thrive more than others.

Backing winning segments

We will continue to focus on our core segments and drive their organic growth. While tech has done well across the board, we have invested in segments where we believe there is markedly more growth potential.

Targeting high-growth markets around the world

- While regulatory change has recently curbed investor enthusiasm in **China**, we believe it remains one of the most attractive internet markets, and Tencent is well positioned there. We also believe regulation is ultimately healthy for any industry or market – in time, businesses will adjust and investor appetite will return.
- **India** is a priority, and we are strengthening our teams and investments there. We will focus on backing local entrepreneurs to ensure we align well with India's domestic priorities.
- We are investing more in **south-east Asia**. We see opportunity there – growth is strong and smartphone adoption is rising rapidly.
- In **Brazil**, we see strong opportunity for iFood. Again, we are focused on organic growth, particularly with respect to strengthening iFood's local ecosystem. That ecosystem is centered around a strong food-delivery core that is supplemented by offerings in grocery, convenience retail, and fintech.
- We will continue to monitor markets for opportunities and be selective in our approach, prioritising the biggest opportunities.

Strategic priority 2:

Expand local ecosystems

Our businesses are building ecosystems with a strong local presence.

- Our **Food Delivery** businesses are building on their sizeable delivery operations to extend into adjacent delivery verticals, such as convenience and grocery. This creates more value for customers and more value for our businesses.
- We are expanding our **Payments and Fintech** platform in India to create a broader ecosystem.
- We are building **valuable local ecosystems around local market heroes**, such as eMAG in Central and Eastern Europe. eMAG is building Romania's largest last-mile delivery platform, growing food delivery rapidly, and expanding into grocery delivery.

Strategic priority 3:

Be a force for good for our stakeholders

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 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 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 our expectations of each other. Through our Ventures arm, we are increasing our focus on sustainable investment themes, such as agtech (agriculture technology) and healthtech.

We have also formalised our approach to responsible investing.

You can find more details on page 73.

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 – our business model

Our business model is directly linked to our strategy (page 32) and supports our purpose (page 6).

Material matters

Financial performance[1]
Financial funds and assets used to invest and develop our operations

Responsible investments
We proactively limit exposure to revenues from a defined set of controversial activities and increase our exposure to revenues from sustainability-native business models

People
Skills of our employees

Digital inclusion
Digital products and services, digital literacy and support for information technology infrastructure

Innovation
All investments in facilities and technologies across the group

AI
Ideas, source codes, domains, know-how and knowledge we create, own and protect

Cyber-resilience
Protection of information technology infrastructure

Data privacy
Data protection, data strategy, AI ethics and other key issues relevant to digital platforms

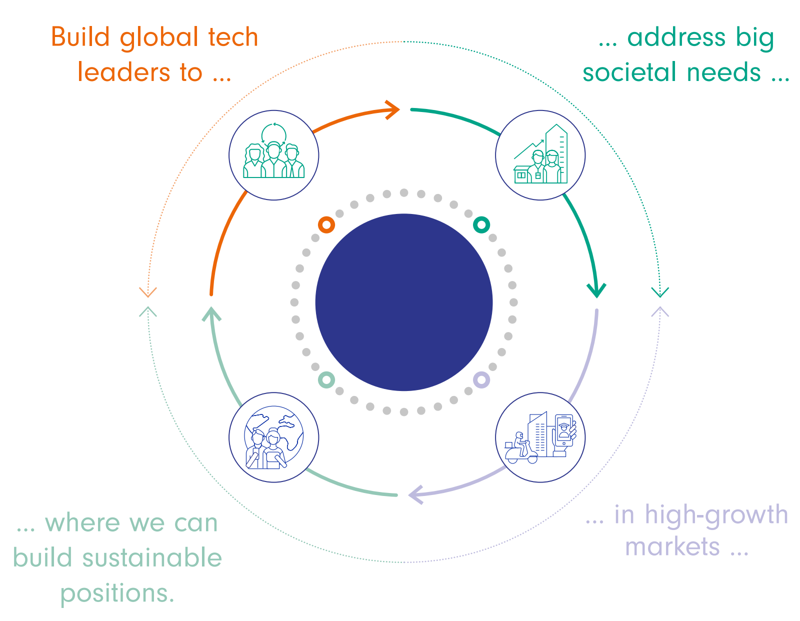
Business culture, ethics and integrity

Community investment
Trust we build in communities where we operate

Climate action
Reducing GHG emissions and energy consumption is a priority for all our operations and investments

1 Presented on an economic-interest basis.

Business activities



Our strategy is focused on creating value in four core segments:

- Food Delivery
- Classifieds
- Payments and Fintech
- Edtech

How we measure value | Outcomes | SDGs

We continue to deliver robust financial performance

» Achieve revenue at target
» Achieve core headline earnings of US$564m, including Tencent
» Achieve free cash outflow of US$1.2bn

Outcomes:
⊕ Consolidated group revenue from continuing operations: US$5 765m
⊕ Core headline earnings, including Tencent[3]: US$2 510m
⊕ Free cash outflow[4]: US$30m, excluding Avito and OLX Autos

We deliver long-term shareholder value through disciplined capital allocation

» Meaningful internal rate of return (IRR) ahead of cost of capital

Outcomes:
○ Total consolidated trading losses from continuing operations of -US$790m

We create workplaces with a fair and inclusive culture

» Diversity and inclusion is a business strategic priority and is measured
» Achieve 87% favourable response to the question 'I feel respected at my company' in the annual engagement survey
» 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

Outcomes:
⊖ In the employee engagement survey, we achieved a global score of 83% favourable responses to our gender diversity question
○ We achieved a score of 86% favourable responses to our inclusion question, 'I feel respected at my company'
⊖ MyAcademy has enabled 105 technology colleagues to earn AI nanodegrees and initiate a new career path in the field

We are committed to investing in and scaling digital services and technologies to address global challenges at a local level

We provide innovative platforms and services to customers globally

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

Outcomes:
⊖ Maintained high standards of product quality
⊕ We offer highly specialised training on several AI themes for engineers and product managers, including model deployment, ML pipelines, ML operations and natural language processing. A new addition is a series of tutorials and practical education modules on GenAI, such as prompting or training language models
⊕ By year-end, the Prosus NAV discount had reduced by 16 percentage points from 54% to 38%, creating over US$16bn of value for shareholders
○ Impairment on goodwill increased from US$246m recognised in the year ended 31 March 2022 to US$684m in the year ended 31 March 2023, relating to Stack Overflow and OLX Autos

Through our intellectual property, we drive change and innovation in the industry

» Throughout the investment life cycle, we strive to ensure that scientific and technical standards informing design and research in AI products and services are robust, and of high quality. We assess this continually

Outcomes:
⊕ 500 data scientists now part of the Prosus AI community
⊕ >4 000 software engineers and technical staff who work with PlusOne AI assistant
⊕ Technology and process innovations across our portfolio

We implement and maintain strong cybersecurity and enhance the resilience of our platforms and systems

» Ensure cybersecurity and technology risks are managed by our businesses
» Focus on ransomware prevention and response preparation

Outcomes:
⊖ 49 advisory and assurance projects to ensure cybersecurity risk management
⊖ Updated cybersecurity policy with a ransomware addendum; creating a group playbook on how we would respond to a ransomware attack. Completed ransomware simulations to further refine our resilience to this growing threat

We recognise that privacy is an important value and an essential element of public trust. We expect each of our businesses to adhere to our group policy on data privacy governance

» Seven key elements of a data privacy programme to ensure our core data privacy commitment and approach are followed in ways that really work for our businesses

Outcomes:
⊖ Strong brands and solid reputation
⊖ All subsidiaries completed two cycles of assessments across 17 data privacy domains set out in the group's privacy maturity model. Each company has selected at least two specific goals to improve maturity over the year

We are committed to conducting business in compliance with the law and behaving ethically

» Human rights statement adopted across the group and its subsidiaries
» Enhanced ethics and compliance training

Outcomes:
⊖ Human rights assessments across our value chain
⊖ 100% of group[2] employees completed ethics and compliance e-learning
⊖ Risk assessments and annual plans completed for each segment, identifying key risks and initiatives for the year ahead

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

» As part of our purpose to use technology to improve the everyday lives of billions of people, we place great emphasis on promoting inclusive, economically secure communities by doing what we do best – supporting promising entrepreneurs to make a lasting impact on the communities around them
» Beneficiaries supported through community investment programmes

Outcomes:
⊖ The Prosus Social Impact Challenge for Accessibility (SICA) and FLIGHT programmes support sectors employing underserved populations
⊖ Humanitarian relief in Ukraine
⊕ In FY23, the Potencia Tech (tech power) platform was recognised by Notable CNN, and won a prize in the tech category. This online platform offers free courses, scholarships and job openings in tech roles, specifically for people underrepresented in traditional learning pathways. In FY23, over 30 000 learners signed up and around 1 500 found employment, 69 at iFood

The group is committed to achieving net-zero emissions which is embedded in key performance indicators

» Reduce scope 1 and 2 emissions to zero at group level by year-end FY23
» Enhance ESG performance and implement a climate transition plan

Outcomes:
⊕ Reduced scope 1 and 2 emissions to zero at a corporate level by FY23
⊖ Strategy in place to meet our portfolio coverage target

⊕ Value creation ⊖ Value preservation ○ Value erosion

2 Employees in group-level functions.
3 Based on actual Prosus CORE in local currency, excluding M&A, based on budget.
4 Based on actual Prosus FCF, excluding approved adjustments.

The world in which we operate

Despite significant global uncertainty, we believe technology can transform how people live their lives in every corner of the world, creating significant value for all.

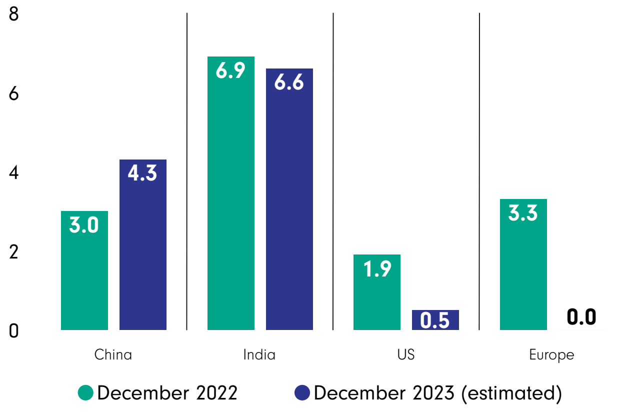
We have identified key trends relevant to our business across the macroeconomic environment, technology and society, and investor landscape. Their implications have been distilled into three strategic priorities for the group (covered in our strategy on page 32).

Macroeconomic environment

Major health, economic and geopolitical events have impacted the macroeconomic environment greatly in recent years, and significant uncertainty remains.

India recorded the fastest real GDP growth globally in 2022, while China has reopened its borders after ending its zero-Covid policy and is stabilising the environment for tech regulation. As the world's two largest internet audiences, these are both markets in which we have good exposure.

Real GDP growth[1] (%)



Updated on 19 January 2023.
1 Respectively: S&P 500, Euro Stoxx 50, China A50, FTSE India.
Source: World Bank, Fred, Eurostat, Capital IQ, investing.com.

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

Eight billion people and rising

Our footprint is in high-growth markets.

Global developments

The shared global challenges of climate change and rising inequalities 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

Growing public demand for corporates to demonstrate value beyond financials – growth and profit are no longer enough.

Rapid digitalisation

As a digital technology investor and operator, we have both an opportunity and a responsibility.

Changes in capital markets

ESG investing is no longer the exception but the norm as investors demand and integrate environmental and social data into their decisions.

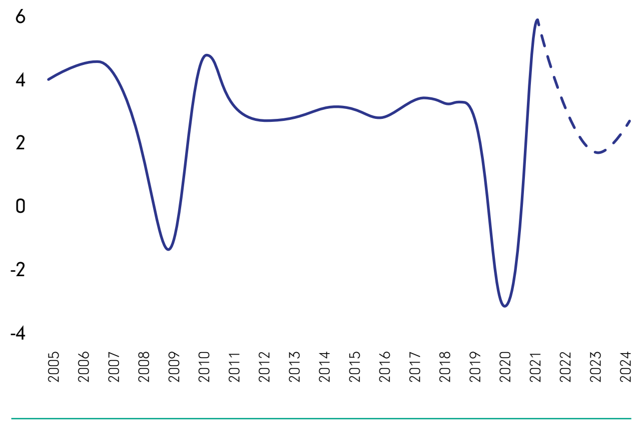
Generative AI

We systematically explore emerging technologies and accelerate them across the group. Refer to our section on artificial intelligence on page 82.

Slowing economic growth with record inflation and rising interest rates

The state of the world today was largely caused by the exogenous shock of the pandemic early in the 2020 calendar year. While the decade-long bull run, fuelled by low interest rates and quantitative easing, may have ended for other reasons eventually, the pandemic forced lockdowns and a significant economic reversal, both in the real economy and in markets. Governments responded with massive stimuli, and some parts of the economy boomed. Inflation jumped and was fuelled by the spike in energy prices when Russia invaded Ukraine. Interest rates increased sharply in the 2022 calendar year and continued to increase in 2023 as central banks reacted to high inflation rates, resulting in deteriorating consumer sentiment and slowing economic growth.

Global real GDP growth (%)



Source: World Bank, OECD.

Unsurprisingly, the 2022 calendar year was also a bear market. Rising rates and slowing economic growth were only part of the reason, as investor sentiment shifted massively from growth to profit. The significant market correction, with a sharp decline in the prices of public equities around the world, has been particularly pronounced in the technology sector.

The expectation for the 2023 calendar year is a further significant slowdown driven by high inflation, monetary tightening, and low consumer and business confidence.

Slowing economic growth compounds global inequality, which has worsened since the pandemic – undermining social cohesion, happiness and stability. Companies that address societal needs, like Prosus, have an important role in reducing inequality.

Diverging prospects across countries – China and India remain strong

While macroeconomic drivers are the same across the world, there is wide variation in how significant economies have been performing.

China's GDP growth in the 2022 calendar year was 3.0%. While high compared with most Western markets, this is a significant deceleration from pre-Covid-19 years. This has been caused by the economic cost of the zero-Covid policy, the government's stricter policy stance on tech companies, and lower demand globally for Chinese exports. With the end of zero-Covid and a stable environment for tech regulation, China tech forecasts an improved outlook, although much uncertainty remains.

India's economy has demonstrated resilience, despite a challenging external environment, and it remains one of the fastest-growing major economies in the world.

Tech and society

The pandemic changed people's lives forever by accelerating the use of technology. However, the consequent growth of tech titans produced a countertrend of anti-tech sentiment and rising regulation. As a responsible tech operator and investor, we are well positioned to navigate and contribute to our changing world – creating value for our stakeholders.

Pandemic patterns persist: We are changed forever

Since the 2020 calendar year, people have redefined how they work, interact, shop and play, with much of this everyday activity moving online. As pandemic restrictions have lifted, a new balance between online and offline is being established, but the shift to online is now entrenched. At the same time, sustainability has become a pressing concern given the mounting evidence of a climate crisis. In tandem with moving online, people are going green and they increasingly expect companies to play their part.

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The rise of a tech-enabled world

Technology is at the heart of transformation and tech titans, such as Amazon, Google and Microsoft, surged in value during the pandemic. The recent experience of mega-cap tech companies echoes the experience of many across the tech landscape. All have confronted slowing growth and reduced profits as the economic environment put pressure on their businesses. Many announced layoffs (albeit small compared with their overall workforce). However, the changes evident in recent years are foundational and expected to endure.
The way we live our lives, the way companies operate and market their products – people and businesses are relying more on technology.

A worldwide crackdown on big-tech

While the technology sector has significant growth potential, challenges remain given the world's increasingly critical and political view of the sector. Accordingly, regulation is growing. This is normal – historically, all new sectors have faced greater oversight as they grew. Broad 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. Globally, regulators must balance their responsibility to protect citizens with encouraging innovation in new technologies and businesses while avoiding the risk of overregulation.

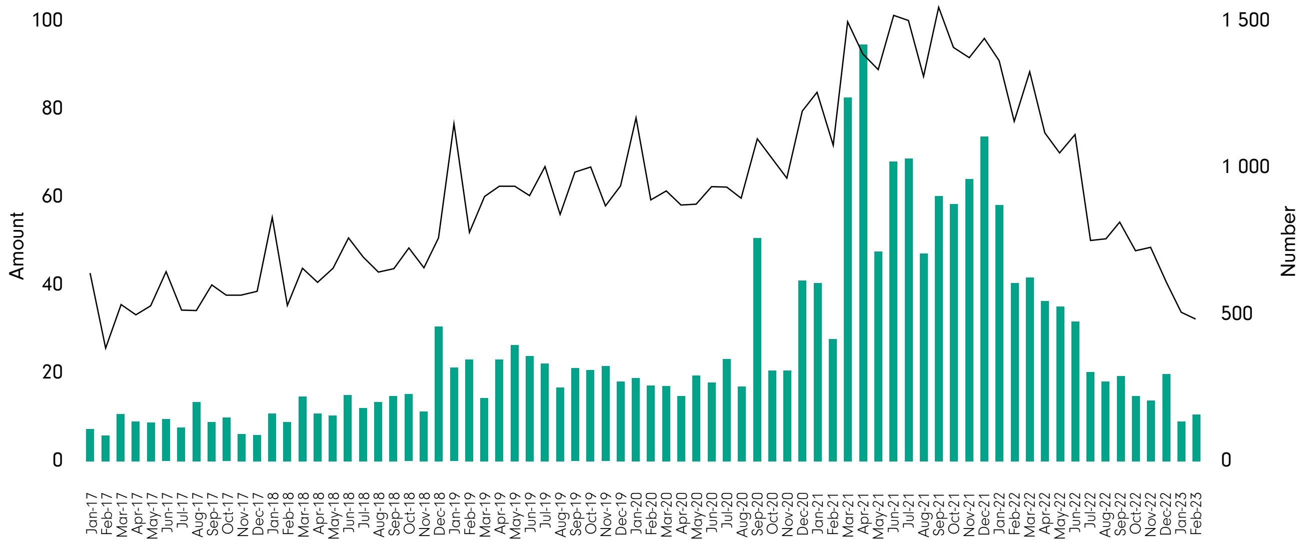
Investor landscape

Tech investment activity and valuations peaked in the 2021 calendar year when significant global capital was committed quickly on a broad range of investments. While private deal flow slowed significantly in the 2022 calendar year, we believe our focus remains true – we are confident that disciplined investment in exceptional entrepreneurs with outstanding tech-led businesses positions us to create long-term value.

Significant downturn in tech investing

According to PitchBook and based on calendar years, global venture investment plummeted in 2022 to the levels of 2017. Public market valuations also fell significantly. However, in contrast to panic selling at the onset of the pandemic in 2020, the sell-off in 2022 was orderly, with relatively lower volatility. Further downside is possible – particularly as the effects of the economic slowdown are felt, and companies revise earnings estimates down. Importantly, although an all-out global war is unlikely, escalating geopolitical tensions could disastrously impact markets.

Private funding rounds* (US$'bn)



* Tech companies, excluding China, only including funding rounds with announced amount; excluding debt, secondary, unspecified rounds and companies out of business.
Source: Prosus tech company database, PitchBook, CB Insights.

Against this background, we will remain a disciplined technology investor, creating sustainable value in our own distinctive way.

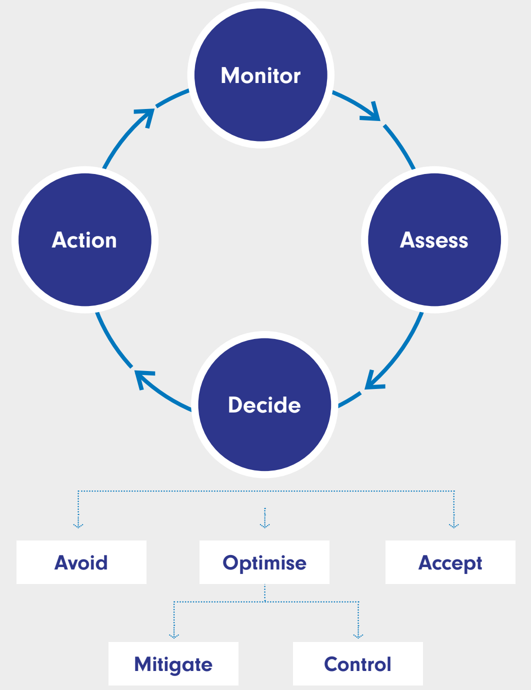
Responding to the trends

In the past year, the world has been shaped by powerful macro, geopolitical, technology, regulatory and investor forces that have been challenging for all.

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

Choosing the right opportunities and balancing risks

As we develop our businesses and grow value sustainably, we understand the importance of effective risk management and therefore continue to foster our governance processes. These support us in setting the right objectives while identifying and managing related risks, as well as any additional opportunities to exceed our plans.



Continuous evaluation process: Our governance processes and operating procedures ensure a structured and systematic approach to assess and prioritise identified opportunities and risks, decide on an appropriate risk treatment response, operationalise our decisions, and then monitor and re-evaluate risks and opportunities continuously. This iterative process enables us to make informed decisions to allocate resources effectively, continuously evaluate ongoing appropriateness of decisions, and ensures we are well prepared to navigate the evolving business landscape.

Experienced, diverse leadership: Our board, committees and management team have extensive experience and expertise in various industries, enabling them to make well-informed decisions and effectively manage risks. Their diverse backgrounds and perspectives contribute to a comprehensive understanding of the risks and opportunities we face, ensuring we remain agile and responsive to the changing business environment.

Adaptability and resilience: We pride ourselves on our ability to adapt to changing circumstances and capitalise on emerging opportunities. Our organisational structures enable a proactive approach to risk management, allowing local businesses to respond quickly to unexpected opportunities as well as risks, ensuring we remain resilient and well positioned for growth.

The risks we assume and how we respond to those are discussed regularly at the board. This is done in line with generally accepted frameworks and good practice, and the Dutch corporate governance code.

No business can be conducted without accepting risk. As such, our strategies may present both familiar and new exposures that could affect our success. In the spirit of good entrepreneurship, we accept risks responsibly, balancing risk for reward. We aim to reduce undesirable risk exposures by implementing and operating cost-effective risk treatment plans and/or controls.

We believe that doing so intelligently will deliver sustainable value growth and protect against avoidable loss. Depending on the type of risk (strategic, internal operational and external), our philosophy is broadly outlined as follows: strategic risks we seek to understand and accept responsibly to realise a balanced return; internal operational risks we aim to control to the extent that we optimise our risk profile benefiting our tolerance; and external, non-controllable risks we aim to reduce and mitigate as far as economically sensible.

» **Strategic risks** – that stand in the way of successfully delivering on our strategic priorities and realising the desired return on allocated capital – we may **accept** as we are confident that we understand and stay close to our markets, changes in the regulatory environment and the global economic and geopolitical landscape. This allows us to react rapidly should circumstances dictate. Our primary focus remains on anticipating and serving the needs of our customers in chosen markets as well as we can, and keeping our services relevant for them in their daily lives. In addition, we pay close attention to our stakeholders' needs and expectations by, among others, incorporating sustainability considerations in our decision-making and engaging in open conversations with shareholders, regulators and other internal and external stakeholders. We have structured our organisation to be agile and responsive to unexpected developments, emerging risks and opportunities, and to promote the same in our businesses. We have large stakes in businesses and listed entities that, due to their size, are major contributors to our results and net assets, but which we do not control. However, we stay close to these assets, enabling our continued belief in their potential and management. We are confident that our combined team is strong and well equipped to deliver and deal with challenges on the way. Lastly, our diversified portfolio of assets and businesses reduces our vulnerability to strategic risks.

» **Internal operational risks** – that would cause avoidable (opportunity) cost or threats to the value of our reputation and brands, including failures to comply with laws and regulation, and unethical behaviour (including fraud) – we **reduce and control** to acceptable levels by:

- Upholding our code of business ethics and conduct.
- Implementing organisational structures with clear roles and responsibilities.
- Maintaining policies and standard operating procedures.
- Implementing the right support systems.
- Effective operational, financial and IT (cyber) controls.
- Applying suitable reporting and processes that allow us to monitor risks and respond swiftly.
- Relying on our people to behave responsibly and deliver what is expected from them. In managing and developing our diverse talent pool, we keep that front of mind. We promote a healthy culture that encourages (and rewards) good performance and in which people feel safe and are encouraged to speak up.

» **External risks** – that may cause harm and damage by events beyond our control, including natural or manmade disasters, pandemics, social unrest, and (cyber) crime, as well as counterparty and capital markets risks – we **reduce and mitigate** by:

- Implementing protective measures (eg restricting physical and logistical access).
- Transferring and reducing risk through contractual arrangements.
- Managing our balance sheet well.
- As far as economically sensible, procuring financial products that provide loss protection (eg forward contracts and insurance).
- Managing credit and counterparty risk closely to be able to accept the right level of risk for our business. The latter is accomplished by strict policies on risk acceptance and budgetary controls, due-diligence processes in onboarding customers and suppliers, risk spreading, and close monitoring.

Key topical risks and opportunities

Geopolitical tension has caused **stress on the global economy** and **capital markets**, significantly increasing the cost of capital. We expect the business environment to remain challenged for the foreseeable future and further escalations cannot be ruled out, demanding a prudent stance to investing. We cannot control these risks but we monitor developments and focus on further growing the value potential of our portfolio while operating at leanest cost. At the same time, we continue our mission to reduce the discount to net asset value, partly through our open-ended repurchase programme. Our strong balance sheet and cash position positions us well and we may be able to identify attractive investment opportunities as valuations have generally come down.

Natural disasters, extreme weather events and failure to mitigate climate change are among the world's top 10 risks, according to the latest Global Risks Report 2023 from the World Economic Forum. Climate considerations are therefore becoming a core part of investment decisions across capital markets and affect our access to capital.

Climate-related physical risks that arise from operating in increasingly unpredictable and extreme weather conditions are specific to locations where we have an extended physical footprint of our operations. As a group of digital platform businesses, our exposure to the physical risks (our physical footprint) is limited as we are asset-light and do not have dependencies on natural resources for the manufacturing or delivery of our core products and services.

Out of our entire span of businesses, it is largely our Food Delivery and Etail segments that have physical infrastructure as part of their business models. As weather conditions like extreme heat become normative in communities where there is inadequate infrastructure to deal with the impact of the extreme weather our operations could be impacted. However, our location-based assessment of the exposure to physical risks presented by changing climate and weather conditions across our businesses remains low. Please refer to our environmental programme for an overview of climate-related physical risk assessment across our majority-owned companies and our mitigation actions.

Climate-related **transition risks** such as emerging regulations and changing consumer preferences can have an impact on a company's commercial performance. The digital nature of our businesses with a correlating low carbon footprint limits the risk of financial impact from climate regulations that tax greenhouse gas emissions. We further mitigate this risk through our efforts on the decarbonisation of our operations.

We do have an exposure to reputational risks related to the environmental impact of our Etail and Food Delivery segments due to the use of fossil fuel-based delivery vehicles and packaging. We are currently working with our companies to deploy programmatic solutions to transition to electric vehicles and sustainable packaging to solve these emission hotspots.

Sustainability reporting requirements like CSRD are increasing significantly and pose additional compliance challenges. Specifically, in context of our group of companies that largely operate outside of the European Union where there can be lower maturity and lower expectations on ESG reporting, we believe that there is a risk that our companies are penalised for not having already achieved the results on ESG performance of European companies. The current reporting frameworks reward results, not transition and intent. Our companies that are mostly private are at a disadvantage as they have yet to build out their ESG disclosures to the level of mature European ESG counterparties, which is expected by the upcoming disclosure regulations. There will be a need for internal dialogue on prioritisation of resources, towards ESG disclosures, versus the path to profitability.

We have a strong commitment to transparency and to raising awareness about this deep divide between companies that have mature ESG disclosures to those that are starting on that journey.

Like many of our peers, we have reduced cost and headcount. The impact of these necessary actions weighs on our staff. While we find new ways of working and organising ourselves to be as efficient as we can be, the risk of unexpected operational issues and reduced morale from **strained resources** is currently heightened. This is amplified by a global shortage of talent, especially in technology. We are strongly committed to the wellbeing of our staff. By creating the right inclusive environment for them to thrive and feel recognised, and by offering competitive compensation, we aim to grow a stronger workforce and gear up for success.

Globally, we observe **technology developments** continuing to happen rapidly. We stay on top of these, such as in data and generative AI, to early identify any emerging risks and ensure responsible use of data and related technologies to keep our customers safe. Equally, we stay focused on opportunities to further develop and adopt tech advances to improve our products and services. **Cyber and information security** remain key aspects and focus areas.

Material matters	Associated risk
Financial performance	We accept risks responsibly, balancing risk for reward. Strategic risks we seek to understand and accept responsibly to realise a balanced return; internal operational risks we aim to control to the extent that we optimise our risk profile benefiting our tolerance; and external, non-controllable risks we aim to reduce and mitigate as far as economically sensible.
Responsible investments	In recent years, investors' awareness of ESG issues, such as climate change, pushes them to invest in funds that benefit society and generate returns. The continued focus on ESG performance scores will mean 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 for the risk they perceive. We may not find investment opportunities that fit our strategy and deliver an expected return above our cost of capital. Portfolio risk may prove higher than we assumed to accept, which could negatively impact the internal rate of return and lead to a decline in the valuation of Prosus. Refer to the sustainability review to understand how we manage our performance on this material matter.
People	Global shortage of high-calibre (digital) talent. Employees are actively seeking employers that reflect a higher sense of purpose and they choose to be part of a company that contributes positively to society. Non-compliance with applicable occupational health and safety, as well as labour and economic empowerment laws. Refer to the people section to understand how we manage our performance on this material matter.
Digital inclusion	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. Refer to the digital inclusion section to understand how we manage our performance on this material matter.
Innovation	Our strategy for digital services places particular focus on software-led innovation. 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. Refer to the innovation section to understand how we manage our performance on this material matter.
Business culture, ethics and integrity	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 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 cause reputational damage. Non-compliance with laws and regulations in the countries where we operate, specifically company law, data privacy, anti-bribery and anti-corruption, taxes and duties, licence conditions, consumer protection, anti-money-laundering and international sanctions. Refer to the business culture, ethics and integrity section to understand how we manage our performance on this material matter. Infringement of human rights contrary to the group's human rights statement. Refer to the upholding human rights section to understand how we manage our performance on this material matter.
Community investment	Perception of inaction on community investments for social impact can lead to reputational damage. Refer to the community investment section to understand how we manage our performance on this material matter.
AI	We are increasing our investments in online service platforms and data-driven technologies, which results in heightened risk of technology obsolescence or falling short in building AI/ML solutions for our service and product offering. Refer to the artificial intelligence section to understand how we manage our performance on this material matter.
Cyber-resilience	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. Ineffective response, including insufficient innovation, to meet our customers' changing demands and consumption patterns. Refer to the cyber-resilience section to understand how we manage our performance on this material matter.
Data privacy	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. Refer to the data privacy section to understand how we manage our performance on this material matter.
Climate action	Climate-related physical risks from operating in increasingly unpredictable and extreme weather conditions are specific to locations where we have an extended physical footprint of operations. Climate-related transition risks such as emerging regulations and changing consumer preferences can have an impact on a company's commercial performance. Refer to the climate action section to understand how we manage our performance on this material matter.

Path to profitability

We have a long history of investing and building businesses, then crystallising value.

It is in our DNA to look for new opportunities, see the potential others are not seeing and then to do the hard work of building, bringing businesses to scale and profitability. This is the case for our Ecommerce portfolio, which houses our core growth segments: Food Delivery, Classifieds, Payments and Fintech, and Edtech.

As expected, FY23 marked the peak of our investment in ecommerce, with profitability and cash flow generation improving from this point. We are well on track to deliver our goal for aggregate profitability (illustrated below) during the first half of FY25. Our strong balance sheet and significant liquidity are key advantages in the current climate, underpinned by our disciplined approach to M&A and commitment to maintain our investment-grade rating.

Significant progress since listing Prosus in 2019

Ecommerce scaling fast
Consolidated revenue CAGR loss of US$156m

Structural improvement
Doubled Prosus' free float

Built valuable growth extensions
Continued investment of US$492m in high conviction growth areas in groceries, credit and Edtech

Enhanced disclosure
Financial and remuneration reports

Scaled core profitability
Core Classifieds and Food Delivery are profitable, core Payments and Fintech is almost at breakeven

Strengthened shareholder engagement
Value creation, structural action, compensation, sustainability

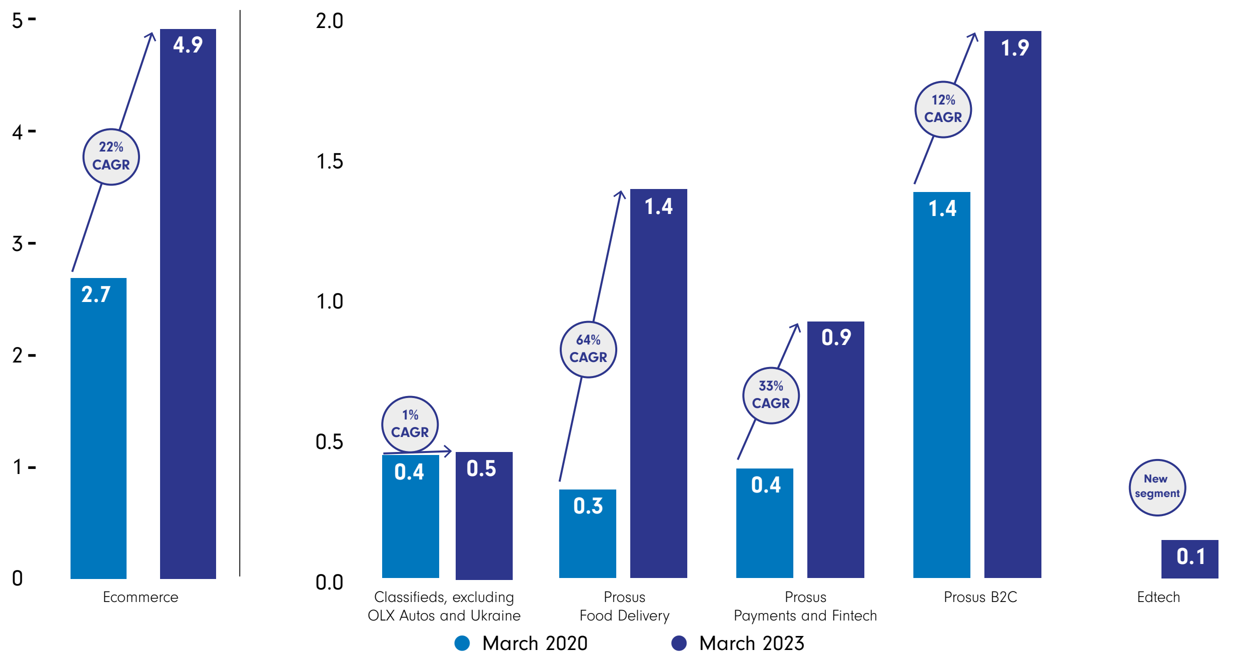
Strengthened balance sheet
Issued US$10bn bonds at attractive rates, net cash position

Unlocked value for shareholders
US$20.6bn shares repurchased since 2020

With more to come

We have grown our business over the past three years.

Revenue (US$'000)[1]



1 *Results of majority-owned and managed businesses. This excludes results from associates and joint ventures. The segmental view excludes Movile, which is included in Ecommerce. Growth percentages represent three-year revenue compound annual growth rate (CAGR).*

India

India forecast to be the fastest-growing economy in 2023

Highlights

2023

Population
1.4 billion

Unemployment rate
7.8%

GDP
7%

Inflation
6.8%

2026*

Fintech market
US$5tn to US$6tn

BNPL (buy-now/pay-later)
35% >US$80bn

Retail digital transactions
28% CAGR

Smartphone penetration
81%

* *Estimated.*

Prosus offers

» PayU: Secure, tech-based banking services nationwide – convenience, personalisation, transparency, accessibility and ease of use.

» PayU aim: Holistic financial services provider for India. Vision: Market-leading digital financial ecosystem in India with a strong value proposition to merchants, consumers and banks.

» PayU connects consumers, merchants and banks:

1 **Merchants**
Integrated payments platform for merchants across categories
Processed >two billion transactions in FY22

2 **Consumers**
Digital banking and credit for the Indian mass market
In India, we have built an ecosystem around merchants with the PayU payments solution, around consumers with LazyPay and PaySense, and around banks with Wibmo

3 **Banks**
Offering payment infrastructure for financial institutions
Partnership with ~200 banks in India and expanding internationally

» PayU first to launch BNPL product with LazyPay.

» Compliant with new regulations: Customer protection and conduct, disclosure of key fact statement, customer education, product structuring, disclosures and processes.

Food Delivery[1]

Operational performance

Key statistics

Free cash flow
-US$141m
(FY22: -US$277m)

Number of employees
5 210

Capital expenditure
-US$9m
(FY22: -US$7m)

Stakeholder material matters

Employees:
» Career development, business performance

Drivers:
Job opportunities
» Looking after our drivers

Skills development
» Education

Customers (restaurants):
Converting consumers to online food delivery
» Economic growth

Consumers:
Additional and affordable convenience, eg grocery delivery
» The opportunity – user experience

Strategic focus

Expand the total addressable market while increasing profitability. We are applying the successful full-service (1p) model to other verticals:
» Unlock addressable market by developing capabilities for adjacencies
» Drive higher engagement
» Ability to reinvest profits
» Improve unit economics

Risks

» Differing pace of growth across geographies
» Regulatory changes
» Cyber-resilience

Value drivers

» Increase order frequency through loyalty
» Expansion to mass market
» Organically grow monthly unique buyers
» Additional adjacencies (quick commerce, logistics services, fintech and etail)
» AI and data science
» Managing costs and delivering efficiencies

Expanding the food opportunity

As economies of scale unfold, our Food Delivery portfolio companies delivered strong growth. Total gross merchandise value (GMV) grew 18% (27%) YoY, translating into US$4.2bn or 40% (44%) growth in revenue[2]. This is over fivefold higher than revenue generated in FY20.

Given the growing importance of convenience in people's daily lives, the food-delivery opportunity is proving broader than envisaged. Grocery delivery offers an appealing consumer experience and is a natural adjacency to core restaurant food delivery. The group is currently exploring various 1p and 3p models to enhance the unit economics of these businesses. The segment's grocery-delivery and quick-commerce businesses grew GMV by 18% (14%). Our three main food-delivery portfolio companies, iFood, Delivery Hero and Swiggy, continue to capitalise on these trends by building grocery-delivery businesses on their existing platforms.

Two of our portfolio companies now run profitable core restaurant food-delivery businesses (iFood) or positive adjusted EBITDA (Delivery Hero, excluding Glovo). With an increased focus on profitability and scaling adjacencies, the segment's trading losses improved from US$724m in FY22 to US$649m in FY23. We are confident that our food-delivery businesses will be significantly profitable and continue to offer long-term growth. Underscoring this confidence, we recently took full control of iFood for €1.5bn (about US$1.6bn) plus a contingent consideration of up to a maximum of €300m at a future date.

The opportunity

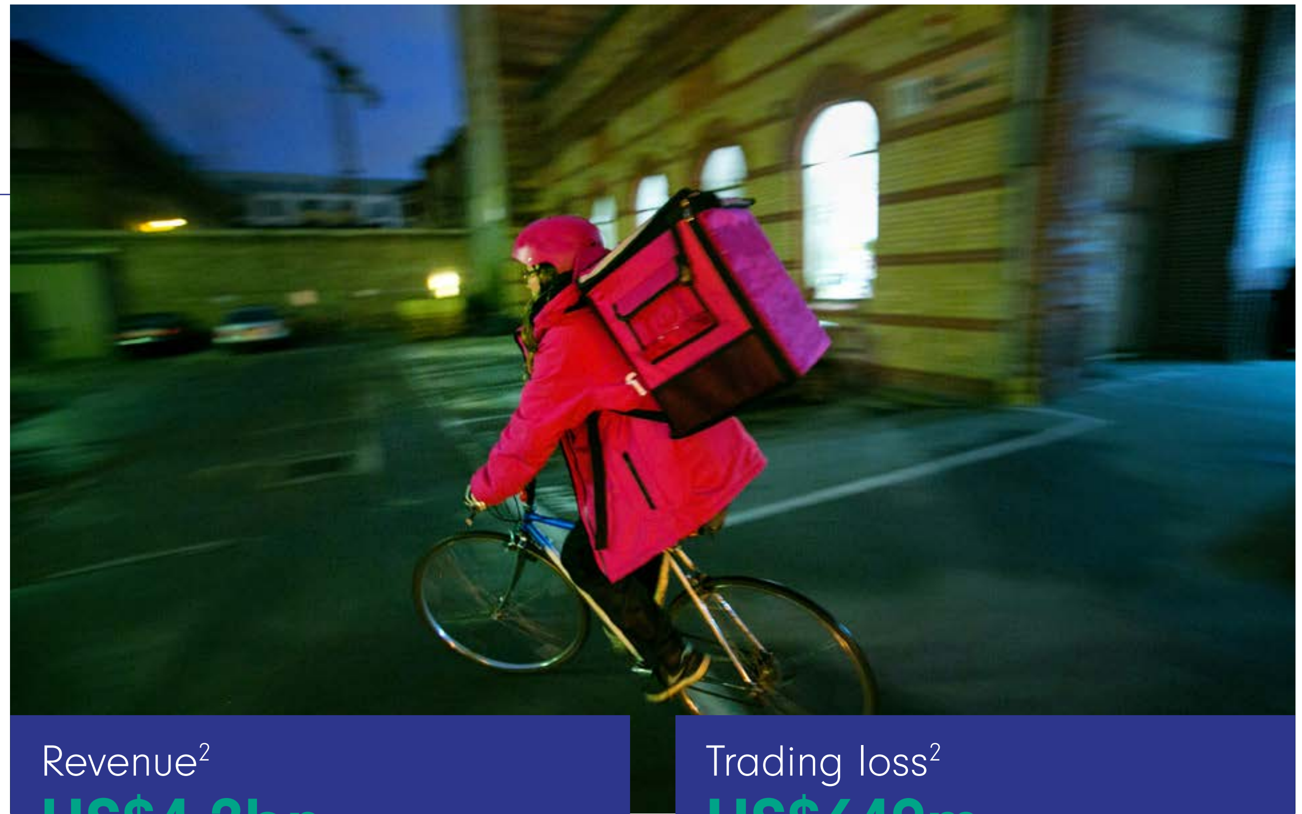
We identified food delivery early as an attractive long-term investment for the group. Four key factors underpinned our confidence:

» **Large total addressable market (TAM):** The revenue TAM for online food delivery is expected to double by 2026 (US$95bn in 2021), while the category 'global restaurant and grocery' is projected to generate almost US$320bn in revenue by 2026. The online food-delivery portion will continue expanding on the back of secular tailwinds, including rising smartphone penetration, urbanisation, growing disposable incomes, and the shift to outsourcing everyday services. In addition, establishing our presence in 'global restaurant and grocery' gives us a competitive advantage (consumers, data and logistics) that unlocks adjacencies (eg logistics services, fintech, etail and more).

» **Low online penetration with room for growth:** A tech-enabled paradigm shift is underway in dining habits, as more and more meals are delivered rather than home-cooked or consumed in restaurants.

» **Compelling user behaviour:** Given high-frequency use patterns and the growing importance of convenience in daily lives, we have built strong relationships with consumers, knowing that the same consumer who orders restaurant delivery likely wants grocery delivery as well. At the same time, we have built great relationships with restaurants and merchants, enabling us to convert more consumers to online food and grocery delivery while serving the needs of restaurants and merchants more holistically through supply, fintech and logistics services.

» **Hyperlocal operations:** While the online food-delivery market presents a massive opportunity globally, its form and pace of growth differ considerably across geographies. Regional markets develop at a locally dictated pace depending on cultural and structural differences as well as urbanisation dynamics that influence consumer demand. The impact and effects are hyperlocal and this fits Prosus' philosophy of partnering with local entrepreneurs who deeply understand their markets. Our exposure to growth markets also gives us underlying tailwinds, as population growth and economic momentum drive the sector.



Revenue[2]
US$4.2bn
(2022: US$3.0bn)

Trading loss[2]
US$649m
(2022: US$724m)

Building a global leader in food delivery

A leading position in **57** markets

Covering **>70** countries

>US$10bn invested

Source: Company information – based on direct investments: Delivery Hero (56 markets), iFood (Brazil).

We are building a global leader in on-demand food delivery. We are present in more than 70 markets through three core platforms – iFood, Swiggy and Delivery Hero and several smaller investments in earlier-stage opportunities.

In November 2022, we bought out minority shareholders in iFood to make it a wholly owned subsidiary.

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. 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 further explanation of the use of APMs, refer to about this report in the governance section.*
2 *Presented on an economic-interest basis.*

iFood

In FY23, Brazil's rising inflation and unemployment rates created a challenging macroeconomic environment for iFood, affecting consumer confidence and reducing discretionary spending on dining out and food delivery. iFood grew revenue 39% (35%) to BRL7.1bn (US$1.4bn), driven largely by shifting consumers to larger average basket sizes, an increase in monthly unique buyers, changes in pricing and the growth of the quick-commerce/grocery-delivery business. iFood's orders increased 10% (7%) to over 832 million and GMV grew 27% (20%) to BRL48bn (US$9.4bn). Trading loss reduced by US$127m to US$79m (on an economic-interest basis), as increased scale led to improved margins in the core restaurant food-delivery business that is now profitable, which were partially offset by investment in the grocery marketplace, quick-commerce and fintech extensions. During the year, iFood's trading loss margin improved by 15 percentage points.

Three-year snapshot of growth: 2020 to 2023

Trading loss reduced 68% to
US$79m

Total number of orders for Brazil
>832 million

Average order value as of March up 44% to
BRL59

The significant overlap between customers of restaurant delivery and grocery delivery, coupled with operational synergies across these businesses, make grocery delivery a natural fit for the iFood ecosystem. The iFood grocery business has quickly become an important participant in Brazil's significant US$55bn grocery industry (2022 Euromonitor estimate). In FY23, iFood's grocery and quick-commerce businesses delivered over 43 million orders (+2% YoY) and BRL4.5bn (US$0.9bn) of GMV, +18% (+14%) YoY. Investment to realise this opportunity recognises the broader context and higher cost of capital, and is disciplined with a focus for a clear path to profitability.

As the most-loved brand in Brazil, iFood also keenly understands the importance of earning its so-called licence to operate in the local social context. Aligned to its purpose to feed the future of the world, key initiatives underpinning the iFood approach are summarised alongside.

Playing an essential part in Brazilians' everyday lives

iFood wants to play an increasingly essential part in Brazilians' daily lives. To do so, in FY23, it focused on strengthening its ecosystem and increasing sustainability in education and the environment. Specific initiatives are summarised in the sustainability review.

More than
1 500 Brazilian cities covered

Around
75 million orders in March 2023, including restaurant and grocery

36% own-delivery orders

>330 000 merchant partners

10% iFood order growth

27 million 1p (logistics) business orders in March 2023

Strengthening the iFood ecosystem

iFood continued adding new solutions and strengthening its ecosystem throughout FY23. Leveraging its existing and valuable assets, and layered in technology, it is possible to shorten the path to profitability of new businesses. Beyond scaling and consolidating its grocery-delivery and quick-commerce businesses, iFood is building a fintech environment around its platform to expand its ecosystem, including meal vouchers and credit for restaurant partners.

- Scaling grocery delivery and quick commerce: By year-end, iFood Brazil delivered over 43 million grocery orders from over 29 000 stores across nearly 900 cities, representing order growth of 2% YoY.
- New financial service offerings gained traction:
  - iFood processed BRL872m of online payment revenue, while MovilePay processed 27% of iFood's payouts.
  - Bank for restaurants (loans, credit card, insurance): Over BRL355m in assets under management, and more than 3 700 loans issued.
  - Meal vouchers and multibenefit cards: Over 630 000 cards issued covering more than 4 000 companies.

Swiggy[3]

Following a complete recovery post the initial impact of Covid-19 in 2020, Swiggy's core restaurant food-delivery business grew 26% in GMV[4] YoY in FY23. Its quick-commerce business, Instamart, continued to expand fast, generating GMV growth of 459% YoY. In FY23, Swiggy also focused on its profitability journey, which is reflected in its financial performance.

In the past two reporting periods, Swiggy has concentrated on reactivating users, increasing monthly frequency and improving user conversion. The benefits are evident in its results for FY23, with over 272 000 enabled restaurants on its platform, 155% of pre-Covid-19 levels, and GMV of US$2.6bn.

Our share of Swiggy's revenue was US$297m (FY22: US$212m), up 40% (73%) from the prior year, driven by higher average order values and higher revenues from delivery fees and advertising sales. Swiggy is expanding its Instamart business, which doubled the number of enabled stores on its platform in 2022. This resulted in accelerated growth in the groceries business, coupled with continued growth in the restaurant food-delivery business.

Swiggy is currently engaged in restaurant food-delivery, quick-commerce, concierge services (Genie) and other convenience offerings, serviced through its network of around 374 000 delivery partners. In FY23, the company expanded into the dining-out space by acquiring Dineout, a leading dining and restaurant tech solutions platform in India, enhancing its portfolio of consumer convenience offerings. Swiggy has also launched an innovative subscription programme, Swiggy One, a multicategory loyalty programme across its restaurant food-delivery, quick-commerce, Dineout and concierge services.

Swiggy is well funded to capitalise on recent momentum and well positioned to improve its platform's competitiveness by investing in product and technology.

Delivery Hero

As anticipated, Delivery Hero's platform business (excluding Glovo) generated positive adjusted EBITDA in 2022. This continues the trend of strong YoY growth, organic investment in quick commerce and pursuing value-accretive M&A opportunities. For the year to 31 December 2022, Delivery Hero reported GMV of €44.6bn with 18% YoY growth.

Our share of Delivery Hero's revenues and trading losses was US$2.4bn (2022: US$1.8bn) and US$267m (2022: US$343m) respectively.

By end-December 2022, Delivery Hero operated over 1 137 Dmart stores (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. The success of the Dmart concept among customers is reflected in seven best-in-class countries already being at breakeven at the beginning of 2022.

3 All metrics to 31 December 2022, with a three-month lag in reporting basis.
4 GMV includes delivery fees.

Looking forward

iFood, Swiggy and Delivery Hero – our core food-delivery assets – are leading businesses in their regions with plenty of room to grow, both in scale and in the breadth and depth of their ecosystems. We will continue to invest organically, while remaining focused on profitability, to improve the core restaurant food-delivery offering and expand the total opportunity by building scaled capabilities in quick commerce and grocery, and additional adjacencies in the food-delivery ecosystem.

We aim to play an ever-increasing part in leading the food-delivery revolution for consumers, restaurants and delivery partners around the world.

Classifieds[1]

Operational performance

Key statistics

Free cash flow
-US$314m
(FY22: -US$360m)

Number of employees
4 500

Capital expenditure
-US$24m
(FY22: -US$25m)

Stakeholder material matters

Employees: Job security, career development, and competitive benefits

Customers: Trust, safety and convenience

Strategic focus

- Accelerate profitability to reach best-in-class industry margins
- Leveraging services to capture monetisation upsides
- Scaling pay-and-ship capabilities to enhance and expand goods category
- Differentiating through category-specific user experience and services
- Enabling faster innovation through technology and data

Risks

- Macroeconomic trends in key markets
- Rising inflation, higher interest rates affecting consumers' disposable income – these particularly affect real estate and cars, but present an opportunity for used goods

Value drivers

- Faster execution due to improvements in platforms and added services
- Growing monetisation of pay-and-ship

Profitable growth and scaling new capabilities

Intensifying strategic focus

The OLX vision is to build leading marketplace ecosystems, enabled by tech, powered by trust, and loved by customers. By going beyond the traditional classifieds-ads model, OLX is supporting end-to-end-user journeys, and scaling businesses that leverage each other's assets and strengths.

Operating metrics across our core Classifieds business[3] remained stable, with 73 million active listings (FY22: 73 million), 45 million monthly active app users (FY22: 44 million) and 1.8 million paying listers (FY22: 1.8 million), despite a challenging year given the war in Ukraine, a shift in financial markets and a pronounced slowdown of the used-car market. OLX responded fast by intensifying its focus on customers and executing key projects for long-term value creation, while investing to improve efficiencies. The core classifieds business in OLX is profitable, cash flow positive and fast-growing.

Prosus divested its Russian online marketplace, Avito in October 2022 for proceeds of US$2.4bn.

More recently, OLX Autos, our adjacent autos transaction business, was affected by ongoing macroeconomic and market challenges, similar to listed peers. Higher cost of capital, high inflation and the reversal of pandemic trends led to a significant and persistent slowdown in the second-hand car market.

Accordingly, in March 2023, we announced the decision to exit the autos transaction business. We continue to explore strategic options, such as selling all or parts of the portfolio.

The operations of this business classified as held for sale and those that have been closed down by 31 March 2023 are presented as discontinued operations. The OLX Autos operations still included in continuing operations are those whose exit process has not been finalised by 31 March 2023. These are expected to be discontinued in FY24 as the group works through the process quickly and efficiently in the interests of all stakeholders.

While OLX Autos has built leading positions across many of its key markets, given its strong technology platforms and local focus, pursuing a global growth strategy is no longer the right approach for our shareholders.

Our core Classifieds business

The core classifieds business of OLX Group continued to deliver a strong performance in the financial year, with sustained growth and improved profitability. It is well placed for further growth and margin expansion.

Excluding the impact of the war in Ukraine, OLX Europe continued to deliver strong progress in FY23, recording 22% revenue growth on an economic-interest basis, and in local currency, excluding M&A. Trading profit grew by US$38m to US$83m on an economic-interest basis, representing a margin improvement of 3% compared with last year.

Revenue[2]
US$1.6bn
(2022: US$1.3bn)

Trading loss[2]
US$156m
(2022: US$70m)

In the goods category, enhanced competitiveness improved performance, and our pay-and-ship service increased buyer adoption significantly while improving monetisation and the trading profit margin. In the jobs category, the launch of a candidate section and applicant-tracking system increased user engagement and monetisation in Poland.

In European autos, we increased revenue per insertion and number of monthly listers. We are also improving the car-parts user experience, leading to growth in insertions and listings on our dedicated autos platform in Poland.

In real estate, our redesigned commercial offering encouraged more professional sellers to select our bundled and value-added services. The teams also developed an innovative data-as-a-service product – a suite of ML-enabled analytical tools for professional sellers. Average revenues per insertion grew, reflecting the appeal of the new commercial offering and new product features.

Trust and safety remain critical. A series of product improvements led to 835 000 fewer malicious views, and a reduction of around 9% bad ads per month. We have also made significant progress in becoming compliant with the Digital Services Act that will become effective in Europe in February 2024. The aim of this act is to create a safer digital space where the fundamental rights of users are protected and to establish a level playing field for businesses.

Given prevailing macroeconomic conditions, we reduced our workforce by 15% in January 2023, creating a leaner organisation that can better compete in the global tech market. These measures stabilise our positioning for the future while accelerating our path to profitability as OLX Group.

Continuing to rebuild our Ukrainian business

The ongoing war in Ukraine is having a massive impact on its society and economy, including high inflation, currency devaluation, and a contraction of the economy. Despite this, our Ukrainian platforms and teams have demonstrated exceptional resilience. After an initial drop in all metrics in the early months of the war, the platform is recovering, with daily active users back to 94% of pre-war levels.

Looking forward

Our focus for FY24 and beyond is to continue evolving as a leading classifieds player, enabling platform transactions and category-specific shopping experiences by executing a well-defined strategy:

- **Accelerating profitability** to reach best-in-class industry margins: We have streamlined our portfolio to focus on core Classifieds, restructured our workforce and grew advertising revenue to drive higher margins.
- Leveraging our services to capture **monetisation upsides**: We have invested in building and enhancing the products and services we offer to our customers in our key markets and categories. We will continue to monetise the increasing value we are delivering to our customers.
- **Scaling pay-and-ship** capabilities to defend and expand goods category: We continue to transform from a traditional classifieds model into a transactional marketplace, with best-in-class experiences focused on safety and convenience. In FY23, we scaled pay-and-ship across our key markets and we are improving its economics.
- Differentiating through **category-specific user experience and services**: Jobs and services have organically become sizable categories. We are adding value for our users by building more category-specific user experiences and services.
- Enabling **faster innovation** through technology and data In coming years, we will continue to unify our products across categories to accelerate time to market, compete effectively and reduce the cost of technology.

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. 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 further explanation of the use of APMs, refer to about this report in the governance section.
2 Presented on an economic-interest basis.
3 Excluding OLX Autos markets.

Payments and Fintech[1]

Operational performance

Key statistics

Free **cash flow**
US$29m
(FY22: -US$66m)

Number of **employees**
3 447

Capital **expenditure**
-US$7m
(FY22: -US$10m)

Stakeholder material matters

Employees: Job security, career development and competitive benefits

Consumers: Trust and security

Strategic focus

» Supporting India's growth: Building a financial ecosystem around merchants, consumers and banks by accelerating the payments and credit offering
» Focus on profitable growth in core payments and credit

Risks

» Macroeconomic pressure, with rising inflation and interest rates
» Increasing volume and complexity of regulatory requirement
» Cybersecurity
» Counterparty risks (increased credit portfolio)
» Fraud over the platforms

Value drivers

» Presence in high-growth payments markets
» Diversifying revenue base in payments
» Scaling consumer credit with a strong governance and risk management
» Managing costs

Scaling credit in India

The Payments and Fintech segment continued to benefit from the shift to digital payments. On a consolidated basis, the core PSP business and credit drove PayU's revenue growth of 32% (52%) to US$903m. The trading loss, on an economic-interest basis, was US$83m (FY22: US$46m), at a negative margin of 9% (FY22: -7%) due to a once-off loss provision of US$23m. Excluding this provision, the PSP business remained profitable.

The core PSP business delivered revenue growth of 23% (43%) to US$790m, driven by transactions and total payments volume (TPV) growing 19% and 24% (39%) to 2.7 billion and US$98bn respectively. While both India and Global Payments Operations (GPO) grew revenue solidly, the core PSP business reported a trading loss of US$2m, mainly due to GPO's once-off loss provision. Excluding this loss provision, the core PSP business generated a 3% trading margin, down from 4% in FY22, as GPO incurred higher merchant acquisition costs and invested in building new products.

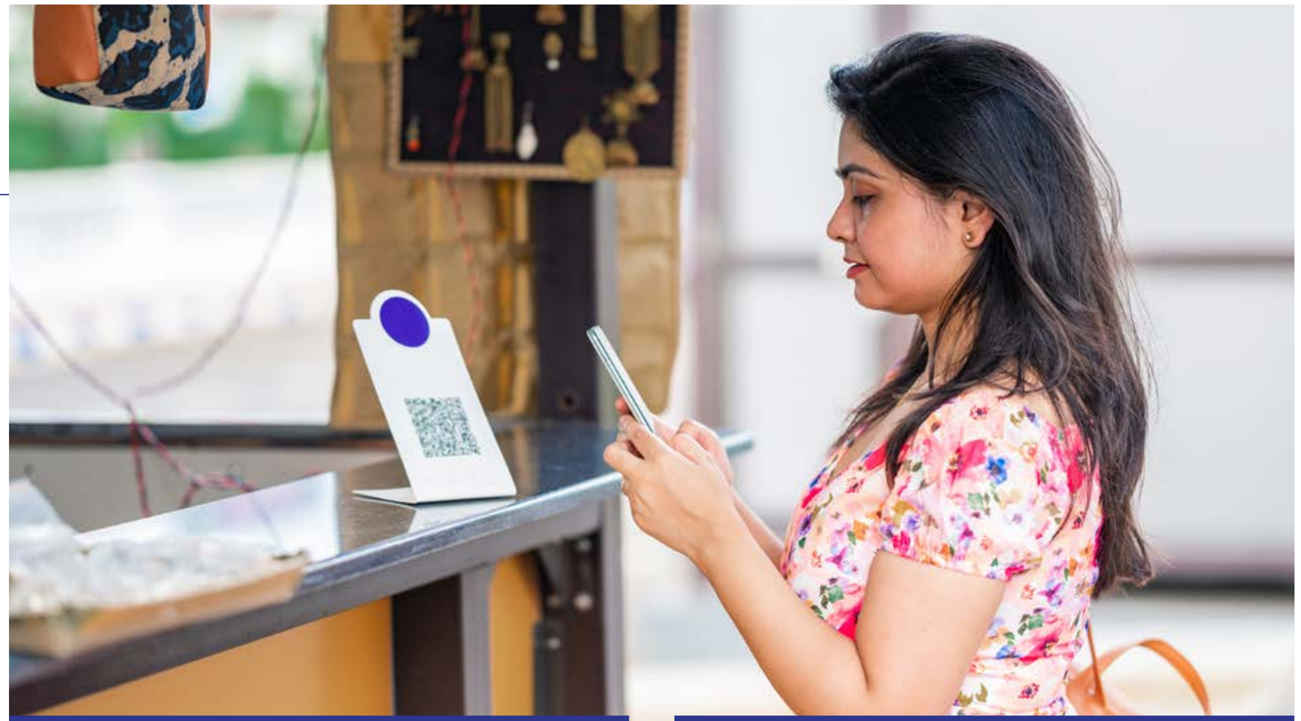
India's TPV grew 33% (44%) to US$58bn, driven by transactions growth of 25% to 1.4 billion. India is the largest market in our payments business and contributed 51% of the core PSP business' revenues, up from 47% in FY22. India generated US$399m of revenue, which grew 31% (42%), driven by continued growth in enterprise and small and medium-sized businesses, and diversification into newer segments, including government merchants, omnichannel, and other non-MDR (merchant discount rate) products. Revenue growth and cost-saving initiatives led to a 78 basis point improvement in trading profit margin to 3%.

Currency translation impacted the GPO business, especially Turkey where hyperinflation continued. The GPO business grew transactions and TPV by 12% and 13% (32%) to 1.2 billion and US$39bn respectively, which drove revenue growth of 15% (44%) to US$393m. Growth of global merchants, especially in Turkey, was the main driver. Turkey, one of the largest markets in GPO, contributed 22% of GPO's revenues, and grew 52% in US$ terms (154%). Increases in instalment sales and customer mix led to an improvement in take rate in Turkey. Higher merchant acquisition costs drove GPO's gross profit margin lower. GPO has taken efforts to offset this increase through cost-optimisation efforts, including headcount rationalisation, the benefits of which will come through in the next financial year. PayU's Indian credit business continued to scale, issuing US$742m in loans, which grew 47% and led to a loan book of US$256m at 31 March 2023. The core credit business grew revenue three times (three times) to US$83m, driven largely by growth in personal loans. The trading loss of US$10m represents a 63 percentage point improvement in margin to -12%, reflecting an improved loss rate of 2.5% from 3% in FY22. As a result of its closure, the India credit metrics exclude LazyCard.

The largest Payments and Fintech investment in our associate portfolio, Remitly, grew its send volumes 40% to US$29bn in the year ended 31 December 2022. Our share of Remitly's revenue and trading loss reported was US$147m, up 35% (43%), and US$27m, representing a negative margin of 18%.

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. 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 further explanation of the use of APMs, refer to about this report in the governance section.

2 Presented on an economic-interest basis.



Revenue[2]
US$1.1bn
(2022: US$796m)

Trading loss[2]
US$116m
(2022: US$60m)

The opportunity

Payments and Fintech is one of the fastest-growing segments worldwide, accelerated by the move online due to the pandemic.

We identified three key trends in Payments and Fintech, which all play to our strengths:

» Continued acceleration of digital payments, especially in India and Turkey.
» Continued strong demand for credit in India.
» Slowing funding for start-up ecosystems.

India is our largest market and the country recorded an increase of 58% YoY[3] in total number of retail digital transactions in FY23, while payment volume rose 28%. The digital payments industry is forecast to grow at 28% between 2021 and 2026[4].

The credit growth outlook remains positive, with consumer credit poised to grow at 13%[5] CAGR to FY26, partially due to growth in fintech lending, which is expected to account for 6% of total consumer credit by FY26 (estimated) (growth at >50% CAGR).

3 Source: RBI Payment system indicators. Retail transactions, excluding cheque-based. As of March 2023.
4 Source: RBI and NPCI data, BCG and PhonePe analysis.
5 Sources: RBI; Ministry of MSME India; Accord; CRIF; Market participant interviews; Bain analysis.

Strategic priorities

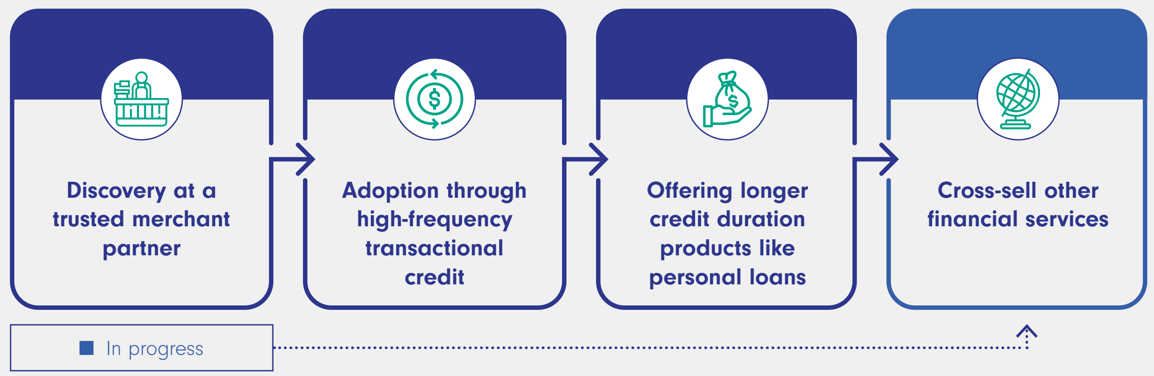
Supporting India's growth

In India, we have built an ecosystem around merchants with the PayU payments solution, around consumers with LazyPay and PaySense, and around banks with Wibmo.

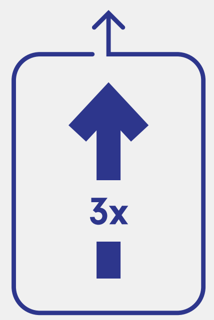
For merchants, PayU has built a diversified product suite offering value-added services beyond core payments for the different merchant segments. In FY23, we processed over US$58bn in total payments volume, up 33% (44%) on last year. Revenue from value-added services increased from 32% last year to 36% this year. PayU has been scaling partnerships with banks and other financial institutions through Wibmo. Wibmo was acquired in 2019 and has strengthened the PayU platform for both banks and merchants by providing payment authentication, merchant acquiring and risk management services.

For consumers, PayU offers solutions for transactional credit to facilitate online commerce and cross-sells personal loans, successfully scaling the loan book. In FY23, originations expanded 47% and assets under management increased by 112% over last year. This scale has been achieved on the back of effective capital and risk management.

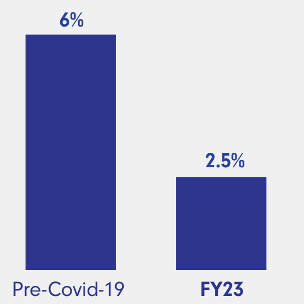
Transaction credit drives cross-sell of other credit products and services



Revenue growth[1]



Annualised loss rate of personal loans



Improvement in profitability driven by:

- Increasing scale
- Diversification of sources of funds
- Leveraging data for optimising loss rate
- Cost discipline

1 Presented on an economic-interest basis.

India remains a highly attractive strategic market for PayU, given that it is expected to become the third-largest economy by nominal GDP within the next decade.

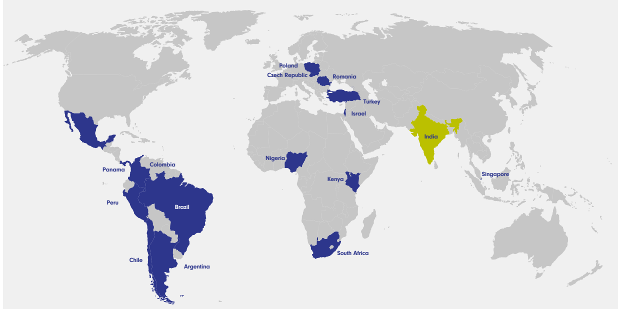
Focus on profitable growth in core payments and credit

In the past five years, total payment volume has increased approximately four times (five times), growing at a CAGR of 31% (39%). The business processed US$98bn in payments volume in FY23. It has continued investing and building new opportunities such as credit in India. The credit business revenue has grown nine times since FY21, translating into a revenue CAGR of over 200%. This growth has been coupled with cost reductions, ensuring that the trading-loss margin continued to improve YoY and will deliver profitability in the coming year.

Removing financial borders and enabling broader access

As one of the world's top investors and a leader in payments and fintech in high-growth markets, we contribute to a more inclusive future for finance. By building customer-centric products and services, we enable sustainable prosperity in our markets and communities and broaden access to finance. This includes equipping merchants and their customers with the latest payments solutions.

PayU: Giving access to two billion consumers



4 continents
17 high-growth counties

>300 payment methods
>130 banks

US$98bn processed payment volume, around 60% contributed by India

>15 licences
2.7 billion transactions (excluding Wibmo)

US$742m loan issuances in FY23

Looking forward

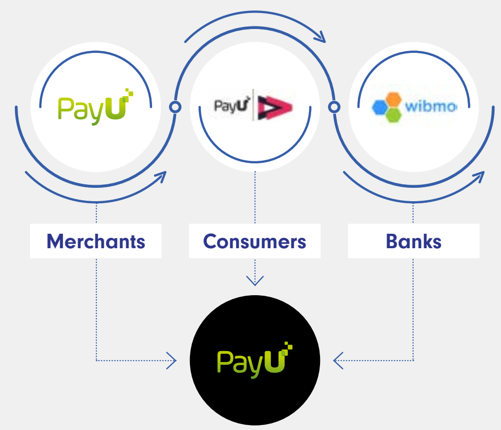
We will continue to scale our fintech ecosystem across merchants, consumers and banks.

We are present in high-growth markets and we will continue to double down on India. India is forecast to record strong growth in both payments and credit, and PayU is well placed to benefit from this growth by maintaining its market position and improving profitability.

Sustainability is a key element of our positioning as a fintech leader in high-growth markets. Our ESG transformation roadmap is guided by our aspirational target to enable expanding circles of positive impact around PayU. While we have focused on the inner impact circles in FY23, we are building momentum to drive broader societal impact in the new year and beyond.

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.

We build an ecosystem around our platform



Edtech[1]

Operational performance

Workforce/higher education:

K–12 education:

Key statistics

Free cash flow
-US$132m
(FY22: -US$28m)

Number of employees
859

Capital expenditure
-US$24m
(FY22: -US$3m)

Stakeholder material matters

Employees: Talent retention. Employee wellbeing. Company culture

Regulators: Timeous reporting

Investee/portfolio companies and associates[3]: ESG. Business performance. Efficient growth

Workers, learners, educators: Data privacy. Community development

Strategic focus

» Workforce/higher education models
» K–12 education

Risks

» Macroeconomic downturn and higher interest rates
» New forms of competition for existing edtech providers
» Disruption from enhancements and increased availability of GenAI
» Limitations in software development, research and product capabilities

Value drivers

» Demand for continuous learning and higher levels of education
» Demand for faster upskilling
» Constraints facing traditional brick-and-mortar education systems

Transforming education through technology

Edtech is a more nascent opportunity that is still building products and services to deliver an increasing need.

The segment grew revenue (on an economic-interest basis) by 28% (18%) to US$545m in FY23[4]. Trading losses increased to US$258m from US$117m in the prior year.

Our portfolio was affected by the macroeconomic downturn which culminated in an environment where customers were focused on reducing costs. Portfolio companies reacted fast to changing market conditions and began to optimise cost structures and postpone accelerated investments.

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

We identified the potential of edtech seven years ago (before the sector started gaining widespread popularity), investing in consumer-facing platforms like Udemy and Brainly that mirrored marketplace and social businesses we knew well. This enabled us to learn more about different business models and edtech platform economics to capitalise on the sector once companies started to scale.

Over the years, we have increased our conviction in the sector, acquiring Stack Overflow, and investing in Skillsoft, GoodHabitz, GoStudent, Eruditus and others (with a focus on workplace and higher education).

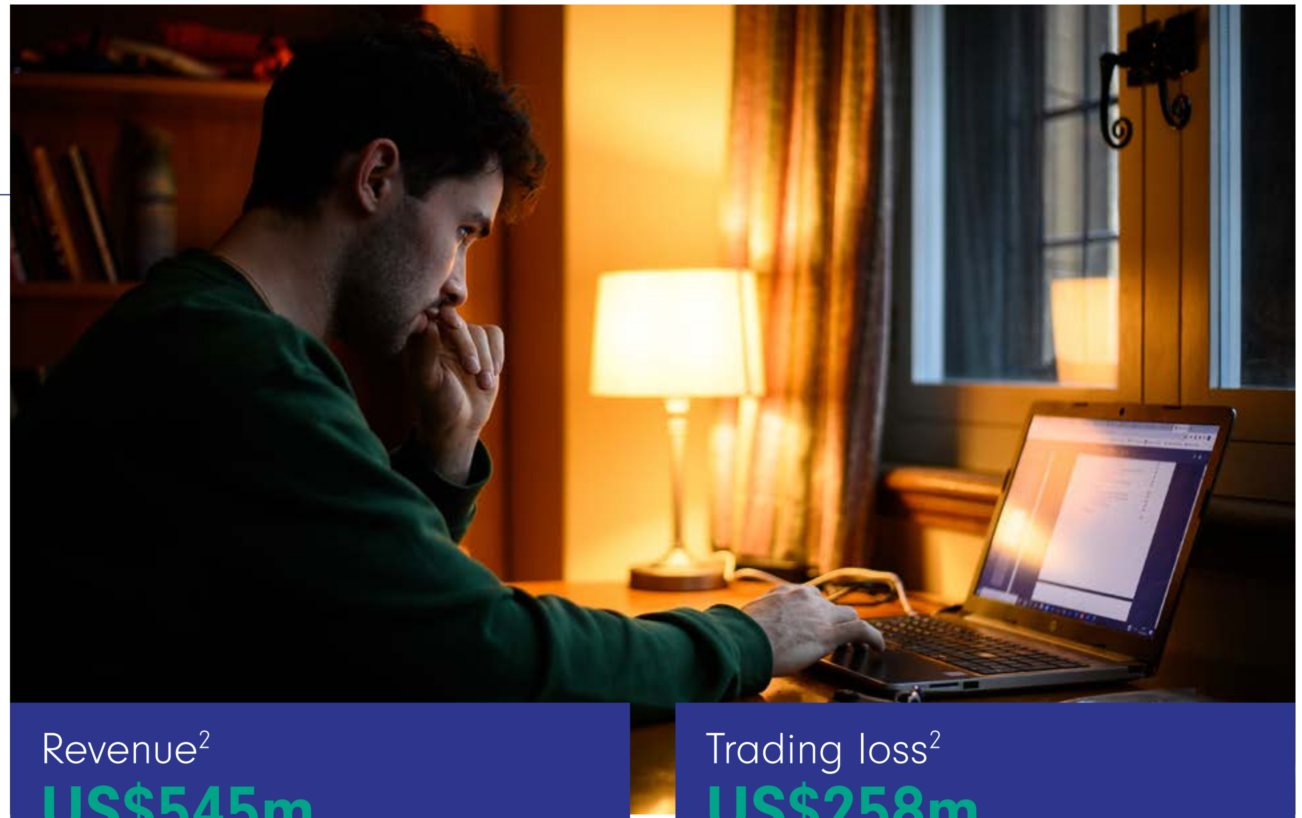
The opportunity

The education opportunity remains massive post pandemic, due to increasing demand for continuous learning and higher levels of education that traditional systems will not be able to fulfil as the global population grows. Between 2020 and 2050, there are expected to be 1.6 billion[5] new learners due to population growth, increased education levels worldwide and the need for ever-faster upskilling.

Traditional brick-and-mortar education systems face several challenges, including spiralling costs, geographic constraints that hamper access to education, uneven quality of education staff and content, and rigid systems that cannot be personalised and customised.

These issues are especially pronounced in developing countries. Across Asia and Africa[6], an additional 1.4 billion learners are projected by 2050. Economics and demographics alone mean the physical institutions and education products from the West cannot reasonably be scaled to serve global needs.

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. 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 further explanation of the use of APMs, refer to about this report in the governance section.
2 Presented on an economic-interest basis.
3 Associates: Prosus holds 10% to 50% with a board seat, meaning it has significant influence.
4 Excluding BYJU'S and Udemy for which we stopped equity accounting in September 2022.
5 Source: Global Projection, Medium SSP2 – IIASA.
6 Source: Wittgenstein Centre for Demography and Global Human Capital (2018).



Revenue[2]
US$545m
(2022: US$425m)

Trading loss[2]
US$258m
(2022: US$117m)

At the same time, the skills gap is growing, with the greatest talent shortage in technology. As digital disrupts traditional industries, the impetus for reskilling has never been higher. On the positive side, digital career paths open opportunities, and online learning is a truly effective way to level playing fields.

In response to these demands, the sector has to change. Technology has the potential to address these issues by democratising, digitising, curating and personalising education. We are still in the early days of an offline-to-online shift. Global online penetration for education was only around 3% in 2019, but had doubled to 6% by 2022[7].

The broader education sector is projected to be a US$7.4tn global opportunity by 2025. Within that, the global edtech market is forecast to grow at 16% per year to some US$404bn by 2025. We have identified much room for further growth as the sector is transformed by technology.

Taking another big step forward

In FY22, Prosus invested more in edtech than in all previous years combined. To date, we have invested over US$3.8bn in 12 businesses to become one of the leading edtech investors globally.

In FY23, we continued to focus on workplace/higher education models as the different sectors have developed, and as we identified key competitive advantages in their economic models. Companies can play a massive role in creating a global culture of upskilling to address the talent shortage and demand for increased skills. This sector is therefore attractive for several reasons, including strong demand as companies reskill/upskill, high margins and predictability due to multiyear contracts.

» Across **workplace edtech**, an evolution is also underway. From the early days of transactional once-off purchases, new learning platforms are forcing a tipping point of recurring learning and subscription-based monetisation as companies understand the importance of continuous/lifelong development to improve performance and meet employees' expectations.

We have built a significant presence in enterprise education, focused on the future of workplace learning. We reach more than 90% of Fortune 100 companies across our workplace-learning companies, including Stack Overflow, Skillsoft, GoodHabitz, Udemy, Platzi and eduMe. 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.

» Our second priority is **K–12** (kindergarten to grade 12) education. With the increasing accessibility and affordability of technology, edtech is playing a larger role – inside and outside the classroom. Edtech tools, such as learning management systems and educational software, are providing personalised and interactive learning experiences for students, leading to increased engagement and improved academic outcomes. Additionally, edtech is helping to bridge the digital divide by giving students access to resources and learning opportunities that may not otherwise have been available. Another trend evident across our K–12 portfolio is integration of the online and offline environments to improve students' learning experiences.

7 Source: HolonIQ.

- We have built a strong presence in K–12, with Brainly now reaching around 250 million users a month, GoStudent serving customers in 23 countries, and BYJU'S quickly expanding its offerings. Our aim is clear – we want to be part of the foundational edtech of future generations.
- While generative AI (GenAI) platforms may present competitive risk for some edtech companies, we believe the technology is a massive opportunity for transforming education and could be a real step-change for the sector. There are several opportunities for edtech platforms to leverage GenAI technology, including: highly personalised learning: customised content based on individual needs by analysing data and learning patterns to generate lessons, tests and materials that adapt to each learner's level, style and pace.
- Content creation: Automated generation of multimedia materials, including video, written or voice lessons, infographics, testing materials and more.
- Assessment and feedback: Automated evaluation of a learner's work and the ability to provide instant feedback, expediting the learning process.
- Virtual mentors: Simulated virtual mentors that interact with learners, answering questions, providing explanations, and guiding learners through materials, creating a more personalised and immersive learning experience.

Many of our edtech companies, some in partnership with the Prosus AI team, have already launched or are soon deploying GenAI technologies on their platforms to enhance the learning experience for their users. For Stack Overflow specifically, we believe GenAI will be an important evolution in how developers will work and learn in the future, enabling them to be more efficient and better able to maintain their flow state. The developer community can play a crucial role in how AI accelerates, ultimately helping with the quality emerging from GenAI offerings. Stack Overflow's role is harnessing the power of the developer community to the technological power of AI, all to generate highly trusted solutions to technology problems. Stack Overflow has devoted around 10% of the company's workforce to catalyse around the development of its AI initiatives. It plans to officially announce its data monetisation plans and specific GenAI initiatives in the coming months.

In terms of cyber-resilience, our controlled assets are strengthening their capabilities by implementing new technology (such as a ransomware-resilience solution) and adding talent to their IT teams. The Prosus group support team assisted portfolio companies with IT risk assessments, ethical hacking projects, and business continuity initiatives.

Focusing on workplace learning

stackoverflow

100 million monthly visits across the world

Around 680 million page views monthly

skillsoft

>14 000 enterprise customers

Around **86 million** learners across the world

udemy

>14 000 enterprise customers

>62 million learners across the world

goodhabitz

>2 650 enterprise customers

ERUDITUS

800 programmes in partnership with **79** universities

Stack Overflow

Prosus acquired Stack Overflow in FY22 for US$1.7bn. Since then, it has grown total bookings by 37% and annual recurring revenue nearly threefold.

Stack Overflow, one of the top 200 websites in the world, has built a global, highly engaged developer and technologist community over the past 14 years and now registers around 680 million page views monthly.

Since acquisition, the business has contributed revenue and trading losses of US$94m and US$84m 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 2023, Stack Overflow for Teams had over 950 paying teams, generating annual recurring revenue of US$55m, and representing growth of 31% YoY.

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

As at 31 March 2023, an impairment of US$560m was recognised on Stack Overflow. The prior-year impairment related to Stack Overflow as a result of increased discount rates in the value in use calculation for this investment.

GoodHabitz

In FY22, 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 1 750 courses in over 13 languages to more than 2 650 enterprise customers. It continues to expand beyond its home market of the Netherlands, and is now operational in 13 European countries.

For the year, GoodHabitz contributed revenue of US$40m and a trading loss of US$16m to segment results, reflecting its investment to scale. GoodHabitz is focused on strengthening its European position via existing and new countries. In addition, there are investments in new countries outside Europe, focusing on Latin America, India and Australia. The business is now concentrating on revenue growth and operational scalability to become profitable.

Skillsoft

In FY22, we invested US$500m for 38% of Skillsoft, a global leader in digital workplace learning that listed on the New York Stock Exchange in mid-2021 (SKIL.N). In April 2022, Skillsoft acquired Codecademy, already an investment in our Edtech portfolio, to accelerate growth for both companies and strengthen technology and product development to drive incremental topline growth and value creation.

For the year to 31 January 2023, Skillsoft bookings declined by 6% and revenue by 4%. Its larger core content segment grew pro forma bookings by 5% and pro forma revenue by 5%. Its client base is centred on large, blue-chip enterprises, representing over 70% of Fortune 1000 companies and its services are used by almost 45 million learners globally across more than 160 countries.

As at 31 March 2023, Skillsoft was impaired to its market value due to the significant decline in share price over time.

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

Udemy

We first invested in Udemy in 2016. It listed on the Nasdaq Stock Market (UDMY) in October 2021.

Udemy is a global education marketplace for lifelong learners that gives over 59 million learners access to more than 200 000 courses in 75 languages. The platform offers courses that can be accessed through the direct-to-consumer or Udemy Business offering, which had over 14 000 enterprise customers at 31 December 2022.

For its year ended 31 December 2022, Udemy reported strong revenue growth of 22% to US$629m with consumer revenue totalling US$315m, down 4%, and Udemy Business revenue reaching US$314m, up 68% on the prior year. Udemy Business contributed 50% to total revenue in the past 12 months compared with 36% a year ago. Following the loss of significant influence, the group stopped equity accounting for Udemy from September 2022.

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

Eruditus

Eruditus provides executive education and short, private, online courses globally, partnering with the world's leading universities. The company makes high-quality education more accessible by offering over 800 programmes in partnership with 79 universities to a global audience covering the US, Latin America, Asia, the MENA region and Europe. We have invested US$187m in Eruditus since October 2020, with a current stake of 13%.

Platzi

Platzi is a coding platform for training (in Spanish and Portuguese) in tech skills, interpersonal skills and language training. It also hosts a vibrant community where learners network with peers who help them secure their next job or build a business with their new skills. Platzi has a content library of over 1 500 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 companies in over 60 countries worldwide to give their workforces seamless access to relevant knowledge. We invested US$12m in eduMe and our current stake is 13%.

SoloLearn

SoloLearn is an online learning platform for coding where over 60 million coders learn, create and share programming content with their peers. We have invested US$8m since 2018, with a current stake of 18%.

Focusing on K–12

Brainly

Brainly is one of the world's leading social-learning platforms, serving around 350 million students, parents and teachers across the world. Students use Brainly to strengthen their skills in 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 an online tutoring provider. Founded in 2016, GoStudent serves customers in more than 20 countries, providing paid, one-on-one, video-based tutoring to primary, secondary and college-aged students in over 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 and beyond, targeting students from kindergarten to grade 12 as well as those taking competitive exams.

We have invested US$536m in BYJU'S since 2018 and hold less than a 10% stake. The group lost significant influence in BYJU'S and stopped equity accounting for BJYU'S from September 2022.

Looking forward

We will continue to play an active role in helping our portfolio businesses 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.

Group overview
Performance review
Sustainability review
Governance
Financial statements
Other information

Etail – eMAG[1]

Operational performance

Key statistics

Free cash flow
-US$170m
(FY22: -US$184m)

Number of employees
7 698

Capital expenditure
-US$142m
(FY22: -US$147m)

Stakeholder material matters

Employees: Job opportunities. Skills development. Company culture

Regulators: Compliance across all regulatory areas (fiscal, financial, environment and competition)

Merchants: Growth and cross-border initiatives

Consumers: User experience. Range of products. Quality, efficiency and reliable service at the right price

Strategic focus

» Growth by focusing on categories that align with 3p market potential
» Improvements in time in stock, selling tools, pricing and selection gap
» Accelerating core etail services: Genius and Wallet
» Focus on profitability through improved margins

Risks

» Macroeconomic downturn and higher interest rates
» Competition from specialists in verticals
» Geopolitical and economic uncertainty sparked by the Russia-Ukraine conflict

Value drivers

» Enhanced value, convenience and pricing with Genius loyalty programme for frequent users
» Affordability through HeyBlu wallet
» Wider selection from growth in marketplace offering
» Convenience/delivery experience through showrooms and locker network

Building a leading ecommerce ecosystem for customers across Central and Eastern Europe

eMAG Group is our leading ecommerce platform in Central and Eastern Europe. Over the years, it has built an ecosystem of complementary businesses on top of its vibrant eMAG Romania platform. From this 1p/3p (first-party/third-party) business-to-consumer or B2C core, eMAG extended into other categories:

» Fashion through Fashion Days.
» Food delivery through Tazz.
» Grocery delivery through Freshful.
» Logistics infrastructure across the group through Sameday.
» eMAG's Genius loyalty programme that unites the customer experiences of these businesses.

The Etail business recorded explosive growth in the pandemic's early stages as consumers stayed at home with limited offline options. Post the pandemic in 2022, growth slowed due to geopolitical and economic uncertainty sparked by Russia's invasion of Ukraine, and a post-pandemic partial return of consumers to their offline shopping habits. At a macro level, rising inflation, increasing energy prices, higher interest rates and recessionary fears weighed on consumer confidence. For etail businesses, these headwinds were compounded by aggressive competition from offline competitors, as well as over and understocking positions on the back of supply-chain disruptions. As a result, GMV is -13% YoY (computed on US$ translated amounts, and flat when computed in local currency) and revenue is down by -14% (-4% in local currency) to US$2.0bn. eMAG's core etail business delivered a trading loss of US$15m for the period (FY22: profit of US$13m).

eMAG continues to react to changed market conditions – scaling back investments, focusing on profitability and maintaining a compelling value proposition for its customers. The company has reduced capacity to meet lower growth expectations and slowed investment in new adjacencies. A key element of eMAG's response to changes in the market was its shift in focus from 1p to 3p.

eMAG further adapted to the new context by becoming an affordable alternative to offline stores through its wide range of products, promotions/discounts, free delivery and flexible payments.

Over recent years, eMAG has made strategic investments in productivity and efficiency in the core business: Genius, the loyalty programme, continues to build a strong base of customers, and marketplace has recorded excellent growth due to broader product selection and increasing availability of the easybox delivery feature. Genius subscriptions reached 517 000 (up 54%) and now accounts for nearly one third of eMAG's sales in Romania (ie 35% of eMAG Romania's GMV, and 37% of group GMV). eMAG Group's easybox locker network has expanded to 3 805 lockers in Romania, 685 in Hungary and 241 in Bulgaria, increasing customers' options for pickup and reducing delivery costs.

Revenue[2]
US$2.0bn
(2022: US$2.3bn)

Trading loss[2]
US$63m
(2022: US$35m)

Tazz, eMAG's food-delivery service, continues to scale and is now among the top participants in the highly competitive Romanian market. Freshful, which was launched in 2021, serves the underpenetrated and high-growth online grocery sector and is a natural extension of eMAG's core etail business. By leveraging eMAG's brand, purchasing scale and delivery capabilities, Freshful is well positioned to become a leading company in the grocery-delivery segment. In 2022, eMAG and PayU launched HeyBlu, which offers financial services to eMAG customers and allows a customer to defer payment for a purchase by 30 days or to pay in four instalments.

The opportunity

Total retail spending (offline and online) for Romania, Hungary and Bulgaria is projected to grow at a CAGR of 6% from 2022 to 2026. Online penetration remains relatively low in these countries, ranging from 8% in Bulgaria to 11% in Romania in 2022. As a result, ecommerce growth is expected to outpace retail's total 6% growth rate and average 12% for Romania, 15% for Hungary and 17% for Bulgaria from 2022 to 2026 (as per April 2023 Euromonitor report). These favourable macro trends will provide momentum for eMAG's businesses over the long term[3].

eMAG offering

1 **eMAG Genius** Loyalty programme	2 **eMAG easybox** Automated lockers
3 **Sameday** Inhouse courier service	4 **Fulfilment by eMAG** Fulfilment for 3p merchants
5 **Tazz by eMAG** Food and multivertical delivery	6 **Fintech solutions** Consumer credit solutions
7 **Advertising solutions** Sponsored merchant listings	8 **Freshful by eMAG** Large-basket grocery delivery

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. 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 further explanation of the use of APMs, refer to about this report in the governance section.
2 Presented on an economic-interest basis.

3 Source: Euromonitor, e-commerce (goods) as % retailing, YoY exchange rates.

eMAG is focused on maintaining its status as a Central and Eastern European preferred one-stop ecommerce platform. In addition to its established ecosystem, it operates PC Garage (specialised online retailer focused on gamers); Depanero (repairs appliances and electronic devices); Conversion Marketing (performance marketing); and Flip (refurbishes and sells second-hand mobile phones).

Giving customers the best etail experience

To fulfil its mission of giving customers the best etail experience, eMAG focuses on four key pillars: enhancing convenience; helping customers make the right decisions; delivering on its promise; and making the difference in society while engaging customers on this journey.

Integral to reaching its goals is increasing customer engagement. The largest business, eMAG Romania, increased orders 4% YoY. While purchases of higher-priced items were lower in the face of economic uncertainty, engagement on the platform continued to increase. This is a key positive long-term trend for eMAG, given its commitment to play an ever-bigger role in meeting people's everyday needs across Central and Eastern Europe.

Key strategic initiatives supporting this commitment are summarised below:

Growing Genius

The Genius premium subscription service has proved its appeal with customers, growing to 517 000 subscriptions from 197 000 at September 2021. Genius subscribers double their business with eMAG after joining and buying more broadly. This aligns well with eMAG's long-term ambitions. After launching as 'a subscription for free delivery', Genius has evolved into 'an end-to-end effortless shopping experience'. Genius members enjoy free home delivery for orders above RON100, free delivery via lockers for orders above RON30, free returns and exclusive Genius deals on eMAG, Fashion Days, Tazz and Freshful.

Growing Sameday

eMAG Group continued to strengthen its Sameday courier business, which aims for a 99% on-time delivery rate. In FY23, Sameday grew revenue 19%, 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, strengthened its operations in Hungary and launched in Bulgaria.

Expanding the easybox network

The popularity of Sameday's automated easybox lockers continues to grow – 81% of Genius orders are delivered via easybox, for example. These lockers give customers 24/7 service, pickup flexibility and over 99% on-time delivery rates. They are also 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 2 500 to 3 805 lockers by the end of FY23, with over 60% of eMAG orders in Romania delivered via easybox. The easybox network in Hungary grew to 685 lockers and the first 241 lockers were installed in Bulgaria.

The easybox service has also been enhanced for added customer convenience. For example, customers can return items when it suits them via the lockers, with an instant electronic refund once they close the door. Called 'magic return', this method is quicker, safer and greener – and a good example of improving everyday life.

In addition, 37 lockers now have their own solar panels – making the service even more environmentally friendly. The plan is to roll out more solar-powered lockers.

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.

Added convenience from food delivery

eMAG's Tazz food-delivery service has quickly become one of the top participants in the highly competitive Romanian market, growing orders 15% from a year ago. Capitalising on significant investments to build the brand and customer base, Tazz is now focused on expanding to new cities and integrating into eMAG's Genius programme. GMV generated from Genius represents 43% of Tazz's total GMV and Genius customers are becoming more relevant, with higher frequency of orders and larger baskets. eMAG plans to extend this service further in FY24.

Added value from grocery delivery

Freshful, operating for over a year, enjoyed rapid adoption due to a generous line-up of items, including small local producers and distinctive delivery service. It now offers a comprehensive range of 16 700 items, focused on local produce for truly fresh food. Setting it apart in the market, Freshful has a dedicated warehouse and refrigerated delivery fleet to ensure customers get exactly what they want, quickly and conveniently.

From 33 000 orders per month by end-FY22, Freshful grew to 75 600 monthly orders delivered in March FY23. High customer satisfaction reflects the range and quality of groceries on offer, coupled with the reliable ordering and delivery service. Available initially in Bucharest, and now in one more city, eMAG plans to expand Freshful city by city, leveraging the eMAG brand, purchasing scale and delivery capabilities.

Expanding to financial services

eMAG's partnership with PayU via HeyBlu offers customers convenient and flexible financial services, available for all categories of eMAG products or those from sellers active on eMAG marketplace. Options include:

» Buy-now/pay-later (BNPL), where the shopper postpones payment for 30 days without any costs.
» Payment in equal monthly instalments, with the first paid at transaction date and the balance over ensuing calendar months.

These services are 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.

Promoting a circular economy

eMAG's mission to bring complementary businesses into the ecosystem and promote a circular-economy model is illustrated by its investments. Flip, the Romanian start-up that refurbishes and resells second-hand mobile phones, also prevents significant quantities of electronic devices from ending up in landfills. In FY23, Flip expanded into Bulgaria and Hungary, and increased sales significantly to US$39.5m GMV (full P&L, of which US$20m relates to eMAG Group).

Additionally, eMAG encourages its customers to select returned and resealed 'second-chance' products, it offers a buyback programme for used home appliances in exchange for a voucher towards buying a new appliance (and eMAG collects the old appliance for free), and Depanero offers repair services for appliances and electronic devices.

In FY23, Depanero repaired 317 000 products across Romania, Bulgaria and Hungary; and sales of resealed products on eMAG's platform increased by 48%. These examples illustrate how eMAG acts for the benefit of customers and the environment by extending the life cycle of products offered on its platforms.

Looking forward

eMAG will continue to grow 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. Building on its mission to give customers across Central and Eastern Europe the best retail experience, the group is set to broaden and deepen this experience and provide it in ever-more sustainable ways.

eMAG

Maintained scale, representing revenue of
US$1.95bn

517 000 Genius subscribers

>4 700 lockers throughout Romania, Bulgaria and Hungary

Other ecommerce: Ventures[1]

Operational performance

Ventures

ElasticRun

Covers
>80 000 villages across 26 states in India
>400 brands on the platform receive access to +250 000 kirana shops

99minutos.com

60 markets across Mexico, Colombia, Chile and Peru
Handles >15 million packages per year

Shipper

>35 000 SMEs
>1 000 enterprise clients
>320 000m² warehouse space across 35 cities

VEGROW

Delivers to
>100 cities
>200t fruit processed daily
>25 000 farmers in supplier network
>250 production pockets across the country

meesho

India's third-largest online marketplace by GMV
3 million average daily orders
>100 million product listings
140 million annual transacters
85% repeat users
275 million downloads in 2022, making it the most-downloaded shopping app globally for two consecutive years
>1.1 million sellers on the platform in seven years
60% of 500 000 suppliers onboarded in 2022 were new to ecommerce

DeHaat

Serves
>1.8 million farmers providing access to >4 000 agricultural inputs
Vast network of 11 000 DeHaat centres across 11 Indian states
Robust last-mile supply chain in >110 000 villages across >150 districts of India
Onboarded >2 000 agribusiness institutions (input manufacturers, FMCG companies, banks, output exporters and insurance partners) on its platform for direct access to farmers

DETECT TECHNOLOGIES

>10 000 connected data sources
>800TB data processed per month
>700 000 actionable insights served to improve safety and productivity
Deployments in 13 countries
Deployment support extended to 25 geographical regions

aruna

40 000 registered fisherfolk
Operates in 177 locations in 31 provinces in Indonesia (90% of the country)
7 000 job opportunities in rural areas of Indonesia

Identifying and investing in the next wave of group growth

Evolving market

Recent years have been transformational for Prosus Ventures in many respects. While the world has become increasingly volatile, we are confident about our operating structure. The key is that, like the wider group, we invest in businesses that are solving big societal needs with technology, in a uniquely local way.

As a long-term investor, we expect fluctuations in the market. We have experienced this before, as Prosus has invested over decades across a number of high-growth sectors and geographies. Equally, as both operator and investor, we have weathered the impact of previous periods of economic instability.

We believe there are still opportunities to invest in quality companies and many will emerge from the downturn as stronger, more sustainable businesses.

When evaluating new investments, the bar was indeed higher this year given the level of uncertainty in the market. While this may result in a lower quantum of dollars deployed, we continue to prioritise our earlier-stage investing, and, as a business, we are hyper-focused on our criteria across industries and geographies.

Additionally, we have an even greater focus on our existing portfolio and will prioritise investments in these companies, helping our founders and their teams to weather macroeconomic impacts. Several of our founders are facing adverse market conditions for the first time, and we continue to advise them based on what makes sense for their stage of development.

Prosus is a truly global investor, operating in over 100 countries. This deep understanding of international markets enables us to offer a global perspective on macroeconomic conditions, backed by a level of local expertise, which becomes an added layer of support for our founders and companies.

Nurturing the next wave of growth

Prosus 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. This will remain unchanged as we continue to believe in our underlying thesis, zeroing in on sectors of the economy where technology can lead to meaningful change in consumer and business behaviour and economics.

In FY23, we invested and committed over US$200m in more than 30 closed transactions. We will continue to invest in market disruptors, the next generation of tech-enabled industry titans, those being founded and funded now. In line with our momentum over recent years, we will expand investments across ecommerce, AI, fintech, mobility and logistics, agtech and sustainability, B2B and blockchain, in addition to software as a service (SaaS) and other frontier tech.

Our geographic focus will remain consistent with previous years as we have grown our investments and leadership in India, as well as our presence in south-east Asia, Europe and the Americas.

We will continue to invest in the new year, as we expect more opportunities ahead. Despite market conditions, it is an exciting time for new frontier technology, and we look forward to uncovering the next wave of entrepreneurs with high potential and the ambition to scale.

What we look for

Ventures follows the group approach by investing in a disciplined, focused way. We look for three key criteria:

» We back businesses with large total addressable markets (TAMs) that meet 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.

Geographic focus

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 as an investor over the years. India is one of the few countries where the demographic dividend is still to play out. In the next decade, there will be more people of earning age than those who need to be supported. In addition, this large workforce is skilled in technology and has global exposure. India has a large and vibrant local economy that has emerged as the fastest-growing major economy in the world, as well as the most populous. With a large domestic market that is relatively less-exposed to international trade flows, India's economy is well positioned to weather global spillovers compared to most other emerging markets. Several of our companies have joined the ranks of Indian unicorns.

New markets

In the past three years, we have invested in a number of new markets where we have identified strong growth opportunities. We have significantly expanded our presence in areas such as south-east Asia, Europe and the Americas.

Sectoral focus

Mobility and logistics

The logistics industry is growing in tandem with growth in ecommerce as rapidly changing consumer expectations and trends during the pandemic become entrenched behaviours. This includes a surge in last-mile and same-day deliveries.

AI

Start-ups using AI are making better data-driven decisions, automating tasks and more to unlock new competitive advantages. In line with our focus to invest in frontier tech, we expect more innovation in this space, and it will remain to be a growing focus area in future.

Agtech and sustainability

Agtech and sustainability are increasingly important areas. As climate regulation remains top of the global agenda and consumers become more climate conscious, we expect more growth, innovation and adoption in this field. We have several investments in the alternative proteins sector that prioritise reduced environmental impact, as well as companies bringing efficiency to farming, and crop production and the fisheries sector.

Deep-tech

Deep-tech innovation is solving some of the world's most significant problems, while advancing humankind. These are companies that focus on novel breakthroughs and deep intellectual property or IP. Recently, we made our first investment in this category. Oxford Ionics is a high-performance quantum computing company delivering unique innovations to create powerful, accurate and reliable quantum computers to solve the world's most critical problems.

Looking forward

We expect the 2023 calendar year to be a key period for many of our portfolio companies and we will continue to support our exceptional founders and companies while remaining an active investor. As we are flexible investors per our investment thesis and invest when we see an opportunity, this enables us to invest in ideas and companies that will be part of the next wave of growth for Prosus and high-growth sectors all over the world.

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Social and internet platforms[1]

Operational performance

Tencent

Tencent weathered a challenging 2022 with resilience, supported by its diversified portfolio of products, businesses and investments. For the year ended 31 December 2022, revenue declined 1% to RMB555bn. Non-IFRS profit attributable to shareholders (Tencent's measure of normalised performance) declined 7% to RMB116bn.

The opportunity

China recorded 3% annual GDP growth in 2022 amid Covid-19 lockdowns, global concerns about prolonged inflation and increased geopolitical tensions. The Chinese government relaxed pandemic restrictions at the end of 2022 and reopened borders in January 2023. The World Bank forecasts that China's economy will grow by 4.3% in 2023, and 5% in 2024. China is the world's largest consumer internet market and continues to grow ahead of many other large internet markets. There were 1.067 billion internet users in China in December 2022 (1.032 billion in December 2021), 99.8% 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 China's internet industry remains vast.

Continuing to lead

Tencent is a global internet and technology company that develops innovative products and services to enrich the lives of users. Its communication and social services connect more than one billion people worldwide, enabling them to stay in touch with friends and family, shop online, pay for daily necessities and be entertained.

Tencent publishes some of the world's most popular games and other high-quality digital content, enriching interactive entertainment experiences for people around the globe. It also offers a range of business services such as cloud, enterprise services, fintech and advertising to support its clients' digital transformation and business growth.

Monthly active users of Weixin and WeChat reached 1.3 billion, up 3.5% YoY. User time spent on Weixin continued to grow as it expanded its content, service offerings and short-form video capability. Time spent on Mini Programs and Video Accounts doubled and tripled YoY respectively, in the fourth quarter of 2022. Mini Programs has become a leading transaction platform in China, contributing to the growth of the real economy. Video Accounts has become a major short-form video and live-streaming platform in China.

Tencent enlivened the video chat experience for QQ by adding Super QQ Show avatars using enhanced motion-capture technology to mirror users' facial expressions and gestures in real time. It enriched the content of anime, comics and games for QQ's short-video service, Mini World, and launched AI-powered video-creation tools, significantly increasing daily active users and time spent per user.

It continued to lead in the China online game market, with Honour of Kings resuming YoY growth in daily active users in the fourth quarter of 2022. Internationally, Tencent elevated Valorant as a top global franchise and published two of the top three new mobile games of the year.

In online media, Tencent Video's subscriptions moderated slightly to 119 million due to content-scheduling delays, while subscription revenue increased YoY in the fourth quarter of 2022 in line with average revenue per user growth.

In advertising, Tencent improved its long-term position by launching Video Accounts in-feed ads, enhancing transaction-driven capability and machine-learning infrastructure in 2022. In the fourth quarter of 2022, advertising returned to YoY revenue growth. Click-to-message and click-to-purchase ads accounted for over one third of Weixin's advertising revenue.

In fintech, Tencent's commercial payment business was temporarily impacted by Covid-19 outbreaks, which significantly slowed volume growth. It is expanding its wealth management and exploring opportunities in consumer loans and online insurance services.

In business services, Tencent further reduced loss-making activities and optimised costs while focusing on healthier-margin, self-developed platform-as-a-service solutions such as video cloud and database.

It made significant progress in its drive to create sustainable social value and announced its commitment to carbon-neutrality by 2030. Tencent's digital philanthropy platform raised donations for over 25 000 projects and engaged more than 100 million users. In 2022, Tencent increased its return of capital to shareholders through distribution in kind, share repurchase and cash dividend.

Revenue[2]
US$22.3bn
(2022: US$25.3bn)

Trading profit[2]
US$5.1bn
(2022: US$6.3bn)

Looking forward

The regulatory environment of China's internet industry continues to evolve, reflecting its expanding economic and social importance. In 2022, Tencent increased its business efficiency, sharpened its focus on core activities, and developed new services and revenue lines, successfully repositioning the company for sustainable and high-quality growth. It is investing in AI capabilities and cloud infrastructure to embrace foundation models, which it believes will enhance the experience of its existing products and services, and allow it to explore the introduction of new products.

Tencent is committed to enacting its vision of 'value for users, tech for good' by continuing to develop advanced technologies and innovative products and services that create shared value and promote the sustainable development of society. Tencent sees ample opportunities in both the consumer and industrial internet as technology advances.

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2 *Presented on an economic-interest basis.*

Returning value to shareholders

We are committed to building a ‘cycle of value creation’

June 2022

Launched multiyear share buyback funded by sale of

Tencent shares

Year-end

Repurchased

152.8 million

Prosus shares

and

4.2 million

Naspers shares –

total value

>US$10.5bn

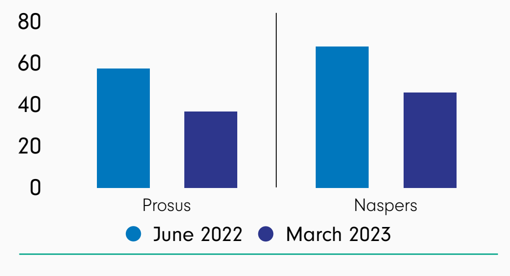
Increase in NAV per share for shareholders

4.5%

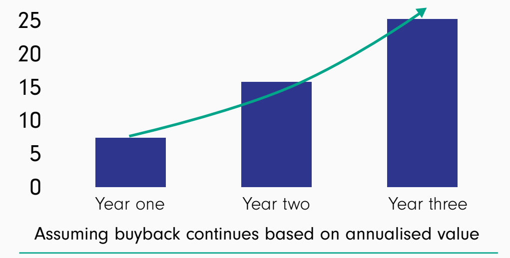
Tencent dividends remain a meaningful and stable contributor to our cash flow

Effective solution to unique challenge, creating immense value for shareholders

Reducing the discount

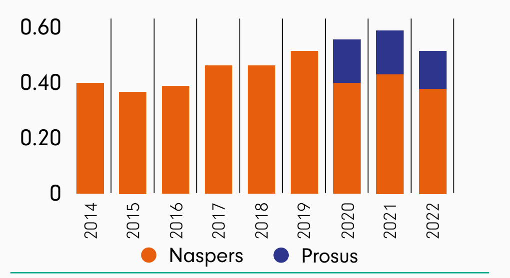


NAV per share accretion compounds over time (%)



We have great confidence in Tencent’s long-term prospects and the execution of the buyback programme will result in the group increasing net asset value per share.

History of dividend to free-float shareholders of Naspers and Prosus (US$)



Sustainability review

Our approach

Creating sustainable value

Mitigate harm linked to business and operations

Do good by investing in communities

Lead sustainable transitions

We create sustainable value for key stakeholders through our business model and in line with the United Nations Sustainable Development Goals (UN SDGs). Below is an overview of the nine SDGs that our business, companies and people contribute to in a significant and material sense. Please see our website for more details.

We are living in an increasingly turbulent and unpredictable world where technology is rapidly transforming the way we live and interact with each other. In this post-Covid-19 reality, with geopolitical instability contributing to already-stressed resources, on 15 November 2022, the eight-billionth human being was born.

We have no choice but to transition to a more sustainable way of being able to meet the needs of this generation and the generations to come. And critically, every person in society needs to be part of this transition. We believe we can harness the power of technology to drive this transition, which is why **being a force for good** underpins our sustainability purpose.

Our capital allocation strategy reflects this opportunity as we continue to increase our exposure to revenues from a well-diversified portfolio of asset-light and low-carbon digital services. As one of the world's largest technology investors, creating sustainable value lies at the core of everything we do. The companies we invest in are visionary entrepreneurs, rooted in their local communities, building virtual businesses with a lower carbon footprint than their old-economy offline counterparts. Our portfolio of digital services is driving a systemic transition, from a linear economy of take-make-waste towards a circular economy and improving material efficiency and use of sustainable resources.

Every investment we make has the potential to reduce inequalities and drive innovation. By investing in local entrepreneurs who are solving for local needs, we support local economic growth in those communities – in the long run, this is the most sustainable way of driving economic parity and equitable access to opportunity in a society. Digital financial services, for example, reach people previously underserved businesses using brick-and-mortar infrastructure. Our portfolio of edtech platforms is enabling businesses using an increasingly diverse user group to access online learning anytime, anywhere without the carbon footprint of a physical learning institution. Similarly, etail allows for selling and buying products without the accompanying physical footprint while our best-in-class food-delivery businesses are creating livelihood opportunities in countries where there is high youth unemployment.

Sustainable value creation

The criteria for our investment decisions are clearly defined and exclude or limit our exposure to revenue from business models that conflict with our sustainability-driven approach.

Our approach is characterised by the overarching objectives to mitigate risk, manage performance, and create sustainable value. It is founded on our three pillars of responsible investing:

» We proactively aim to avoid exposure to revenues from a defined set of controversial activities such as carbon-intense business models, pornography, tobacco, weapons, and others.
» Once an investment decision is made, we continue to apply an ESG lens to track performance and gauge the progress of companies in which we acquire a controlling interest. While the nature and definition of material impacts may vary between companies, we apply consistent ESG principles and systemically cascade our sustainability agenda to our subsidiaries. These include data privacy and cybersecurity, human rights, business ethics and compliance, and climate action.
» We will continue to increase our exposure to revenues from sustainability-native business models. Our Ventures team is exploring potential new segments from carbon reduction to smart mobility. For example, we invested in companies such as DeHaat, Aruna, Biome Makers and Vegrow that apply sustainable digital solutions in agtech by using soil biology analytics and AI-based tools to determine the most sustainable solutions for crops and address specific climate and societal challenges.

Responsible business

Our family of companies is well diversified by sector and geography, which is our strength and differentiator. While the experience of doing business in difficult contexts is our competitive advantage, it also presents challenges. Our assets span an array of political and social contexts, along with vast variances in maturity of these companies in addressing ESG topics. Most of the companies are privately held, building technology-based commercial strategies in tough markets. However, we believe that by securing leading positions in fast-growing markets, our businesses can create the opportunities and connectivity that are preconditions for societal development and **environmental protection**.

While the principles we bring to our portfolio companies are consistent as set out in our sustainability policy **and environmental programme**, we apply a differentiated approach to engaging with them defined by our level of interest in the company, in turn an indicator of our ability to influence. In our corporate operations, we control our sustainability strategy. Where we have controlling interests, we work closely with the companies 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. Where we have significant minority investments, we leverage our board seat, where we have one, to share our sustainability agenda and ESG principles. The demographics of the companies where we hold minority investments are vastly different, ranging from very mature listed entities to companies in their early growth stages. The resource allocation for engagement and monitoring of their ESG performance will remain nuanced, based on the type of company and their materiality on our balance sheet. Across all these companies, however, if we have a non-controlling interest, we remain relatively limited in our ability to influence the companies' strategy and activities.

Our engagement considers the position and role of the private sector in the larger country-level operating context of each group company. This includes requirements of local regulations, making a one-size-fits-all approach highly impractical. In the rare situation that national law conflicts with international standards, we expect compliance with national law and seek ways to respect the principles of internationally recognised standards and best practice.

Our sustainability accelerators network (SAN) is an engagement opportunity that we offer to all Prosus companies, regardless of control and ownership levels. This is a forum where sustainability leaders and experts across the group come together each quarter to share updates and exchange best practices. This network has led to further thematic offshoots like the packaging and waste working group that catalysed reports to support the companies in mapping their own pathway.

People

Our people are the heart of our business – they underpin our success. We are dedicated to helping our people develop their full potential by creating a diverse, inclusive and learning organisation.

Employee value proposition

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

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

We face 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. As such, we focus on:

- Offering meaningful jobs with a sense of purpose in a company committed to deploying technology to address big societal needs and to enriching the communities in which it operates.
- Delivering career-enhancing professional development and ongoing opportunities to network, learn and collaborate internally and externally.
- Recognising excellent work with fair and competitive rewards, enabling us to compete for talent with global, regional and local consumer internet companies.
- Putting 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

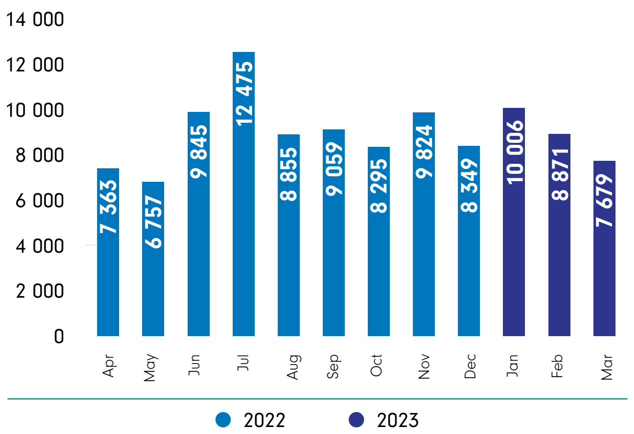
We make learning accessible everywhere, at any time. MyAcademy – our online hub connecting our people to learning materials – is available on demand to everyone in the group.

Our people development programmes focus on four 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.
- Accelerating major transformation plans requiring large population upskilling such as artificial intelligence, diversity and inclusion, and sustainability.

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.

Monthly active learners



Limitless learning

We care deeply about providing equal learning opportunities to our people, especially in geographies where access to learning is hampered by the lack of local infrastructure and resources.

To illustrate the flexibility of our digital learning platform, we supported the group focus on cybersecurity by launching programmes that equip people with an understanding of associated threats.

We also explored learning formats that more closely resemble face-to-face training sessions by expanding our live digital training offering. In 2023, we organised four My Academy 'unplugged' live sessions inviting external speakers to talk about sustainability and inclusion. This new format allows us to simultaneously connect hundreds of employees with recognised external experts on some top group priorities.

Strengthening our capabilities on topics critical for growth

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

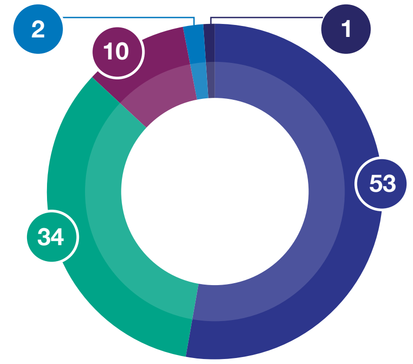
Our live education programmes focus on leadership, management, business development, artificial intelligence (AI) and machine learning (ML). These sessions bring people together from across the group, enabling them to learn from each other, share best practice and interact with the best trainers and 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 105 technology colleagues to earn AI nanodegrees and initiate a new career path in the field. In addition, our AI for growth programme equips business leaders with the skills and knowledge they need to build AI-centric businesses.

For more information on AI and ML, see pages 82 and 84.

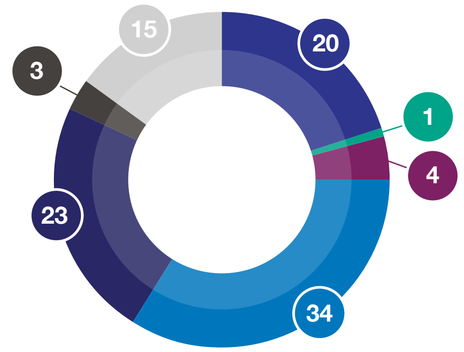
22 634 (2022: 30 413) permanent employees in some 80 countries and markets.

Headcount by region (%)



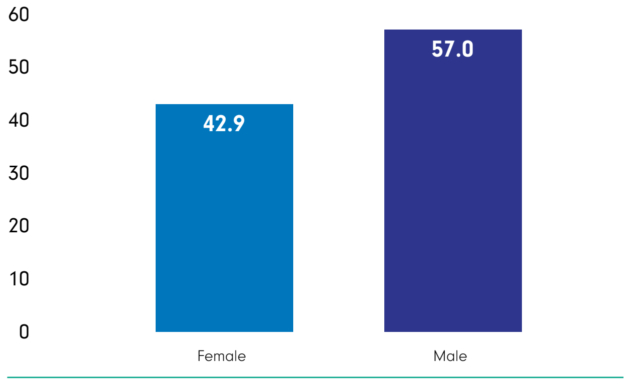
Europe, Middle East and Africa	12 016	53%
Latin America	7 788	34%
Asia Pacific	2 280	10%
United States of America	450	2%
United Kingdom	100	1%
Total	**22 634**	**100%**

Headcount by segment (%)

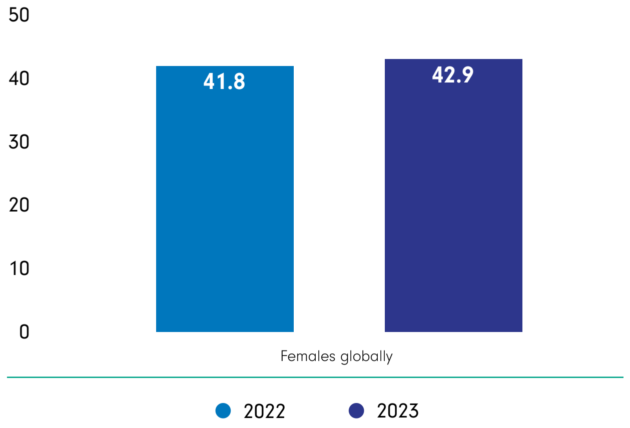


Classifieds	4 500	20%
Corporate	170	1%
Edtech	859	4%
Etail	7 698	34%
Food Delivery	5 210	23%
Other	750	3%
Payments and Fintech	3 447	15%
Total	**22 634**	100%

Demographics by headcount (%)



Global group demographics (%)



Great leadership and culture

Cultivating a strong groupwide culture

We are a diverse group of global companies, but our values (see page 7) are consistent for our people wherever we operate.

Building a diverse and inclusive workplace

Building a diverse and inclusive workplace is a key element of our business growth and success strategy.

Given the scarcity of talent in the consumer internet industry and our focus on growth markets, attracting and retaining talented and qualified candidates is an ongoing challenge. We are addressing this 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 three interdependent pillars:

» Top leadership support: Our leadership team champions these initiatives. Diversity and inclusion is a business strategic priority, and a measurable goal for management teams. For more information, see pages 76 to 78.
» Employee experience: All the different experiences individuals 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.

Employee experience

Focusing on gender diversity

We face the same challenge as our consumer internet competitors in attracting and retaining female talent, especially for product and technology roles. Our initiatives to address 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 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 there is a diverse interview panel.

From board to senior management and the general employee population, there is an upward trend in hiring women, as reflected in the last four additions to the board. In addition, more women are being recruited into management roles across the group.

To ensure the gender balance of our board members, we are committed to a minimum of one third of board members who are female.

See page 128 for our board diversity policy.

Involving our employees

We assess our progress in building an inclusive workplace by asking all our people for their feedback in 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, and guidance on how to raise any concerns.

In our March 2023 employee engagement survey, we reached a global score of 83% favourable responses to our gender diversity question. We achieved a score of 86% favourable responses to our inclusion question, stated as: 'I feel respected at my company'. We see no significant difference in results between genders for these questions. We believe employee feedback is a good indicator of our impact and progress towards greater diversity and inclusion in the workplace. We recorded a 3 percentage point reduction in our global engagement result in FY23. Employee sentiment was impacted by workforce restructuring during the period. We remain committed to improving employee engagement and will continue to focus on that in the new financial year.

Competitive pay and benefits

Fair pay

Equality and consistency are embedded in our pay practices across the group as we build diverse and inclusive workplaces. We operate in high-growth economies where socioeconomic disparity can be large, and societal fairness is very important to us. We ensure 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.

Our fair remuneration systems 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 seniority, ensuring equality of pay across 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.

Full-time active drivers for iFood and Tazz (an eMAG group company) on average earn more than the prescribed minimum wage in the countries where they operate.

Our companies provide a range of benefits to drivers, which varies by country, such as: 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).

Ensuring pay equality

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

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:

- We run regular pay-equality analyses, for example for new hires, to 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 believe happy and engaged employees create satisfying customer experiences. It is important in a competitive global market that we give our people a compelling reason to work for Prosus. We regularly measure employee engagement across the group and ask our people for feedback on their experience of working at our 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 2023, we maintained our participation rate of 83% and had an engagement score of 71%. Although these results are lower than last year, they are still in line with external benchmarks and we continue to focus on positive employee engagement across the group.

Throughout this last survey, we noted an increase in our wellbeing and hybrid work factors versus the last survey done in FY22. The most significant increase is focused on the teams' feeling of spending enough quality time with others, showing the direct impact of our blended work approach.

Statistics

Engagement survey participation rate of **83%**	Engagement score of **71%**

Digital inclusion

The digital divide remains a fact in many countries where we operate. 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 advocate for 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 goods, food delivery and education.

Our companies also support targeted inclusion of underserved individuals in the community through community investment initiatives.

Innovation

Our core segments include global leaders in the delivery of virtual essential services, with an improved environmental footprint and lower emissions than brick-and-mortar businesses. We are deepening our understanding and quantifying how digitalisation helps the world transition to a low-carbon society. In FY23, we initiated 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 focus 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.

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 focus on finding new ways to innovate our business platforms, processes, products and services.

Innovation for a circular economy

We recognise the role of innovators in tackling social and environmental issues, both within our group and in partnerships. Across the group, we encourage investees to forge partnerships that foster innovation and tackle shared societal challenges.

Packaging innovation supports sustainable business. In line with our circular-economy ambitions, iFood is pioneering new forms of sustainable and biodegradable packaging for meal deliveries. In partnership with GrowPack, iFood is injecting thousands of compostable packaging from waste materials into the market, to help restaurants and customers adapt to new sustainable materials.

Our OLX platforms already built a more sustainable world through trade by selling second-hand goods, a pillar of the circular economy. Each year, OLX quantifies its positive impact through an impact report, which details the prevented environmental impact of seven categories (cars, motorcycles, car parts, mobile phones, laptops, TVs and tablets). OLX teams have piloted new ways to fuel circular consumption and inspire the large base of customers to reuse, refurbish and recycle what they have through trade.

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PayU: Using data, AI and ML in the right way

We are committed to using data, AI and ML in a responsible and ethical way. This objective is being supported by our defined governance model and responsible AI frameworks.

PayU's global personal-data governance policy focuses on accountability and responsible use. Backed by appropriate global training and awareness raising, we have created PayU's privacy and security-by-design policy and toolkit to embed robust privacy and security requirements across 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.

In FY23, PayU accelerated the adoption of data and AI across its credit and payments businesses. This is core to running each business, delivering on growth targets and controlling risks:

» In the **credit business**, PayU (much like other credit companies) relies on data and AI to assess consumers' credit risk before making a lending decision. This includes the permissible use of data provided by third parties, such as credit bureaus, depending on the region.
» Data and AI are also crucial in other facets of PayU's **lending products and customer experience**. Examples include simplifying customer onboarding when applying for a loan; enhancing customer retention and reducing churn; and determining the need for different lending products and increasing cross-sell of products.
» In the **payments business**, the rapid acceleration of digital payments due to Covid-19 has increased online fraud as well. Data and AI are used to control fraud losses incurred by PayU and its customers (online merchants and banks). In FY23, we deployed AI models to detect anomalies in transactional patterns for potential fraud alerts. We also supervised ML models to predict fraud conducted by online merchants and others. In India, faced with the rise of unified payments interface as a payment instrument, fraudsters have devised new ways to conduct digital online fraud.
» PayU also uses data and AI to provide a frictionless **online payment process** for end users. In FY23, we enabled a one-click checkout for non-risky transactions in regions where local regulations do not mandate two-factor authentication.

Given the increased use of data and AI, PayU further improved data governance in FY23. Centralised data warehouses that store, maintain and enable permissible use were created, adhering to data governance regulations and practices (eg localisation). While AI governance regulations and best practices are still evolving across the globe, PayU took further steps in FY23 via limited implementation of the EU's independent high-level expert group on artificial intelligence (EU AI-HLEG) framework in selected AI models incorporating learnings from the internal audit of the framework in FY22. Data and AI governance will remain a foremost priority in coming years.

Looking ahead

As the pace of innovation accelerates, we will remain focused on finding, developing and applying new ways to achieve 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 are ramping up our initiatives to communicate this impact to all stakeholders, and to capitalise on opportunities to advocate effectively on the basis of our experience.

In tandem with our sustainability policy on climate action and our environmental programme, we will embed processes for supplier selection and screening according to ESG factors. In FY23, our emphasis shifted from risk assessment to embedding ESG criteria in our procurement.

Enhanced environmental disclosure is a key element of our commitment to net zero, and a demonstration of the importance of 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 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 years ahead.

Artificial intelligence

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

Applying AI to improve everyday life

Across the group, we apply data science and AI in numerous ways to add value for customers, partners and the business and to fulfil our purpose. 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 content creation and search in Edtech.

Our guiding principles

The following principles guide how we develop and deploy AI:

» Deploy AI everywhere where it makes business sense.
» Develop AI-by-design for innovation in products and services.
» Develop and deploy AI 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 closely with company AI teams on multiple initiatives. These include organisational changes to support the adoption of AI and data science at scale; talent and leadership development programmes; actively engaging with the global research and development community; adopting machine-learning platforms in engineering; developing deliberate data strategies; and investing in AI-first companies.

Across the group, AI has become part of the fabric of our operations, how we innovate and keep improving. At the scale we currently operate across our core segments, AI is essential. OLX, for example, has developed AI to calculate return on investment (ROI) for marketing costs, a large cost item for Classifieds. AI models are used to attribute ROI to single campaigns, and optimise spending and trade-offs between campaigns. On aggregate, they achieved a 15% reduction of marketing costs for the same marketing effectiveness. iFood has developed similar initiatives to reduce marketing and acquisition costs without impacting effectiveness. 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 increasingly focused on AI-by-design – using our technologies and expertise to make operational improvements and to radically change the way we do business. This is about future-proofing and innovating – building AI into the earliest stages and making it core to the process of exploring, designing, developing, deploying and improving platforms, products and services.

Allied to this, we systematically explore emerging technologies and accelerate them across the group, but within the parameters of our risk management processes. The aim is to push these technologies forward through the group while de-risking them – to get more value, faster.

A major recent development in the field is generative AI (GenAI) or systems that can generate new content – or manipulate existing content – based on text instructions. GenAI is relatively new (the first usable models date to 2019) but current capabilities are already of practical use at scale and exceed average human performance at many tasks. We have developed PlusOne, an AI assistant based on GenAI, and made it available across the group companies. With PlusOne, companies can explore and understand the capabilities and limitations of GenAI first-hand. It is particularly valuable for testing use cases and discovering new applications.

The range of possible use cases is vast and includes several workflow automations that increase efficiency and reduce costs. Examples include: to create education content, answer knowledge questions, automate transcriptions and meeting notes, create document summaries, generate and correct code, and generate images for communication. The first set of use cases of GenAI is already in production across our Edtech companies.

Using AI responsibly

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 example on gender. They must be transparent, so that their outputs, for example an AI-based credit decision, can be clearly explained and understood.

We have a framework that proactively includes the social and ethical dimensions of AI in the development process, based on key principles:

» **Govern:** Anchor AI to core values, ethical guidelines and regulatory constraints, for example specifying principles in developing 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 our people to take full advantage of AI and new workstyles. This includes upskilling engineering teams on robustness validation as part of the testing process.

We are deploying this framework across the group.

Programme statistics

>500 data scientists now part of the Prosus AI community	**>4 000** software engineers and technical staff who work with the PlusOne AI assistant

Operationalising ethical and responsible AI

We take an operational approach to ethical and responsible AI, focused on adopting best practices across our 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 bias, among others. We have adopted specific tools for this purpose.

By using PlusOne, we have also identified guardrails and practices that help GenAI models produce helpful and honest responses that are not harmful. These guardrails are continuously evolving and integrated in our technology stack.

We also focus on raising awareness through demonstrations and technical education to ensure these tools are adopted and used effectively.

In FY23, we articulated our statement on ethical AI at Prosus, which describes our approach to using AI across the businesses we invest in. We will also continue associated training for our leaders and technical teams, as summarised below:

» **Educating leadership on ethical and responsible AI**
Since 2021, a rolling programme is educating leadership across the group on ethical and responsible AI. Throughout the programme, leaders can see the potential of AI to implement their company's ambitions while developing fair, robust and transparent AI. In this way, ethical and responsible AI becomes an opportunity for positive impact, not just an element of managing risks.
» **GenAI deep dives for leaders**
We have designed and introduced a new rolling programme of deep dives into GenAI. They map the evolution of the field, educate and create awareness of the potential and limitations of Large Language Models. We regularly offer deep dives into senior staff of group companies.
» **Training engineers in AI**
We offer highly specialised training on several AI themes for engineers and product managers, including model deployment, ML pipelines, ML operations and natural language processing. A new addition is a series of tutorials and practical education modules on GenAI, such as prompting or training language models.

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.

Advancing our AI knowledge and capabilities

Throughout the year, we continued to develop our community of data scientists across the group. The Prosus AI community now includes over 500 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 learnt across businesses. In November 2022, we organised the third 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. The focus of this edition was on GenAI applications for the group.

Investing in seed-stage AI companies

We continue to monitor seed-stage AI companies pioneering AI-first innovations in areas such as robotics, language and vision. We collaborate 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 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 partnered with Amsterdam Data Science, a network of academia and industry that has established a strong data science and AI ecosystem in Amsterdam. Aside from supporting the organisation, our contribution includes organising knowledge-sharing events such as workshops and meet-ups.

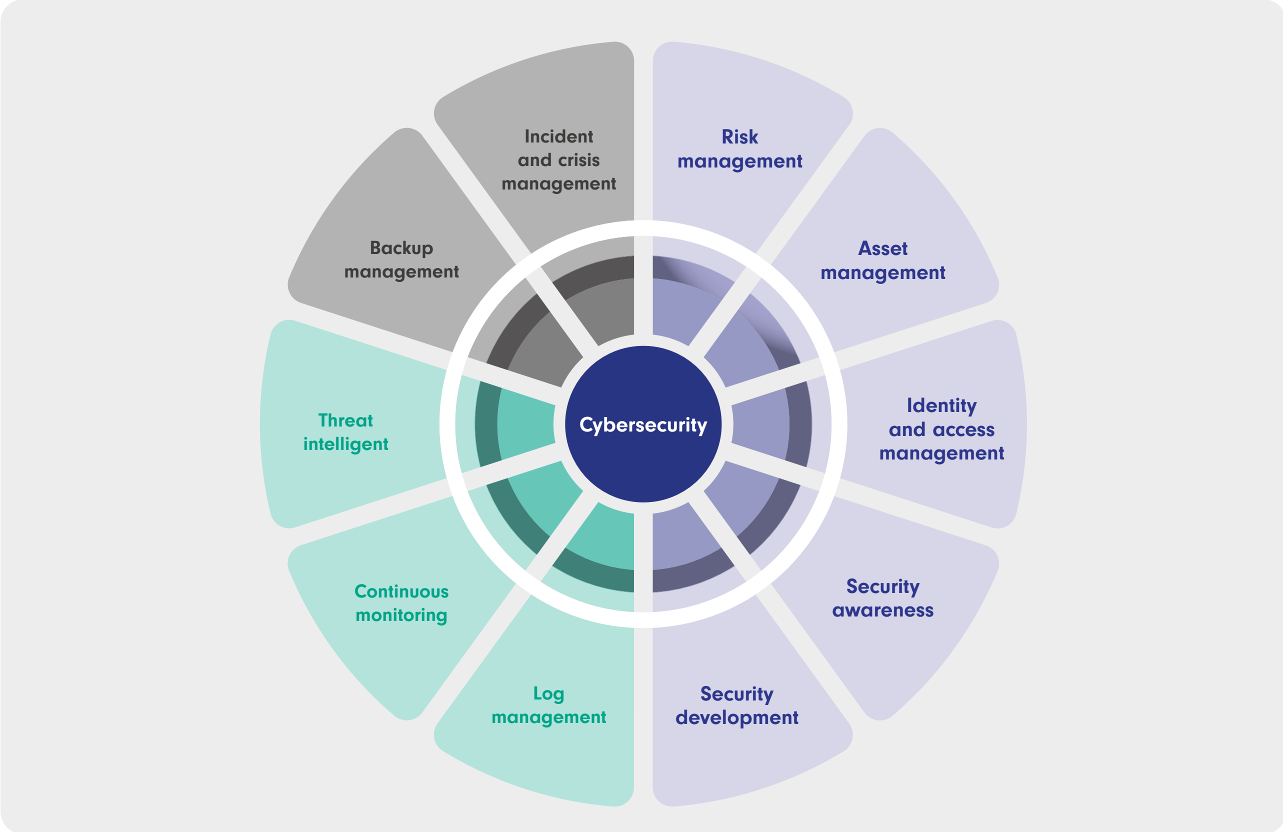
We engage with several data-science-for-social-good initiatives, dedicated to adopting AI in projects with a positive social impact. We contributed to academic institutions and non-profit organisations for developing data-science-for-social-good education schools, such as Deep Learning Indaba – the African ML and AI community – and Data Science for Social Good (DSSG) – the summer school at Carnegie Mellon University. DSSG is 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 focused improvement at the heart of AI and ML, and new options offered by GenAI. As models are deployed 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. 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.

Cyber-resilience



We are committed to ensuring 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, and for the businesses themselves.

Accordingly, we focus on two key areas of cyber-resilience:

» We implement and maintain strong cybersecurity, so attacks are thwarted and any breaches quickly tackled with the minimum impact.
» 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 them, 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, changing regulatory requirements, and adaptive attackers requiring continuous innovation to thrive. Technology sits at the heart of their growth.

Business IT

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

We focus on 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 business IT.

We encourage all subsidiaries 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 group 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 incident.

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 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 discussion with the security heads of the subsidiary companies. 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. Accordingly, we have established an online workspace for security professionals to stay in touch, discuss trends and risks, and co-ordinate responses to incidents. Other initiatives include an online cyber-academy where the community gets together and shares insights and best practice. We also host regional cyberlabs, which are two-day events where security teams from subsidiaries in the region gather to discuss emerging risks and common response strategies. In FY23, we had two cyberlabs, in Brazil and India.

Assessing cyber-resilience

The cybersecurity team undertook 49 advisory and assurance projects in FY23 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.

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 in-depth report on how well the businesses are doing against the policy.

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

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

Last year, we 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 two critical issues:

- Secure remote working. As people continue to work from home post pandemic, making sure they can do so securely remains a priority. As such, end-point security remains a key part of the cyber-resilience agenda, and we work with businesses to check that this is in place and robust.
- Ransomware prevention and response preparation. This included updating our cybersecurity policy with a ransomware addendum; creating a group playbook on how we would respond to a ransomware attack; and undertaking ransomware simulations, so we could further refine our resilience to this growing threat.

In FY23, we performed internal audits at multiple subsidiaries to ensure they have sufficient resilience against a ransomware attack.

Key performance indicators

At group level, we focus on two cyber-resilience key performance indicators (KPIs):

- **Breaches:** Our procedure requires subsidiaries to notify us about numerous categories of notable incidents (cyber-attack or other operational failures of the platforms). We report to our risk committee about these when they are material, in particular noting the nature of incidents, risk of financial losses, and whether notifications to regulators or investigative bodies have been made. We make recommendations for corrective actions where appropriate. Similar to FY22, we had no breaches of subsidiaries that had a material operational or financial impact above US$10m in FY23.
- **Awareness:** Every new group function employee now has security awareness as part of their induction, and we do a periodic phishing simulation at corporate. We saw good results from the last rounds of phishing simulations.

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 on that risk.

We are also closely monitoring and researching new risks coming from GenAI, both its use in launching new types of cyber-attacks, and in helping us to quickly identify and respond to an attack.

We will continue investing in the cybercommunity and create opportunities for subsidiaries to collaborate.

Programme statistics

Cybersecurity team undertakes around **49** advisory and assurance projects each year	We executed **2** advanced persistent threats (APTs)
We executed **7** red team exercises	We did **4** pentests

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Data privacy

Our commitment

We recognise that privacy is an important value and an essential element of public trust. At Prosus, we strive to be a trusted company and, as a responsible investor, we expect each of our businesses to adhere to our group policy on data privacy governance.

Public trust is a precondition to achieving our purpose to improve everyday life for billions of people through technology. Data privacy is also a material domain for our group in support of our sustainability initiatives.

Data 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 the 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.

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; promote best practice; accommodate the different business models, resources, culture and legal requirements across the group; and support trust in our businesses' products and services. We review this policy each year.

For more information refer to our website at www.prosus.com/privacy.

Clear accountability

We give clear accountability to individual businesses. Each business is directly responsible for managing its data privacy programme. This responsibility rests ultimately with the CEO of each business – they lead in implementing the group's policy and are directly accountable for 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 strive to foster a culture of data privacy and look to businesses to ensure privacy by design – where privacy becomes part of the fabric of day-to-day work rather than an add-on.

The key inputs for ensuring robust data privacy across the group are summarised below:

Data privacy principles

Widely recognised internationally and benchmarked to fair information privacy principles, the seven data privacy principles 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 data privacy laws.

Key elements of data privacy programme

To help businesses put the principles into practice, our group policy sets out seven key elements of a data privacy programme and ensures our core data privacy commitment and approach are followed in ways that really work for our businesses, benefiting each company and the group as a whole. It also ensures that businesses comply with applicable data protection laws, such as General Data Protection Regulation (GDPR) in Europe, General Personal Data Protection Law (LGPD) in Brazil, and Protection of Personal Information Act (POPIA) in South Africa, and lays the groundwork for strong technical competencies to comply with anticipated requirements of future digital laws, such as those in India.

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. This includes guidance on implementing the data privacy programme; training programmes that develop future privacy leaders; and advice on any data privacy implications of mergers and acquisitions. In turn, each quarter, companies report to the group privacy office on progress in developing their privacy programmes as well as incidents and interactions with government authorities, customers and their partners. In addition, we have implemented a bespoke Prosus privacy maturity model that allows each company to monitor the maturity of their privacy programmes across 17 domains, focus on key areas for improvements, and report results in a consistent manner.

Our intra-group data transfer agreement 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.

Advocacy on privacy and related digital legislation

We closely follow developments in data protection, data strategy, AI ethics and other key issues relevant to digital platforms. We ensure 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.

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.

Twice a year, the group data privacy office submits a detailed report to the risk and audit committees. It aggregates the group risk assessment together with recommendations for focus areas in the segments, and includes detailed segment-level reporting, based on the Prosus privacy maturity model. In addition, our group chief executive directly reviews the data privacy programme outputs each year.

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, specifically around privacy workforce; auditing; and maturity measurement.

Investing in expertise

We require that companies appoint their own privacy leads. We track the level of investment in data protection officers, deputies, regional privacy leads, privacy managers and other experts. The growth of this privacy network drives the strength of privacy programmes in our subsidiaries. This enables our businesses to address the increased requirements stemming from digital regulation and pending data protection legislation (for instance, in India). In our subsidiaries, we have a diverse team of 34 (FY22: 33) data privacy roles in nine jurisdictions across the globe.

We also invest in data privacy skills by enabling our experts to gain globally recognised privacy certifications offered by the International Association of Privacy Professionals (IAPP), as part of our group membership (56 certified privacy professionals in the group).

> India gets privacy-ready with the Prosus privacy governance academy – this year we inaugurated a training curriculum for our India investees, including an intensive privacy management training programme over seven weeks, with more than 40 participants.

We invest in automation by maintaining a group-level licence for industry-leading privacy management software that allows companies to automate many of the privacy reviews undertaken across the group. We also offer multiple privacy training opportunities and forums for engagement. In MyAcademy, we host over 30 modules of diversified privacy training content in different languages in a dedicated privacy learning hub.

Auditing companies

As a group, we require that our companies are periodically audited for data-related matters. We routinely conduct internal 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.

During the year, we conducted 38 (FY22: 35) internal audits with data governance components, assessing issues specific to privacy, software development life cycle, security, data management and broader risk management.

Assessment of maturity and goal setting – Prosus privacy maturity model

This year, all our subsidiaries completed two cycles of assessment across 17 data privacy domains set out in a bespoke Prosus privacy maturity model. Each company has selected at least two specific goals to improve maturity over the year, based on what was most pertinent to its business model, size, culture and jurisdiction. All subsidiaries reported to the group privacy office on levels of maturity across these domains and progress of selected focus areas by the end of the review period.

Following a reassessment process, new baselines were set for the coming year and the board has been briefed about results for this period. It is notable that, after our first review in FY23, developments in the macro economy, which resulted in changes to workforce levels and deployment of financial resources, have on occasion impacted the ability of diverse businesses to achieve their goals in digital governance. However, many of the companies advanced their programmes and improved maturity accordingly in targeted domains.

This review has enabled us to complete internal benchmarking and set company-specific goals, as well as identify broader trends. As a result, we can see where the challenges lie and adapt our support and guidance accordingly, to keep improving as a group.

Is data minimisation the new green? One of our companies, OLX Group, has actively sought to identify, assess and delete duplicative or unnecessary data sets to advance its sustainability goals, reduce costs and minimise privacy and security risks.

Looking forward

We will continue to deploy and strengthen the Prosus maturity model. This is a valuable tool that helps our subsidiaries focus their resources on material privacy governance domains that impact key stakeholders, particularly consumers and employees. It also enables more streamlined risk assessment, monitoring and reporting.

Data privacy risks remain a key focus area for the group, due to increased enforcement, new regulations and security risks. We are working closely with the Prosus AI team to ensure we build and deploy AI in an ethical, responsible and compliant way, aligned with the Prosus formal approach to AI and ethics.

While challenges remain, we are committed to a strong groupwide data privacy programme that ultimately benefits the billions of users of our companies' services and improves their everyday lives.

Key elements of our data 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 chief executive should designate a data protection lead or team 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 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 compliance with the principles, data privacy programme elements, and applicable data protection laws.

Business culture, ethics and integrity

Creating long-term value

The board ensures a culture of sound business ethics and conduct, aimed at long-term value creation that underpins 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

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.

Our commitment to ethics and compliance

We are committed to conducting business in compliance with the law and behaving ethically.

Failing to comply with laws and regulations, or the codes and standards we have adopted, could expose the group to legal liability and affect our impact, reputation, business, financial condition and the communities in which we operate. We strive to apply laws and rules, codes and standards with integrity and regard for ethical business practices in a way that supports good corporate citizenship.

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

Roles and responsibilities

The board sets the tone at the top, guiding business values and promoting the culture of sound ethics and compliance. The board's risk, audit, human resources and remuneration, and sustainability committees exercise oversight of ethics and compliance and the management of 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 laws and regulations.

Senior management is responsible for creating a culture aimed at long-term sustainable value creation and ensuring ethical business standards are integrated into 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/antitrust, sanctions and export controls, and anti-money-laundering and counter-terrorism financing.

In addition, group ethics and compliance is responsible for designing and overseeing the speak up programme across the group, including the group policy, monitoring use of speak up services and ensuring reports are dealt with appropriately.

Approach

Group ethics and compliance has developed and communicated an ethics and compliance framework of minimum standards required for subsidiary businesses. Subsidiaries are required to implement an ethics and compliance programme that is fit-for-purpose and takes account of ethics and compliance risks specific to their business.

To ensure proper design and implementation of these programmes at subsidiary level, ethics and compliance officers have been appointed across the group. At year-end, there were four ethics and compliance officers at corporate and 97 at subsidiary level (including dedicated staff and those with combined roles).

Ethics and compliance officers at subsidiary level report to group ethics and compliance on the design and implementation of their programmes. Group ethics and compliance monitors the design and implementation of these programmes through the reporting process as well as regular touchpoints with the subsidiaries. Group ethics and compliance reports to the group's board committees biannually.

As part of our ethics and compliance culture, we encourage employees and third parties to speak up if they have concerns, using various available options. Concerns can be raised locally via line managers, human resources and ethics and compliance officers or through dedicated speak up services available online, via a telephone hotline or by email, 24/7 in multiple languages. Speak up services allow for confidential and, if legally permitted, anonymous reporting. Retaliation for speaking up is not tolerated and will be treated as a violation of our code.

The code and speak up policy are available in multiple languages and posted on our website.

Progress in FY23

In FY23, we updated and enhanced a number of key group policies, including the group's sanctions and export controls policy. We also issued policy-related guidance for our segments and businesses. We continued implementing the code and speak up programme across the group, with training and awareness campaigns.

We refreshed and rolled out our core ethics and compliance training to all group employees, with a 100% completion rate.

Risk assessments and annual plans were completed for each segment, identifying key risks and initiatives for the year ahead, informed by the risk assessment.

In FY23, 576 speak up cases were logged across the group (including whistleblowing cases). Of these:

- 247 were substantiated (fully or partially) and remediated, as required
- 268 were not substantiated, and
- 61 are still under investigation.

Our subsidiaries continued to make good progress in implementing and adapting the ethics and compliance framework in their businesses.

Looking forward

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

Over the next year, we will continue to drive implementation of the ethics and compliance framework in subsidiaries. We will review and enhance core policies to meet the evolving risks and regulatory landscape applicable to our businesses. We will monitor progress against subsidiary annual plans and measure the maturity of business programmes. Our subsidiary plans cover enhanced governance and risk mapping, policy improvements, training and awareness, monitoring and testing and other risk and business-specific measures.

We will continue to improve oversight of ethics and compliance, and ensure that, as a group, we address the relevant ethical issues by taking the right actions and developing mitigation and prevention strategies.

Programme statistics

77 ethics and compliance officers appointed across the group	**100%** of corporate employees completed our ethics and compliance e-learning	**576** speak up cases logged across the group

Upholding human rights

Human rights give us the freedom to choose how we live, how we express ourselves, and the freedom of political affiliation. They 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 among the underlying issues that contribute to a world where human rights continue to be challenged in both mature and emerging economies. The global scale of the issue has been highlighted by growing discussion on systemic racism and violence following the rise of the Black Lives Matter movement. In turn, public dialogue has increased on 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 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.

We operate in diverse geographies, each with its own historical legacies, social demographic configurations and populations. As a signatory to the UN Global Compact, our approach to human rights sets out standards and principles that can be applied to the specific issues and challenges relevant to the business models and operating contexts of our companies.

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. Following publication of the group human rights statement, 100% of subsidiaries have now adopted and/or published their own human rights statement.

Companies we invest in

During our capital-allocation and investment process, we incorporate ESG criteria, including human rights, into our decision-making. ESG screening is built into our pre-investment due diligence process and we vet all new investments for potential human rights violations.

Once onboarded into our portfolio, we manage for performance and expect our subsidiaries to apply high standards on ESG. 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 this performance as part of our third-party ESG performance assessment, which maps how each company addresses ESG topics, including human rights. We are committed to complying with applicable laws and to respecting internationally recognised human rights, wherever we operate. Guided by the UN Global Compact, in the rare situation that national law conflicts with international standards, we expect compliance with national law as the bare minimum and seek ways to engage with the company to promote principles of internationally recognised human rights.

We invest in diverse business segments, each with its own human capital value chain. As part of the pre-investment process, our investment teams include 'potential human rights violations' in their broader due diligence of the non-financial qualifiers for a company. Businesses such as the Payments and Fintech, and Edtech companies have a small group of employees who are mostly highly skilled technology or finance specialists. Other segments such as Etail and Food Delivery have a more extended footprint of on-demand platform workers in their value chain. 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 on 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 are compatible with our own commitments from companies seeking to qualify as Prosus suppliers.

For the past three years, we have used a third-party supplier assessment tool. This 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 corporate level, we have implemented an integrated vendor-screening tool. We have screened all our vendors across a range of material issues to identify any areas of concern. The tool will be continuously deployed to assess our current and future portfolio of vendors. Our board has set the guiding business values and the ethical climate in our code of business ethics and conduct which sets out what we expect from all our employees, stakeholders and potential investment opportunities. Building on this code, our supplier code of conduct outlines the principles and guidelines we expect our suppliers to follow, to remain a trusted business partner. It asks our vendors to live up to the highest standards on social themes and take action to reduce their environmental impact. The supplier code governs our commercial engagements with suppliers and is made part of our contractual relationships. It is expected that this will be published in FY24.

Supplier screening

Before we engage with a supplier, we screen the organisation for its historical conduct on several elements like financial conduct, and incidents related to human rights and environmental management. Once this screening proves satisfactory and all red flags are addressed sufficiently, we can onboard or continue working with the supplier.

Community investment

As part of our purpose to use technology to improve the everyday lives of billions of people, we place great emphasis on promoting inclusive, economically secure communities by doing what we do best – supporting promising entrepreneurs to make a lasting impact on the communities around them.

While conditions may vary, we believe that local action by local companies is key to addressing societal challenges. We are proud of the many businesses across our portfolios that are designing scalable social-impact initiatives to meet the needs of local communities. By aligning the development and delivery of these initiatives with their business activities, these companies are really using their strengths for good.

Our community investments are designed to help underserved members of society. For example, in India, the Prosus Social Impact Challenge for Accessibility (SICA) and FLIGHT programmes support sectors employing underserved populations that are regularly overlooked by the investment community.

Humanitarian relief in Ukraine

Russia's invasion of Ukraine in early-2022 has led to the greatest humanitarian crisis in Europe since World War II. According to the office of the United Nations High Commissioner for Refugees, over eight million Ukrainians had to flee their country in the first year of fighting, and many millions have been displaced internally.

Prosus has strong ties with companies, consumers and communities across Eastern Europe, including through OLX Ukraine. We immediately contributed to emergency relief and rehabilitation initiatives for the people of Ukraine, including our employees and contributed a further US$10m to assist humanitarian aid efforts in Ukraine.

Given the magnitude of suffering and destruction, our first challenge was deciding how to best maximise our knowledge, networks and financial resources to provide the most urgent support possible.

We collaborated closely with our OLX Ukraine colleagues to direct resources and identify local implementation partners. We decided to concentrate on three vital needs: emergency aid and intensive care; medical assistance; and temporary housing.

While few of us will ever have to experience life in a war zone, we all value the importance of access to emergency health services in our daily lives. Since the start of the war, hundreds of Ukraine's medical institutions have been seriously damaged or destroyed, leaving tens of thousands of patients suffering from the impacts of war, or experiencing other serious health conditions, without vital medical support.

We allocated US$4.5m to one of Ukraine's largest foundations, Tvoya Opora, to procure vital medical supplies, including rescue gear, ventilators, medicines and equipment for intensive-care units.

Additionally, we allocated US$2.5m to the Kolo Charitable Foundation to provide specialised hospital equipment for complex injuries, resuscitation equipment, mobile blood stations and mobile outpatient clinics.

There is only one medical centre in Ukraine able to provide high-quality medical care for people who have lost limbs, which was entirely inadequate to support the vast number of people injured during the war (many of whom are children). In collaboration with the Kolo Foundation, we supported the institute of prosthetic restoration of lost limbs by allocating US$1.45m for procuring technical equipment, as well as training and educating doctors at the institute.

In addition to the severe human cost, thousands of Ukrainian homes have been damaged or destroyed by the war, leaving an estimated 300 000 people without shelter. This also threatens the dreams of Ukrainians around the world desperate to return home and participate in reconstructing their country.

The NEST project finances the construction (by unemployed locals) of environmentally friendly, factory-built dwellings that are temporarily installed on plots where families have lost their homes. Through a US$500 000 grant from Prosus, 117 Ukrainians have moved into 19 NEST homes, where they can begin to recover from their traumatic experiences and help restart life in their home communities.

Prosus social impact challenge – India

Assistive technology can dramatically improve the lives of people with disabilities, many of whom face social stigma and lack opportunities to lead independent lives.

We launched the Prosus Social Impact Challenge for Accessibility (SICA) in 2020, to accelerate progress in assistive-technology innovation in India. Working in partnership with Invest India and Startup India (government agencies), Social Alpha (supported by Tata Trusts), and the World Health Organization (WHO), SICA provides support to Indian start-ups working on assistive technology to aid people with disabilities.

This year's top three SICA winners were:

- Rut3 Engineering Pvt Ltd – improves the lives of wheelchair users by providing multi-axis suspension to ensure safety in front-impact accidents, thereby reducing back injuries and saving lives, and eradicating swing-arm assembly in the factory.
- Dextroware Devices Pvt Ltd – provides amputees and people with neurological disorders with head-wearable devices for hands-free operation of computers and smartphones.
- Translead Medtech Pvt Ltd – designed an assistive chair using a novel compliant hinge mechanism providing sit-to-stand assistance for the elderly and people with reduced muscular capabilities.

The companies received grants of INR2 500 000 (25 lakh), INR1 800 000 (18 lakh) and INR1 200 000 (12 lakh) respectively. They are also invited to participate in the Prosus SICA mentorship programme, which provides access to a global network of Prosus strategic advisers, technical advisers from WHO, assistive-technology sector experts from Social Alpha, and knowledge and partnership specialists from Startup India and Invest India.

Since inception, Prosus SICA has helped entrepreneurs raise equity and forge new partnerships to expand their businesses. By strengthening the adoption of assistive technology, these companies allow some of the 70 million people in India who currently live with some form of disability to lead independent lives.

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

In India, girls routinely face numerous obstacles to education, making it difficult for many to continue beyond high school. The few who do make it to college are rarely able to stay enrolled until graduation.

The three-year Prosus FLIGHT programme, launched in 2021 in partnership with UN Women, provides funds for education and skills training for marginalised women and girls in India. It has to date supported 750 women and girls to earn a formal degree or certification in higher education. By learning employable skills, FLIGHT participants are able to participate in India's digital economy, advancing both women's equality and the country's economic growth.

As a next step, Prosus FLIGHT plans to create a network of female graduates to serve as role models for other young women.

iFood – Brazil: Focusing on education

iFood is actively investing in its local communities. In the education field, iFood aims to provide training and employment opportunities for 25 000 low-income individuals. It also plans to use technology to train over five million additional Brazilians by reskilling, upskilling and fostering entrepreneurship to help them find better employment. In addition, iFood is using technology platforms to help foster science, technology, engineering and maths (STEM) skills among five million students across Brazil.

In FY23, the Potência Tech (tech power) platform launched in 2021 was recognised by Notable CNN, and won a prize in the tech category. This online platform offers free courses, scholarships and job openings in tech roles, specifically aimed at those who are underrepresented in traditional learning pathways. During the year, over 30 000 learners signed up and around 1 500 found employment, 69 at iFood.

Next to the tech-specific platform, iFood offers basic education courses for its driver community. iFood gives drivers the opportunity to complete school by offering scholarships to subscribe and prepare for the government exam. In the first year, over 5 000 subscribed for the exam, with 950 being approved and receiving their diplomas. For those who wanted to further their studies, iFood offered 390 scholarships for higher education courses.

PayU – India: Making a difference in society

In line with its vision of creating a world with financial borders, PayU is focused on the building blocks for meaningful empowerment across the societies in which it operates:

» Education – STEM
» Financial inclusion – facilitated through innovative and digital solutions
» Digital literacy – promoted through capacity-building and training.

PayU has a dual approach: strategic partnerships and collaborations to achieve common social objectives, leverage the multiplier effect of PayU services; and supporting its employees to engage and contribute in their societies.

Edtech – global: Magnifying the social impact

In our Edtech segment, portfolio company Stack Overflow initiated several projects in FY23, including its student ambassador initiative. This aims to reach 10 000 students to educate them on the Stack Overflow platform and products, and improve these in the process. It also includes Overflow Offline, which makes Stack Overflow's public platform available to individuals with limited internet access, such as scientists in remote areas, incarcerated individuals and others.

eMAG – Europe: Socially responsible

eMAG's Nouă ne pasă (the foundation) focuses on community support for teachers and students. Through the foundation, eMAG establishes social programmes with other partners, for example, the We Care programme is aimed at children at risk of dropping out of school; Aiming for the Olympiad selects the best teachers in Romania, implements performance centres for gifted students and helps organise national STEM competitions; the programming school establishes free programming centres for children in small towns; and We Care Grants supports small NGOs and educational institutions to fund projects that address problems in the educational system.

For the 2022/23 school year, We Care expanded further and now reaches 470 teachers from 90 schools in 31 countries for 3 000 students; Aiming for the Olympiad enrolled 6 500 children in the programme, with 5 270 selected at 53 training centres in 26 cities in Romania; the programming school launched weekly online classes, with 85 students in 14 cities; and the We Care Grants programme helped implement 32 projects that include supporting reading clubs, providing library equipment to rural communities, establishing free resources for teachers, hosting organised educational competitions for children, and vocational counselling for high school students. These projects directly impacted 6 800 students.

Managing our environmental impact

Our environmental impact can affect our reputation, regulatory compliance, and operational efficiency, which in turn can impact our financial performance. As such, measuring, managing and reporting environmental impact is crucial for us to make informed decisions and to ensure our performance is aligned with our values and goals.

Our environmental sustainability programme sets out our approach to defining, measuring, and managing our environmental impacts of our group. We have created this document for all our stakeholders to provide a comprehensive view of our material impact on the planet and to outline how we address risks and capitalise on opportunities.

Climate action is listed as a key priority by stakeholders in our materiality survey. As an investor, we are ideally positioned to play an active role in the transition to a low-carbon economy. We focus our climate action on three areas:

» Our own corporate operations
» Our corporate supply chain
» Our investment portfolio.

Our dedication to climate action is reflected in our ambitious reduction and portfolio engagement targets, and we believe our climate and environment programmes serve the long-term interests of communities where we operate.

Our science-based commitments

In FY23, we worked on building a real-world climate transition plan that was both relevant and practical in the context of our diversified holdings and group structure. We developed our targets by applying the Science-based Targets Initiative's (SBTi) guidance for investors, which best matches our diverse and dynamic portfolio of investments. We are committed to a climate journey aligned with the Paris Agreement to limit global warming to 1.5°C.

The targets we have developed shape our absolute reduction pathway for corporate emissions (scope 1, 2 and 3) as well as multiyear engagement with our portfolio companies to put their businesses on a net-zero pathway by developing their own science-based targets, a so-called portfolio coverage target. Applying a portfolio coverage metric of at least 50% of invested capital, we expect and encourage the majority of our subsidiaries to set science-based targets by FY30.

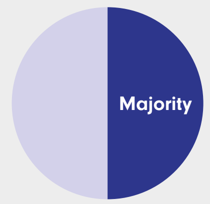
Our science-based targets

Corporate emissions

Scope 1 + scope 2 emissions by FY28

Air business travel emissions by FY30

Portfolio emissions



Majority* of our portfolio companies set a science-based reduction target by FY30

* *This is measured by invested capital.*

Decarbonisation pathway for our corporate operations

In FY23, we implemented all necessary measures to ensure we reach our target to reduce scope 1 and 2 emissions from our operations (which include Naspers and Prosus corporate offices) to zero. This target was a key metric in our chief executive and CFO's short-term incentives, as detailed in the remuneration report. For our scope 1 reductions, we implemented a programme to dispose all internal combustion engine vehicles from our corporate office's asset register. For our scope 2 reductions, we implemented three core actions, depending on the operating context of the office space. (1) Where possible, we engaged with our leasing agency to install on-site solar panels; (2) where available on the grid, we procured green energy; and (3) for all remaining energy consumption, we procured equivalent renewable-energy certificates. Going forward, it is our intention to continue making further progress on this pathway and increasing the ratio of green-energy procurement to renewable-energy certificates.

Emissions from business travel are also a priority (scope 3, category 6). Our target is to reduce emissions from flight-based business travel by 30% by FY30. In FY23, we onboarded a new travel agent and began using a travel management tool that includes GHG emission calculations, giving employees valuable information to make sustainable travel choices. In addition to reducing emissions from business travel, we continue to invest in sustainable aviation fuel. This short-term solution for decarbonising air travel supports the long-term goal of developing a low-carbon pathway for air travel.

Being a force for good

Distributed renewable-energy credits (D-RECs)

Prosus has committed to buying 3GWh of D-RECs from South Pole between 2022 and 2025, delivering 1GWh per year. This transaction – one of the first of its kind – will provide much-needed capital to help establish transformative renewable-energy projects that displace carbon-intensive energy and give rural communities access to energy. The deal was announced at the United Nations Climate Change Conference COP27 in Sharm el-Sheikh, Egypt.

By purchasing D-RECs, Prosus is providing climate finance for renewable-energy projects that displace polluting off-grid energy generation, such as diesel generators and energy from some of the most carbon-intensive grids in the world.

D-RECs extend the impact of renewable-energy certificates (RECs) – a widely used market instrument – to smaller projects with limited connection to the grid and/or cannot easily access financing. Renewable-energy solutions made viable by D-RECs, like solar mini-grids, deliver clean energy to irrigation systems, healthcare facilities, schools and homes. By improving critical services for communities, the tremendous development potential of D-RECs contribute to UN SDGs on health, food security, education and helping to fight climate change.

Prosus and portfolio companies' scope 1, 2 and 3 emissions[1]

Prosus corporate offices[2]:

		tCO_2e*
Scope 1	Emissions from direct operations (use of fossil fuels and refrigerants)	16
Scope 2	Emissions from purchased electricity (market-based)	67
Scope 3	Emissions from indirect sources (purchased goods and services)	3 848
Scope 3	Emissions from indirect sources (air travel)	2 139

Portfolio companies:

OLX

Scope 1	Emissions from use of fossil fuel	688
	Emissions from use of refrigerants	0
	Total scope 1	688
Scope 2	Emissions from purchased electricity (market-based)	3 249

Movile

Scope 1	Emissions from use of fossil fuel	0
	Emissions from use of refrigerants	0
	Total scope 1	0
Scope 2	Emissions from purchased electricity (market-based)	55

iFood

Scope 1	Emissions from use of fossil fuel	1
	Emissions from use of refrigerants	0
	Total scope 1	1
Scope 2	Emissions from purchased electricity (market-based)	524

* tCO_2e: tonnes of CO_2 equivalent.
1 Scope 3 includes only Prosus corporate.
2 Corporate offices include the Netherlands, Unites States, India, United Kingdom and Hong Kong offices.

eMAG

		tCO_2e*
Scope 1	Emissions from use of fossil fuel	12 236
	Emissions from use of refrigerants	366
	Total scope 1	12 602
Scope 2	Emissions from purchased electricity (market-based)	2 686

PayU

Scope 1	Emissions from use of fossil fuel	301
	Emissions from use of refrigerant	63
	Total scope 1	364
Scope 2	Emissions from purchased electricity (market-based)	1 278

GoodHabitz

Scope 1	Emissions from use of fossil fuel	135
	Emissions from use of refrigerants	0
	Total scope 1	135
Scope 2	Emissions from purchased electricity (market-based)	21

Stack Overflow

Scope 1	Emissions from use of fossil fuel	0
	Emissions from use of refrigerants	0
	Total scope 1	0
Scope 2	Emissions from purchased electricity (market-based)	51

Scope 1 emissions:

	tCO_2e
Prosus corporate	16
Portfolio companies	13 790
Total	13 806

Scope 2 emissions:

Prosus corporate	67
Portfolio companies	7 863
Total	7 930

Scope 3 emissions (category 1 – purchased goods and services):

Prosus corporate	3 848

Scope 3 emissions (category 6 – air travel):

Prosus corporate	2 134

* tCO_2e: tonnes of CO_2 equivalent.
1 Scope 3 includes only Prosus corporate.
2 Corporate offices include the Netherlands, Unites States, India, United Kingdom and Hong Kong offices.

The carbon emissions data was prepared using criteria for scope 1 and 2 emissions which may be accessed on our website at: www.prosus.com/investors/results-reports-events/latest-annual-report.

Decarbonising our portfolio of companies

We will deliver on our portfolio coverage target by firstly engaging our controlled portfolio companies, where we have the highest level of influence and strong established collaborative relationship. Our strategy is to guide and support at least one controlled portfolio company per year to complete the target-setting journey and submit it to SBTi for verification. The anticipated impact of our multiyear commitment is substantial; by FY30, we expect to help a group of companies with an aggregate US$5.7bn in revenues, advance on their net-zero pathway.

The development of a portfolio coverage target reflects our evolving 'portfolio view', where climate actions are supported at group level across our portfolio. This extends our commitments well beyond majority-owned or controlled companies to include listed and minority holdings.

The GHG emissions footprint of our portfolio of digital tech companies is low relative to most industrial sectors. Nonetheless, pockets of carbon-intense activities exist in some of our segments' value chains. Our businesses are exploring scalable strategies to reduce emissions, for example in the Food Delivery and Etail segments where all our companies are implementing projects to extend the reach and use of zero-emission electric vehicles in their delivery fleets.

We apply a three-step process to transition our portfolio to align with a net-zero economy:

» We begin by mapping the environmental impact of a company's operations and extended value chain. Within 24 months of onboarding, each subsidiary is required to calculate and disclose data for scope 1, 2 and 3 emissions via our group carbon data reporting tool. This year, our subsidiaries increased the quality and scope of their carbon accounting. Most have now included material scope 3 categories in this process, essential for identifying opportunities to decarbonise their businesses.
» Secondly, we help subsidiaries and associates employ best practice and science-based frameworks to develop net-zero pathways with multiyear targets. We have begun a project of intense collaboration with iFood to develop its science-based targets. The iFood team has started a detailed analysis of SBTi guidance, and is scoping the GHG footprint calculation for the company. iFood has already made considerable progress on a method to measure GHG emissions from packaging used by its restaurants. This complex and resource-intense process is necessary for setting the company on a net-zero pathway.
» Thirdly, across our portfolio, we support the capital expenditure and operating expenditure (capex and opex) investments our businesses are making to ramp up decarbonisation of their operations. For example, this year, PayU invested in distributed renewable-energy credits to fund the renewable-energy capacity of rural businesses across India. In our Etail segment, substantial investments have been made to accelerate the use of solar energy in distribution centres and our food-delivery companies iFood and Swiggy are scaling the electrification of delivery fleets.

Decoupling growth from emissions

iFood

iFood was carbon-neutral for FY23 and aims to use clean transportation methods for 50% of its deliveries by 2025. In the first quarter of the 2023 calendar year, 21% of its own deliveries were made using non-polluting modes (bicycles, e-bikes or e-motorcycles). To do so, it is developing solutions that allow more deliveries to be carried out by bicycles and creating financial products that encourage the use of around 2 500 e-bikes in its iFood Pedal programme, which has delivered 11 million orders since inception. For FY24, the challenge will be to maintain the constant growth of deliveries using traditional bicycles and e-bikes (iFood Pedal) and to offer a robust programme for the sale or hire of e-motorcycles for drivers.

By year-end, iFood had delivered 37 million zero-emissions orders by bike, e-bike, e-motorcycles and drones.

OLX

OLX Group has focused on measuring its scope 1, 2 and material scope 3 categories (purchased goods and services and business travel). Seventeen employee-led green teams have found ways to reduce the office environmental footprint through recycling initiatives, clean-ups, switching to green energy contracts and investing in solar energy for OLX's biggest warehouse in Mexico. In total, over 30 initiatives were started globally by employees, through a companywide hackathon.

OLX data privacy and tech teams have significantly reduced its carbon footprint through data storage. By following best practices in deleting unnecessary and old image files in the OLX content management system, the team saved more than 1 petabyte (1 000 terabytes) of storage – reducing the level of server storage required from a third-party provider.

In FY24, OLX will invest further in crystallising its ESG approach to benefit all stakeholders: customers, communities, employees, government regulators, and investors. It will establish a preliminary path for reaching net-zero emissions, using the SBTi framework, including an operational roadmap for publicly disclosing targets by end-FY25.

PayU

The PayU business model supports the transition to a lower-carbon financial services infrastructure. Despite a relatively small carbon footprint, PayU measures and manages carbon emissions in its operations and value chain, and is defining a clear emissions-reduction pathway. One example is its investment to purchase distributed renewable-energy credits from renewable-energy projects in rural India, thereby reducing its scope 2 emissions.

Over the past year, PayU matured its carbon-accounting practices for scope 1 and 2, and continued to work on completing an assurance readiness review on at least one material scope 3 category. PayU's highest priority is the purchased goods and services category, with cloud and data-related services being the main drivers.

In line with global good practice, it will set science-based net-zero targets to be implemented and achieved over three years and submit this to SBTi before the end of FY25.

eMAG

eMAG has rigorous carbon accounting already in place for scope 1 and 2 emissions, and in FY23, eMAG improved its scope 3 assessments for product-related categories. For example, it calculates carbon intensity, a measurement that defines carbon emissions relative to the organisation's turnover and number of employees.

By using its easybox network, eMAG reduces its direct carbon footprint generated through fuel consumption significantly (an easybox order generates up to 95% less CO_2 than one delivered to a customer's home).

eMAG's logistics centre in Romania is both state-of-the-art and sustainable. It received an excellent rating under the BREEAM standard for design and construction stages certification programme, and the new warehouse under construction in Hungary received the same rating for its design stage.

The Romania warehouse is powered by green energy from a rooftop photovoltaic panel grid. In FY23, further capacity was added to this installation, totalling 2MW power via a network of nearly 4 400 photovoltaic panels. eMAG has also instituted a full green-energy contract for its other warehouses to reduce carbon emissions from purchased electricity.

Edtech

In terms of environmental stewardship for our Edtech segment, in FY23, Stack Overflow and GoodHabitz began to inventory their carbon footprints by mapping scope 1, 2 and 3 emissions data. Given their online nature, these businesses generate low levels of carbon emissions, while they offer their customers less carbon-intense learning and training, when compared to more traditional ways of brick-and-mortar, offline schooling systems and education.

Engaging our supply chain to take climate action

In FY23, we began to engage with top suppliers of the Naspers and Prosus corporate entities, requesting them to share the GHG emissions related to services they provide to our corporate headquarters operations and details of their emissions reduction targets. We learnt that 82% of our top suppliers have GHG reduction targets and 64% have science-based reduction targets. We will continue this engagement with all our suppliers, to better understand how to use environmental metrics in future supplier selection. The primary GHG data from our suppliers will deliver a reduction of emissions from our procured goods and services.

For information on the results of our supplier engagement, refer to our environmental impact report.

Fair and just transition

The concept of a just transition emerged as a key pillar of the global climate strategy at the 2022 COP27 climate summit. This is particularly relevant given that a majority of our businesses are located in the global south and often operate in communities that are most vulnerable to climate change.

While countries of the industrialised north are overwhelmingly responsible for climate change, impacts are felt most strongly in parts of the world with limited resources to tackle the problem. For example, a company seeking to decarbonise its fleet of delivery vehicles in Germany benefits from lower costs of capital and more enabling policies, incentives and infrastructure than comparable businesses in Brazil, India or South Africa.

This reality is core to any concept of climate justice – and recognised in article 2.2 of the Paris Climate Agreement by an explicit commitment to 'the principle of common but differentiated responsibilities and respective capabilities'. Deploying available technologies to curb emissions is often more difficult, disruptive and expensive in those economies least responsible for global warming.

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Climate goals are global, but operating environments and the costs of transition are influenced by the available energy mix, local economy, governments' varying net-zero commitments, policies and regulation. Each company's operating country context is critical to its decarbonisation pathway.

For example, Brazil has set a goal of achieving its net-zero target by 2050. In contrast, India has set a date of 2070 to achieve the same target. For example, our food-delivery subsidiary iFood benefits more from Brazil's enabling ecosystem than its peer Swiggy in India.

Our commitment to a fair and just transition underpins our approach to creating sustainable value. Most of our businesses operate in communities that are particularly vulnerable to the impacts of climate change. We believe that a commercial strategy anchored in the climate agenda will contribute to reducing systemic risk, enhancing human capital, and securing our societal licence to operate.

Our governance and management framework is in place, ready to support all our businesses, operations and subsidiaries and associates to meet global climate targets aligned to the Paris Agreement goal of net-zero emissions.

Resource use

The business models of companies in our group are asset-light, leading to a limited need for natural resources in their value chains, beyond office space and equipment. There are a few resource and carbon-intense activities in our Etail and Food Delivery platforms. Curbing the environmental impact of delivery services and packaging of food and goods is a priority across our businesses in these segments.

Circular economy, packaging and biodiversity are focus themes for our group. We take an active role in enabling positive transitions and are committed to increasing our understanding of mitigating measures and allocating capital to solutions.

Materiality assessment of environmental impact

	Climate action	Biodiversity	Packaging	Circular economy	Waste*	Water
Corporate	●	●				
Supply chain	●	●				
Investment portfolio	●	●	●	●		

* Waste not from packaging use.

We also strive to create impact by supporting innovation. Our Classifieds business enables resource optimisation by promoting the recycling and reuse of goods. Additionally, our Food Delivery and Etail portfolio companies are creating opportunities to scale adoption of sustainable packaging, such as reusable food containers or new biodegradable materials.

Digital services reduce or eliminate dependence on physical materials in delivery and consumption. For example, our Payments and Fintech, and Edtech platforms enable online education and digital payments, which require fewer materials and consequently have lower impacts than their physical counterparts. In online shopping, our investee Oda, a leading online grocery-delivery company in the Nordic region, commissioned a comparative study that showed online grocery shopping can have a carbon footprint up to 60% smaller than offline shopping.

Water use and waste generation are both of limited relevance to the businesses of our controlled and non-controlled portfolio companies. In our physical climate-related risk assessment (refer to our TCFD report), we have looked at water risks (flooding, drought, etc) with the potential to impact our employees and supply chains. However, given that our business models are online and minimally reliant on physical assets and infrastructure, we have concluded that water stress does not require a separate management programme as it is not an important risk factor.

Sustainable packaging

The supply of high-quality packaging plays a critical role in the success of food delivery and etail, not only for our companies' operations but also for their business partners. Our food-delivery and etail subsidiaries are implementing sustainable packaging strategies to reduce waste and optimise resource use.

Food-delivery and etail platforms are powerful aggregators of supply and demand for businesses and consumers. With their scale and digital innovations, they can play an important role in improving the sustainability of packaging by catalysing innovation and rapidly scaling solutions.

In the absence of a global framework for sustainable packaging, we have developed group principles and approaches to help our portfolio companies develop effective strategies. We have determined 10 golden rules to help digital delivery platforms scale sustainable packaging across their operations and value chains.

10 golden rules
for scaling sustainable packaging

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In FY23, the packaging and waste working group, comprising all companies with a material packaging footprint, published two impactful reports: the 10 golden rules for digital delivery platforms to scale sustainable packaging; and landscape studies on packaging to identify solutions for new materials and strategies for reduction.

We will continue to map and optimise the material packaging footprint in our Food Delivery and Etail segments – finding ways to do more with less.

iFood, the first food-tech company in Brazil to sign the UN Global Compact, is using its presence in Brazil to support the acceleration to greener economies. The company estimates that Brazil produces over 11 million tons of disposable plastics annually, including plates, cups, cutlery, plastic bags and non-recyclable disposable straws. Without a national or public-sector recycling plan for these items, they end up in landfill or in the environment. Given its role in the food ecosystem, iFood believes it can contribute to improving Brazil's waste management.

Last year, iFood committed to the #DeLivreDePlástico initiative, driven by the United Nations Environment Programme (UNEP), to eliminate plastic pollution from deliveries off its platform by 2025. It has enabled the 'no cutlery, straws, or napkins' option in its app, and encourages restaurants not to send these items by default (only when requested). iFood has a restaurant participation target of 90% by December 2023, and aims to ship 80% of orders without these disposable items by 2025.

iFood's goal is to reduce plastics in deliveries by 50%, with the remaining material being 100% recyclable by 2025. To better understand which deliveries and meals cause the most packaging waste, iFood leveraged its internal data, showing which meal types are prime candidates for packaging reform. Based on this data, it has focused on developing partnerships in the paper industry, such as Suzano and Klabin, and with start-ups producing sustainable packaging, such as GrowPack, a biodegradable packaging factory (using corn husk-based source material) to test this packaging at scale. In addition, it has encouraged large restaurant partners to go plastic-free. The objective for FY24 is a launch of a portfolio of affordable sustainable iFood packaging and encouraging large restaurant partners to go plastic-free.

eMAG is also improving its order-consolidation process, combining multiple products for the same client in a single package. The goal is to improve its consolidation rate of 80% last year to 88% in FY24, reducing packaging volume and shipping bulk. Compared with FY22, eMAG reduced its packaging consumption by over 20% and plastic packaging by 35%, by eliminating or replacing with 100% recyclable cardboard packaging.

Circular economy

We live in a world of limited natural resources, where the mining of raw materials and manufacturing of products have negative environmental impacts. The solution is to transition from a take-make-waste system to a circular economy.

A circular economy goes beyond simply recycling and enables consumers to live the lives they want, with limited environmental impact. Extending a product's life is a key part of the circular economy. By facilitating the trade of second-hand products, our classifieds platforms extend life cycles for items that would otherwise have short life cycles. As a result, our need for new products is lessened and our production of waste decreases.

OLX

Our classifieds platform OLX has modelled the positive impact of its circular model by calculating how reusing consumer products, including smartphones, televisions, laptops, and cars, leads to substantial material savings and avoided GHG emissions. The annual impact reports of OLX quantifies this positive impact: it calculates the volume of emissions that are avoided by enabling its customers to extend the life of consumer goods like televisions, phones, laptops, cars, motors and car parts. For instance, in 2022 OLX helped, through the trade of 26 million products, prevent the GHG emissions of 5.2 million tonnes, equal to 31 million trees that would need to be planted. The annual impact report can be found on https://www.olxgroup.com/impact. The power of digital platforms to contribute exponentially to a low-impact society is shown when we compare these avoided emissions to the direct operational emissions of OLX and OLX Autos, which were 40 000t CO_2eq, or only 0.7% of this total benefit.

eMAG – contributing to circular economy

eMAG's Flip developed its in-house expertise to repair any type of mobile phone, irrespective of apparent or underlying defects. The environmental impact of a refurbished phone is up to 80% lower than a new one. Flip promotes the idea that refurbished phones are a smarter acquisition for both customers and the environment: consumers can save up to 40% on the cost of a device that presents and functions like a new one, benefit from a 12-month warranty and do so all while making a positive impact on the environment.

Similarly, eMAG's Freshful grocery business has incorporated sustainability principles into its operating model since inception. For example, Freshful paper bags are 100% recyclable, and the company offers to recycle bags used in deliveries. In addition to minimising food waste through efficient planning and cold-chain management, Freshful's 'save me' promotions enable customers to buy items close to their expiry date. To date, this has prevented the disposal of over 70 000 products. Next steps include optimising order consolidations to further reduce the use of paperbags, and plans to reduce, reuse, recycle and compost packaging, while increasing the use of sustainable packaging and reducing waste.

Biodiversity

Biodiversity risks and impacts are rapidly growing global concerns. Biodiversity is a complex issue with multiple facets, and businesses, investors, regulators and others are trying to come to grips with the speed and scale of changes in our natural world, from oceans to land and air.

We welcome the Taskforce on Nature-related Financial Disclosures (TNFD) framework to guide our understanding of the impacts of biodiversity loss, and to support our thinking about how to reduce further negative impacts. We are committed to mapping the full biodiversity impact of our portfolio companies and developing effective mitigation and adaptation measures.

Our initial assessment last year, based on business models in our portfolio, indicated that biodiversity impact is minimal compared to other business sectors. This is due to the digital nature of our businesses and the fact that operations of our portfolio companies mainly involve offices in urban areas with supply chains comprising mostly service providers.

As we continue to assess our exposure, we will develop and implement a no-deforestation commitment across our businesses:

» We commit to prohibiting the clearing or converting of any forest areas to develop new sites for our businesses.
» We are committed, where possible and feasible, to procuring FSC (Forest Stewardship Council) paper and cardboard products for all our Etail businesses and will increase the share of FSC-certified products purchased.

In line with its commitment to sustainability and the objectives of the Romanian environmental pledge, eMAG has partnered with Foundation Conservation Carpathia (FCC). FCC created a wilderness reserve in the Romanian Carpathian mountains 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.

Taxonomy disclosure

The taxonomy regulation of the European Commission is a classification system for environmentally sustainable economic activities. In the following section, we present our analysis of the share of our group turnover, capital expenditure (capex) and operating expenditure (opex) that are associated with taxonomy-eligible economic activities for the 2023 financial year.

We have assessed the economic activities of two objectives: climate change mitigation and climate change adaptation, as described in article 8 of the taxonomy regulation. We use the prescribed templates provided in annex II to the Disclosures Delegated Act for our disclosure. The economic activities related to the other four objectives (water, circular economy, pollution and biodiversity) were published after our taxonomy reporting and assessment process had started. We will expand our disclosure to include all six environmental objectives in our 2024 annual report.

Assessment process

We apply the following approach and steps to the process of our eligibility and alignment assessment with guidance provided by the EU taxonomy and to our disclosures of the outcomes.

Step 1: The Prosus sustainability team analyses the specific category of activities presented within the long list of taxonomy economic activities that could be relevant or applicable to our group to ascertain eligibility.

Step 2: As part of the annual financial accounting process, the Prosus finance team then collates data from the finance teams of our subsidiaries to identify revenue, capex and opex data correlating to the eligible activities. There is also engagement with sustainability managers at the subsidiaries to support the financial data with more data on the eligible activities. For example, the technical details of solar panels correlating to the spend on solar panel installation.

Step 3: When the value of the collected financial data meets our threshold for substantiality, we take the next step to determine taxonomy-alignment by assessing if the technical criteria (for 'Substantial contribution', the 'Do no significant harm' criteria and 'Minimum safeguards') are met. This assessment is done in collaboration with the corporate sustainability team and the finance and sustainability teams of the subsidiary where the data was recognised

Step 4: The final outcomes are shared with external stakeholders using the prescribed templates of the EU taxonomy and included in the annual report.

Taxonomy-eligibility

Based on our analysis of the categories of economic activities that fit within the taxonomy's mitigation and adaptation objectives, the following categories qualify as eligible:

» Electricity generation (4.1)
» Transportation vehicles (6.4 and 6.5)
» Renovation of buildings (7.3)
» Education (11.1).

For our group, we have recognised the following revenues, capex and opex data in relation to these activities:

Taxonomy-defined economic activity				GoodHabitz	OLX Classifieds	OLX Autos	eMAG	Total
Energy	4.1	Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology	Capex		139 166	100 000	813 761	1 052 927
			Opex					
Transport	6.4	Selling, purchasing, financing, leasing, renting and operation of low-carbon personal mobility or transport devices	Capex	161 291			1 096	162 387
			Opex					–
Transport	6.5	Purchase, financing, renting, leasing and operation of low-carbon vehicles (motorbikes, passenger cars and light commercial vehicles)	Capex					–
			Opex				28 682	28 682
Construction and real estate	7.3	Individual renovation measures consisting in installation, maintenance or repair of energy-efficiency equipment	Capex				13 003	13 003
			Opex					–
Education	11.1	Public or private education at any level or for any profession	Revenue	37 891 767				37 891 767
			Capex					n/a
			Opex					–
			Sum of revenues	37 891 767	–	–	–	37 891 767
			Sum of Capex	161 291	139 166	100 000	827 859	1 228 316
			Sum of Opex	–	–	–	28 682	28 682

Using this data, we calculate the revenues, capex and opex KPIs:

	Prosus group	Taxonomy-eligible	KPI
Revenues	5 765 086 717	37 891 767	0.7%
Capex	314 078 439	1 228 316	0.4%
Opex	2 247 776 703	28 682	0.0%

Rationale for low eligibility

The taxonomy assessment is done against specific economic activities related to climate change adaptation and climate change mitigation; activities that help realise a net-zero society by 2050. The capex and opex included in our taxonomy table, relate to the investments and costs to decarbonise energy use, buildings and mobility.

Capital and operational expenditure

The capex and opex included in our taxonomy table relate to the investments and costs to decarbonise energy use, buildings and mobility. Capex and opex data-supporting activities – 4.1 (electricity generation), 6.4 and 6.5 (transportation vehicles) and 7.3 (buildings) – are recognised and included in our disclosures.

With Prosus' subsidiaries being primarily asset-light, low-carbon digital technology companies operating in the payments and fintech, classifieds, food delivery, etail, and edtech sectors, the investments and costs linked to these decarbonising activities remain limited. For example, Stack Overflow from our Edtech segment does not own any office buildings and therefore does not have the opportunity or need to decarbonise its built infrastructure or mobility. In our Food Delivery segment, iFood has a dedicated programme to motivate its delivery drivers to use electric vehicles, but its third-party suppliers help these drivers finance, purchase and maintain these vehicles, which results in limited to no financial investments made by iFood.

Share of taxonomy-eligible capex

Prosus' capital expenditure as defined by the EU Taxonomy (1.1.2.) amounts to US$314m (capex denominator). The total sum of capex expenditures related to the EU Taxonomy activities was US$1.2m, a 0.4% share of the group capex. Thus, we report the taxonomy-eligible share of capex was 0.4%, (please see the capex table on the following pages).

Share of taxonomy-eligible opex

Prosus' operating expenditure (EU Taxonomy 1.1.3.) amounts to US$2 248m (opex denominator). The total sum of opex expenditures recognised related to the EU Taxonomy activities was US$28 000, a 0% share of the group opex. We report the taxonomy-eligible share of opex as zero, also included in the reporting table template.

Revenues

From a revenue perspective, there is a limited correlation to climate change mitigation and adaptation activities as listed under the taxonomy. Across all our segments, only Edtech, in particular GoodHabitz which builds online training modules for its corporate customers, would fit in the education category (revenues from activity 11) of the EU Taxonomy. This is included in our disclosure.

Share of taxonomy-eligible revenues

Prosus' revenues, as defined by the EU Taxonomy (1.1.1.), was US$5 765m (denominator). The total sum of turnover from EU Taxonomy-related activities was US$37m (revenues from GoodHabitz from education activities), which is a share of 0.7%. We report the taxonomy-eligible share of revenue was 0.7% in the table.

Accounting policy

The definition as well as the subsequent determination of the reference values (denominators) for the taxonomy key figures of revenues, capex and opex are based on the International Financial Reporting Standards (IFRS) and the standard financial accounting practices were followed. Double counting is prevented as eligible financial data was recognised at a small number of subsidiaries.

The denominator for revenues is determined in accordance with IFRS 15 *Revenue from Contracts with Customers*. For more information on turnover, please refer to the corresponding item 'Revenue' in the consolidated income statement.

The determination of the denominator for the capex follows IAS 16 *Property, Plant and Equipment* (IAS 16.73(e)(i) and (iii)), IAS 38 *Intangible Assets* (38.118(e)(i)) and IFRS 16 *Leases* (IFRS 16.53(h)) and is the cash outflow per the consolidated statement of cash flow statement.

The denominator of opex* includes direct non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment. This includes research and development expenses recognised as an expense in the income statement during the reporting period in accordance with IAS 38. Lease expenses were determined in accordance with IFRS 16 and include expenses for short-term leases and leases of low-value assets. Maintenance and repair costs and costs for building renovation measures are determined and allocated appropriately. All the above costs are recognised in 'Selling, general and administration expenses' in the consolidated income statement.

The asset held for sale, OLX Autos, was included in the taxonomy reporting. No eligible revenues or opex are recognised, only capex of 0.1 million, which means the future sale will have no material impact on Taxonomy reporting going forward.

Taxonomy-alignment

The eligibility assessment has shown that the financial data related to our taxonomy-eligible activities is very nominal and an insignificant part of our group revenue, capex and opex. We transparently disclose this data, but also recognise the limited additionality of meaningful insights for our stakeholders, considering the time and effort required to further investigate for alignment of these minuscule data points with the EU taxonomy. With our current data, eligible revenues are 0.7% of total group revenues. Applying the technical screening criteria will most likely result in an even lower data point. Consequently, we report taxonomy-aligned revenues, capex and opex of zero, as included in the tables on the following pages.

* *We have included the total of selling, general and administration expenses in the denominator as detailed breakdowns were not available. We are working towards disclosing the required details of the opex denominator, laid out by the EU Taxonomy, in the next financial year.*

				Substantial contribution criteria						DNSH criteria ('does not significantly harm')										
	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of turnover, year N (18)	Taxonomy-aligned proportion of turnover, year N-1 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
Economic activities (1)		**US$**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**								
A Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0	0	0	0	0	0	0	N	N	N	0							
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Education	11	37m	0.7																	
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		37m	0.7																	
Total (A.1 + A.2)		**37m**	**0.7**																	
B Taxonomy-non-eligible activities																				
Turnover of taxonomy-non-eligible activities (B)		5 728m	99.3																	
Total (A + B)		**5 765m**	**100**																	

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				Substantial contribution criteria						DNSH criteria ('does not significantly harm')			
Economic activities (1)	Code(s) (2)	Absolute capex (3)	Proportion of capex (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14) Pollution (15) Biodiversity and ecosystems (16) Minimum safeguards (17) Taxonomy-aligned proportion of capex, year N (18) Taxonomy-aligned proportion of capex, year N-1 (19) Category (enabling activity) (20) Category (transitional activity) (21)
		US$	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	
A Taxonomy-eligible activities													
A.1 Environmentally sustainable activities (taxonomy-aligned)													
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0	0	0	0	0	0	0	N	N	N	0
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)													
Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology	4.1	1 052 927	0.3										
Selling, purchasing, financing, leasing, renting and operation of low-carbon personal mobility or transport devices	6.4	162 387	0.1										
Individual renovation measures consisting in installation, maintenance or repair of energy-efficiency equipment	7.3	13 003	0.0										
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		1 228 316	0.4										
Total (A.1 + A.2)		**1 228 316**	**0.4**										
B Taxonomy-non-eligible activities													
Capex of taxonomy-non-eligible activities (B)		313m	99.6										
Total (A + B)		**314m**	**100**										

				Substantial contribution criteria						DNSH criteria ('does not significantly harm')			
Economic activities (1)	Code(s) (2)	Absolute opex (3)	Proportion of opex (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14) Pollution (15) Biodiversity and ecosystems (16) Minimum safeguards (17) Taxonomy-aligned proportion of opex, year N (18) Taxonomy-aligned proportion of opex, year N-1 (19) Category (enabling activity) (20) Category (transitional activity) (21)
		US$	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	
A Taxonomy-eligible activities													
A.1 Environmentally sustainable activities (taxonomy-aligned)													
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)		0	0	0	0	0	0	0	0	N	N	N	0
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)													
Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)	6.5	28 682	0										
Total (A.1 + A.2)		**28 682**	**0**										
B Taxonomy-non-eligible activities													
Opex of taxonomy-non-eligible activities (B)		2 248m	100										
Total (A + B)		**2 248m**	**100**										

Tax

Being a responsible global corporate citizen is at the core of everything we do. We consider paying taxes as an important economic contribution to the societies in which we operate, and a normal consequence of doing business.

We support the establishment of a harmonised international tax system where there is a level playing field and where all players pay their 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, users and consumers are. All our investees pay taxes locally, in the jurisdictions where they operate and their products and services are consumed. Overall, our aim is to improve the lives of people who live in the countries where we operate – paying taxes is an integral part of that aim and our business operations.

As a technology investor that backs local entrepreneurs, there is typically no traditional value chain in which value is added in multiple layers. Paying taxes in the markets where we operate is important to contribute to those societies. This ensures we provide a return to those communities and countries for the benefit and privilege of doing business with and in them.

Paying taxes locally is an extension of our commitment to improving our customers' lives through technology. Our investees' businesses directly improve people's lives. Indirectly, through taxes paid locally, people's lives are further improved. Locally paid taxes assist governments to fund the needs of the populations in their countries.

Taxes paid in FY23

In FY23, Prosus paid and collected US$1.1bn (FY22: US$1.2bn) in direct and indirect taxes globally. Details of taxes per country are set out below:[1]

Region/Country	Corporate income and withholding taxes	Payroll taxes and social security contributions paid	Payroll taxes and social security contributions collected	Other direct taxes	Total direct taxes	VAT, service and consumption taxes	Other indirect taxes	Total indirect taxes	Total tax contribution FY23	Total tax contribution FY22[2]
Brazil	66.8	14.9	10.9	8.0	**100.6**	123.3	0.3	123.6	**224.4**	240.2
Romania	1.9	6.5	59.8	2.4	**70.6**	132.8	0.5	133.3	**203.9**	189.3
The Netherlands	51.5	4.0	67.8	–	**123.3**	(10.1)	–	(10.1)	**113.2**	187.1
Poland	20.8	11.5	22.5	0.9	**55.8**	48.0	0.0	48.0	**103.2**	93.8
Argentina	47.7	2.3	1.1	42.3	**93.5**	3.1	–	3.1	**96.6**	112.9
India	25.8	3.2	30.7	0.0	**59.7**	23.2	0.8	24.0	**83.6**	48.1
United States of America	0.4	6.2	57.7	2.0	**66.3**	–	–	–	**66.3**	119.5
Hungary	0.8	11.8	5.4	5.0	**23.1**	9.6	–	9.6	**32.7**	22.5
Bulgaria	0.0	0.9	0.7	0.0	**1.7**	26.9	–	26.9	**28.6**	30.1
Colombia	16.1	2.5	1.8	3.0	**23.4**	1.9	–	1.9	**25.2**	27.3
Other	23.9	31.4	54.5	1.8	**111.6**	31.0	–	31.0	**142.6**	150.3
Total	**255.8**	**95.3**	**312.9**	**65.4**	**729.4**	**389.7**	**1.7**	**391.3**	**1 120.7**	**1 221.0**

1 The table lists all the taxes paid on a country-by-country basis in the 10 jurisdictions with the largest tax contributions. These 10 jurisdictions contributed approximately 87% of the total taxes paid in FY23. Taxes paid in 34 countries add up to the amounts under 'Other'.

2 To have a direct comparison with the taxes paid in FY23, the taxes paid in FY22 exclude the taxes paid in countries where the operations have been discontinued.

Prosus shows a meaningful normalised effective tax rate of 22.9% for FY23 (FY22: 23.6%).

The group accounts for its share of results of its equity-accounted investments net of taxation recognised by those investments. To provide a more comparable and meaningful effective tax rate, the tax recognised as part of the group's share of results from equity-accounted investments is included, for purposes of calculating the normalised effective tax rate.

Compliance

As a family of essentially local businesses, the principles we apply across our portfolio are consistent. We take tax compliance seriously. Prosus has zero tolerance for non-compliance with tax laws in all jurisdictions where our businesses operate. This principle is embedded in the culture of our group and is an element of the KPIs of finance and tax teams.

Our tax team comprises experienced and effectively equipped tax specialists. Regular training ensures all team members maintain their optimal tax skill sets. Investees are accountable for managing tax and adhering to our group tax policy, including 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 we are compliant with tax legislation in 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.

Of course, we ensure we manage our tax costs, as with any other business costs, as efficiently as possible. This is part of our responsibility to our shareholders and our businesses. But we do not abuse opportunities to unreasonably reduce the tax cost of the business. All tax planning, whether driven by acquisitions, rationalisations, disposals or disinvestments, operational restructuring or legislative changes, is carried out in line with our tax policy and our approach to tax. We will take into account the intention and objective of tax legislation or policy in how we apply the legislation. Our appetite for tax risk is low. All tax planning is decided and effected in the context of the business: tax consequences flow from business operations. Business structures and operational models dictate our tax strategy, not vice versa.

We do not engage with tax authorities to obtain special dispensations. When obtaining advance tax rulings, we do this via standard, transparent processes available to all taxpayers. Our aim is to create certainty on the application and tax consequences of business transactions. In line with our commitment to tax transparency, we support making any rulings publicly available.

Operating a decentralised local business model means that transfer pricing is not the most significant factor in our tax management. To the extent that it does apply, we ensure there is always adherence to the arm's length principle.

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 British Virgin Islands, two in Mauritius) were liquidated. In FY23, this was continued with the liquidation of three entities: two in Mauritius and one British Virgin Islands company. Additional legacy companies are either being liquidated or identified for liquidation. Low or no-tax jurisdictions are internally defined as countries with no corporate income tax and countries listed on the EU blacklist of non-co-operative jurisdictions for tax purposes. Presence in such jurisdictions is retained only in cases where business reasons dictate such a presence. We do not attempt to engineer tax advantages by creating business entities in low or no-tax jurisdictions in which Prosus does not operate or have business substance.

Further guidance on 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, no exceptions.

This approach is built on the following elements:

- Board accountability for tax through the group CFO and audit and risk committees.
- A clear tax risk register and heatmap.
- A tax control framework with robust controls.
- Experienced tax professionals with the right skills.
- Training for and regular communication and engagement between everyone with responsibility for tax.
- Using technology to automate tax processes.

Ultimate responsibility for tax vests with 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 these committees, approved by the board and published on our website.

Maintaining a risk register and heatmap assists us to follow a structured approach to assess, prioritise, respond to, and monitor potential high-impact tax risks. The risk register details our top tax risks and how we manage each one. We use our heatmap to rank our tax risks by impact and vulnerability and track their movement over time. This guides our decision-making, by focusing our activity on actions required to effectively manage and mitigate tax risks.

The main tax risk for our business lies in legislative or regulatory changes. This is especially true in our industry where global tax developments (BEPS (base erosion and profit shifting), pillar 1 and 2) and digital services taxes are designed to apply to consumer internet and tech companies. Monitoring legislative changes is a key priority, primarily to ensure that our businesses are always compliant. In addition, the impact of changes in regulations is timeously evaluated via impact assessments. An example of this is the global minimum tax rules of pillar 2. The tax impact of these rules is expected to be fairly minimal based on how our business operates: our local businesses pay their taxes locally, are predominantly based in high-tax jurisdictions and permanent book-to-tax differences are exceptional. Getting to grips with the compliance elements of pillar 2 rules is one of our priorities to ensure the group will be compliant once these rules are enforced.

Besides monitoring (potential) changes in legislation, Prosus also regularly contributes to (public) consultations. In our engagements, we aim to contribute constructively and act as a sparring partner, taking into account the objects and purposes of legislative changes and their impact on our decentralised business model.

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: there should be no tax surprises at any level – whether in relation to tax costs to a business, reporting 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 tax professionals are appropriately skilled for their role and receive ongoing training. The 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 tax teams where necessary.

The process for disclosing any improper conduct or concerns of wrongdoing is outlined in the group's speak up policy and available to all on any matter, including tax behaviours.

Technology

Efficient tax management is enhanced by the use of technology. Given the growing requirement by tax authorities and other regulators to report substantive data, it is essential to harness technology for data extraction, gathering and collation. Technology is also paramount to eliminate any human errors in collating 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 working 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 ongoing attention and input by skilled tax professionals. Where technology can be implemented to enhance data collection and collation, and to share relevant information with tax authorities, we believe a reduction in working 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 and transparently engage with all our stakeholders, both external and internal. These stakeholders include investors, customers, employees, regulatory authorities, governments and policy-makers, and tax authorities.

In 2022, the Dutch Confederation of Netherlands Industry and Employers (VNO-NCW) published its Tax Governance Code. Prosus supports this code which provides for tax principles aiming to improve transparency. Prosus also endorsed the VNO-NCW Tax Governance Code, and our tax principles are in line with those set out in the code. We believe that our commitment to tax transparency and associated governance principles are key to provide a better public understanding of our rather unique approach to tax and our tax contributions.

Disclosure of taxes paid is an important step in tax transparency. We support this initiative to demystify and reduce the stigma that may be attached to tax contributions by companies, particularly multinationals. In our view, disclosure demonstrates responsible corporate citizenship and facilitates meaningful engagement with stakeholders in the countries where we operate. Also public country-by-country reporting is an important step in tax transparency. At the same time, we recognise the risk that the information disclosed under public country-by-country reporting and taxes paid is interpreted wrongly or misunderstood. These rules do not require providing any relevant context to the numbers disclosed. Public data under the country-by-country rules and the taxes paid only provides valuable information if there is a deep understanding on the business activities in these countries, including the life cycle of local business operations.

We regard tax authorities as significant stakeholders. As with all other stakeholders, it is important for us and our investee companies to engage proactively and transparently with tax authorities. Our approach, where possible, is to follow the principle of co-operative compliance. We engage regularly with tax authorities to explain our business model and proactively share information with them. While recognising that at times our views and those of the tax authorities may differ in applying specific tax rules and legislation, we aspire to a relationship of mutual trust. This sometimes creates dilemmas. But our aim remains for stakeholders, including revenue authorities, to have confidence in the integrity of our actions, the way we do business and the information we provide. As such, we will continue to take proactive steps to enhance the scope of tax information relevant to our stakeholders.

Prosus is an active supporter and contributor of the Capabuild project; a public-private partnership co-building tax capacity for developing countries by way of tax training for tax authorities, policy-makers and other government officials in the global south. Capabuild strives to improve the understanding of global taxation as this can help governments improve the effectiveness and efficiency of the tax system in their jurisdiction. As taxation is a significant factor in every nation and every citizen's life, it is important that it is understood. It needs to be demystified. Through our contribution to the training platforms offered by Capabuild, we are able to share our knowledge and emphasise the need for dialogue, building trust and true transparency on taxes paid, collected and applied to improve the lives of citizens, those people the governments serve. We proudly support initiatives such as those of Capabuild. These contribute to having sustainable, fair and transparent tax systems that enable governments to provide for their citizens.

Regulatory risk

Managing tax efficiently means effectively managing risk. This important area is another KPI for our tax teams. 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 with policy-makers and legislators to ensure our messages are heard when policies or legislation are 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 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 everyone's best interests 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 the 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 initiatives 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 taxes and where we believe 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 this harmonised global tax system with a level tax playing field is created.

Certainty, transparency, fairness, integrity and doing the right thing, no exception – these are fundamentals in our approach to tax management at Prosus. We want to ensure that, at all times and in all jurisdictions, we 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.

Brazil

Highlights

2021

Smartphone users
173 million

81%* of population
is internet users

2022

Population
218.7 million

Unemployment rate
7.9%

GDP
2.9%

Inflation
7.8%*

2023

Food Delivery
750 million orders

2026*

Online grocery sector
20% CAGR*

Smartphone penetration
85%

** Estimated.*

Prosus offers

» Building a global leader in on-demand food delivery.

» iFood is the most-loved delivery company in Brazil, engaging with society through meaningful actions.

» Around 1 500 Brazilian cities covered.

» Financial service offering gained traction.

» Innovation driving growth for iFood.

» ESG:

- For 2025: We aim for no plastic pollution in iFood's food deliveries; to remain carbon-neutral; and to have non-polluting delivery methods for 50% of deliveries.
- Todos a Mesa (all at the table) programme aims to end food insecurity (15% of the population faces this issue). Besides food donations, iFood users can donate money through its app – iFood is now the largest donation platform in Brazil, with over BRL25m donated since 2021.
- 5 000 people have completed iFood's basic education courses for its driver community. For FY24, iFood aims to have 30 000 drivers complete the basic education programme.

Group structure

Introduction

Prosus N.V. was incorporated under the laws of the Netherlands in 1997 as a private limited liability company. On 16 May 2019, it was converted to 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. In addition, the Dutch Corporate Governance Code, 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. These documents are published on our 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)* is included.

Share capital

The authorised share capital of Prosus totals four hundred and one million euros (€401 000 000), split into eight billion ten million and ten thousand (8 010 010 000) shares, of which:

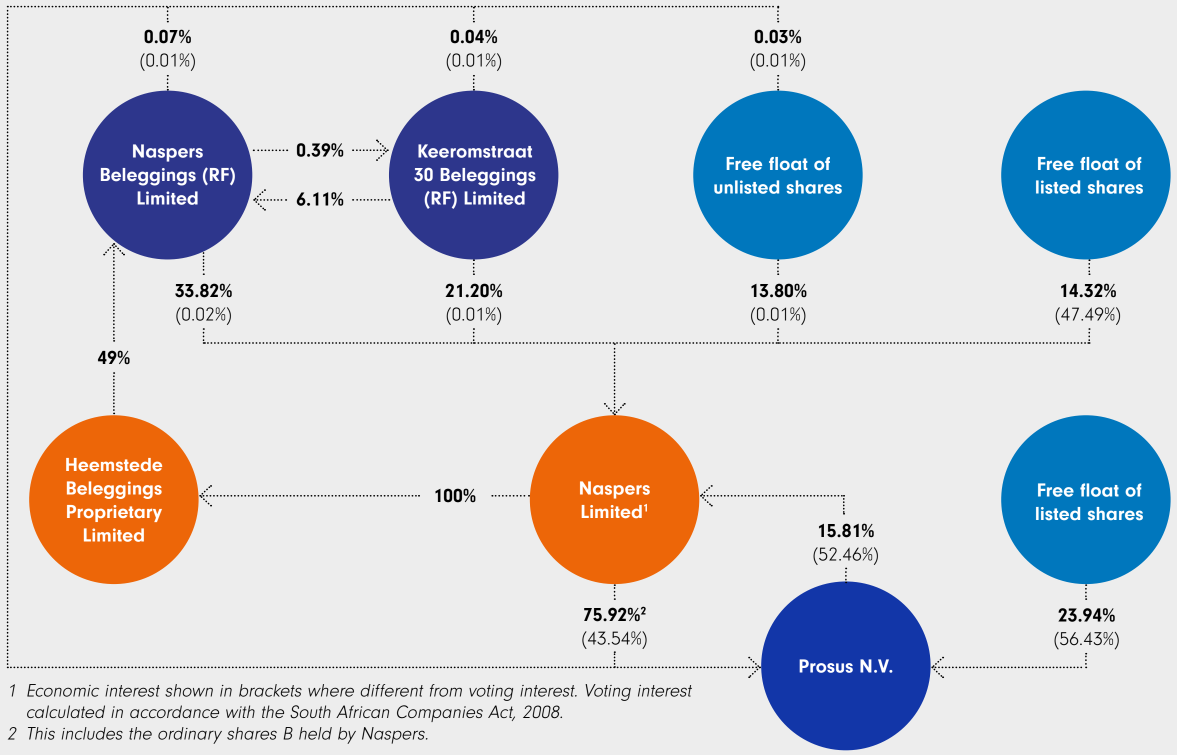
- ten million (10 000 000) are ordinary shares A1 with a nominal value of 5 euro cents (€0.05) each
- ten thousand (10 000) are ordinary shares A2 with a nominal value of 50 euro (€50) each
- three billion (3 000 000 000) are ordinary shares B with a nominal value of 5 euro cents (€0.05) each, and
- 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 2023, the issued share capital of Prosus comprises three classes of shares:

- 2 003 817 745 listed ordinary shares N that have one vote per share. Naspers Limited holds 1 136 893 317 ordinary shares N
- 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, and
- 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.

As at 26 June 2023, there is no change in the issued share capital of Prosus.

Shareholding structure



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.

Right to hold and transfer shares

Prosus' 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.

Delegated authorities

On 24 August 2022, Prosus shareholders designated the board as the competent body to issue shares in Prosus, and to grant 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 22 August 2022, the general meeting resolved to cancel all shares the company holds in its own capital, and to designate the board to determine the moments and quantities of cancellation. Under this designation, on 28 April 2023, the board of directors decided to cancel 152 797 117 ordinary shares N that Prosus held in its own capital. This cancellation will be effected in or around July 2023.

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. Prosus is therefore primarily regulated by the Netherlands Authority for the Financial Markets *(Stichting Autoriteit Financiële Markten or 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.

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 2023, Naspers holds 56.74% of the ordinary shares N and 100% of the ordinary shares B. Combined, these represent 75.92% of the voting rights of Prosus. As a result of the crossholding between Prosus and Naspers, the economic interest attributable to Naspers is 43.54%. 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 75.92% of Prosus. It 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 ordinary shares A and ordinary shares N. These 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 provide an outline of the Naspers voting control structure.

Naspers voting control structure

Naspers also has two classes of shares: (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 over 50% (55% as at 31 March 2023) 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, they can vote the majority of the voting rights in Naspers, including on 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

As at 31 March 2023, Naspers holds a 75.92% voting interest in Prosus, representing a 43.54% economic interest. Prosus holds a 15.81% voting interest in Naspers, representing a 52.46% 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' 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' free-float shareholders' economic interest in the underlying Prosus portfolio (the Prosus free-float's economic interest) is 56.43% (larger than the 35.64% Prosus free-float direct holding of Prosus ordinary shares N). Naspers' free-float shareholders' economic interest in the underlying Prosus portfolio (the Naspers free-float's economic interest) is 43.54%.

To ensure efficient and effective ongoing interaction between Prosus and Naspers, distributions are made on a 'terminal economic value' basis. This gives shareholders 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 crossholding.

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 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 electronic 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), despite any subsequent sale of their shares after the record date.

The 2023 annual general meeting of Prosus will be held on 23 August 2023. As questions asked tend to focus on business-related matters, governance and the remit of our board committees, the chair, chief executive and chief financial officer and the chairs of our board committees 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 attend the annual general meeting. This attendance may be virtual.

The external auditor is welcomed to the annual general meeting and entitled to address the meeting.

Amendment to articles of association

At the annual general meeting of Prosus, a resolution may be passed to amend its articles of association, 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 appears in Prosus' articles of association on our website at www.prosus.com.

Group overview
Performance review
Sustainability review
Governance
Financial statements
Other information

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' 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.

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 carefully examine the risks relating to countries and sectors in which we invest.

We review 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 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. The governance frameworks of investees differ depending on their scale and maturity: some are simply too small or too early-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 teams and our additional due diligence help us to understand the purpose and culture of each company. For more on our approach to responsible investments, please see page 73.

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. This is reflected in the standards 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 we have adopted on relevant topics, offering support to the associates through training or workshops and generally sharing our knowledge and expertise. Periodically, teams from 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.

The group's governance committee comprises the segment chief financial officers, chief financial officers of Naspers and Prosus as well as the group company secretary and global head of governance, group general counsel, group head of risk and audit, global head of sustainability and global ethics and compliance lead. The committee was tasked to ensure the group's governance structures and framework were 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.

Details of choosing the right opportunities and balancing risks (including principal risks) appear on pages 40 to 43 of the annual report. The board's responsibility statement on risk management is on page 171.

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 non-executive directors for purposes of the Dutch Corporate Governance Code, considering all 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 2023, 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 deviations from Dutch Corporate Governance Code, 2016, can be found on our website at www.prosus.com/news/investors-annual-reports.

For reference, the full text of the Dutch Corporate Governance Code is available on its website at www.mccg.nl/english.

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; 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 the remuneration report.

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 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 (which originate 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 32.

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 2023. 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 monitored.

While we work on continuously improving our processes on financial reporting, no major failings have occurred to the knowledge of the directors. As such, the 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 for the group provides independent, objective assurance and risk support services for 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 chief financial officer.

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 the face of 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.

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 this 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 it provides a service where it:

» functions in the role of management of the company, or
» audits its own work, or
» provides services that are prohibited under applicable independence standards, or
» serves in an advocacy role for the company.

Relations with shareholders and investors

Investor relations

Prosus' investor relations policy (refer to our website at 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 annual general meeting where they 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.

The board and its committees

Attendance at meetings

Directors[1]	Board (fixed)	Board (ad hoc meetings)	Audit committee	Risk committee	Sustainability committee	Nominations committee	Human resources and remuneration committee
JP Bekker	5 (100%)*	6 (100%)*				3 (100%)	4 (100%)
B van Dijk	5 (100%)	6 (100%)		3 (100%)	2 (100%)		
V Sgourdos	5 (100%)	6 (100%)		3 (100%)	2 (100%)		
S Dubey[2]	1 (100%)	2 (100%)	1 (100%)				
HJ du Toit	5 (100%)	5 (83%)				3 (100%)	
CL Enenstein	5 (100%)	6 (100%)				3 (100%)	4 (100%)*
M Girotra	5 (100%)	6 (100%)	2 (67%)				
RCC Jafta	5 (100%)	6 (100%)		3 (100%)	2 (100%)	3 (100%)*	
AGZ Kemna	4 (80%)	6 (100%)	3 (100%)	3 (100%)			
FLN Letele	5 (100%)	5 (83%)			0 (0%)[4]		
D Meyer	5 (100%)	6 (100%)			2 (100%)*		
R Oliveira de Lima	5 (100%)	6 (100%)				2 (67%)	4 (100%)
SJZ Pacak	5 (100%)	5 (83%)	3 (100%)*	3 (100%)*			
MR Sorour	5 (100%)	6 (100%)					
JDT Stofberg	5 (100%)	6 (100%)			2 (100%)		
BJ van der Ross[3]		–					
Y Xu	5 (100%)	6 (100%)					
Total meeting participation	**99%**	**97%**	**92%**	**100%**	**83%**	**93%**	**100%**

Numbers in brackets represent meeting attendance.

* *Chair*

1 *The projects committee did not hold any meetings in FY23.*

2 *Appointed as a director from 24 August 2022 and to the audit committee from 1 October 2022.*

3 *Retired as a director from 1 April 2022.*

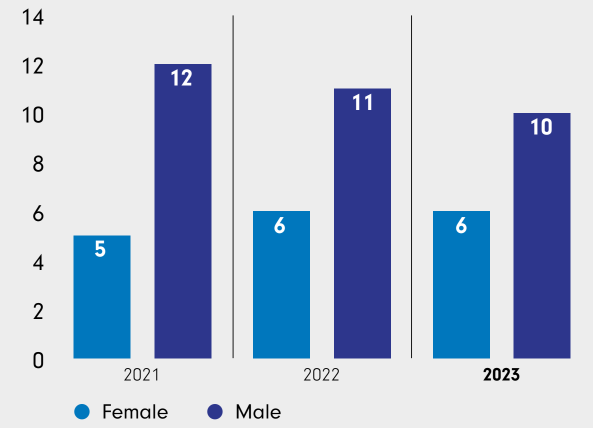
4 *Unable to attend meetings due to long-standing commitments and urgent family matters. However, Mr Letele provided input on matters to be addressed ahead of the meeting.*

75%
independence of the board

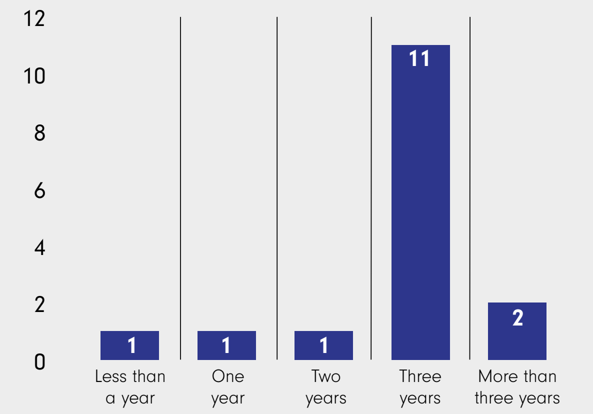
38%
female

98%
board meeting attendance

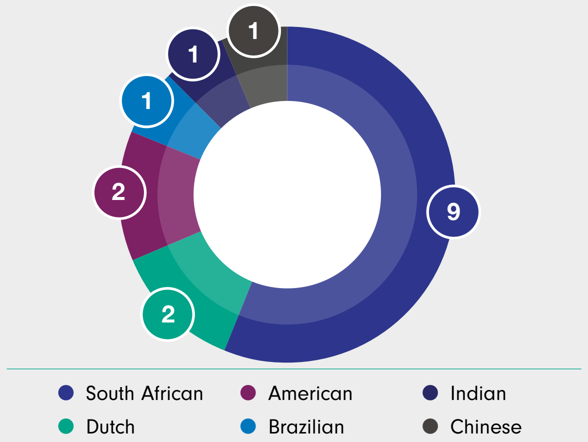
Gender diversity



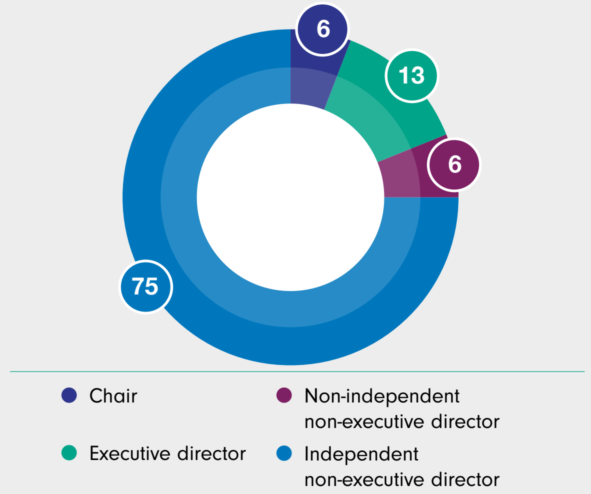
Tenure as a director



Country of residence



Director classification (%)



Appointment and dismissal

Directors are appointed at the annual general meeting, either as executive or non-executive directors.

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 2023 are set out on pages 14 and 15.

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.

The board diversity policy addresses the requirements in 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 a one third female (and male) representation. Over the past three years, all new appointments to the board have been women, bringing female representation to over one third at 31 March 2023. This demonstrates the board's ongoing commitment to transformation in line with its board diversity policy. Currently, the group has two executive directors, both of whom are male. As noted in the deviations from the Dutch Corporate Governance Code, their appointment periods are indefinite. In the event of succession planning, we will continue to look for opportunities to strengthen gender diversity at the executive director level in line with the overall diversity target of one third female and male for the board, taking into account required skills and experience.

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.

Senior management comprises 37% female and 63% male. In line with the board diversity policy, the board aims to achieve a 40% female (and male) representation at a senior management level by FY26.

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 by 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:

- Determining what business we are building, what we offer users and key objectives.
- 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 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 the board's responsibilities can be found on our website at www.prosus.com/about/policies.

The chair

The chair, Koos Bekker, is a non-independent non-executive director. He was previously an executive director of the company.

The responsibilities of the chair are set out in the board charter and include:

- Providing overall leadership to the board without limiting the principle of collective responsibility for board decisions, while 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 communicating 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 executive officers 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.

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:

- 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 on 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:

- Dealing with shareholders' concerns which contact through normal channels has failed to resolve, or where such contact is inappropriate.
- Strengthening independence of the board if the chair is not an independent non-executive member.
- 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.

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, chief financial officer 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 chief financial officer has a fixed appointment term.

Indemnification

The articles of association include provisions on the indemnification of current and former directors against liabilities, claims, judgments, 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 their capacity as an indemnified person. However, there will 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 directors and officers liability insurance for the persons concerned.

Key focus areas for the year

Through advice and supervision of management, the non-executive members of the board ensure that a culture of strong business ethics and conduct aimed at long-term value creation is promoted to underpin the group's activities as a responsible corporate citizen (see the sustainability review on page 70).

Focus areas for the board in FY23 included enhancing reporting to our board committees and board on how we implement good corporate governance in the group in light of Dutch laws and the Dutch Corporate Governance Code. We have also focused on improved 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 sanctions and export controls policy.

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 in discharging its duties: audit; risk; sustainability; nominations; human resources and remuneration; and projects.

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 board committee can be found on our website at www.prosus.com/about/policies.

The chairs of the audit, risk, sustainability, human resources and remuneration, and nominations committees are non-executive directors. They are required to attend annual general meetings to answer questions.

The established board committees in operation during the financial year are set out below. The names of members in office during the financial year, and details of committee meetings attended by each member, are shown in the table on page 126.

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 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 for the governance of risk through formal processes, including an enterprise-wide risk management process and system. The committee is chaired by Steve Pacak.

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 chief financial officer (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 this 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 of independent non-executive directors. It is chaired by Craig Enenstein.

Projects committee

The projects committee is an ad hoc entity 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, annually 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 board.

For the FY23 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 directors' performances are 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 must advise the company secretary and are recused from the deliberation and 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.

There have not been material transactions in the 2023 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.

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 rendering intra-group services, such as providing support services in 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 42 'Related party transactions and balances' on page 290 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.

Audit committee

Members	Capacity	Attendance at meetings
SJZ Pacak (chair)	Independent non-executive	3/3 (100%)
M Girotra	Independent non-executive	2/3 (67%)
AGZ Kemna	Independent non-executive	3/3 (100%)
S Dubey	Independent non-executive	1/1 (100%)

Mandate

The committee primarily oversees the integrity of the company's financial reporting, monitors the quality and integrity of the company's financial statements, reviews the company's internal controls and risk management.

Key focus areas during the year

During the financial year, the committee focused on:

» Considering the appointment of external auditors and monitoring the transition for rotating external audit firms.
» Continuously evaluating internal financial reporting controls.
» Considering group tax matters.
» Evaluating the integrity and effectiveness of financial and non-financial reporting.
» Considering the group's impairment assessments.
» Reviewing going-concern assumptions, solvency and liquidity testing and the proposed dividend consideration.
» Assessing the impact of changes to accounting standards.
» Assessing the suitability of the finance function, internal auditors and external auditors.
» 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, the JSE Listings Requirements.
» Continued implementation of the Dutch Corporate Governance Code recommendations.

Key focus areas going forward

The committee's key focus for the 2024 financial year includes:

» Ensuring a smooth transition of auditors from PwC to Deloitte.
» 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 op het Financieel Toezicht).*
» Aligning practices with the updated Dutch Corporate Governance Code, where appropriate.
» Focusing regularly on the group's working capital requirements and ensuring the group and its subsidiaries continue to operate as going concerns.
» Reviewing and monitoring accounting for potential mergers, acquisitions and disposals and the conduct of impairment tests.

Steve Pacak
Chair: Audit committee

26 June 2023

Risk committee

Members	Capacity	Attendance at meetings
SJZ Pacak (chair)	Independent non-executive	3/3 (100%)
RCC Jafta	Independent non-executive	3/3 (100%)
AGZ Kemna	Independent non-executive	3/3 (100%)
V Sgourdos	Executive	3/3 (100%)
B van Dijk	Executive	3/3 (100%)

Mandate

The committee assists the board in its oversight of the management of risk and risk governance in the group. Furthermore, the PayU risk advisory committee reports to the risk committee to ensure PayU management receives external independent advice and acts as an independent guardian to the risk committee on PayU-related matters.

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.
- 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 enterprise-wide risk management process.
- Monitoring the business insurance profile and insurance claims in progress.
- 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 85 to 87.

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 40.

Key focus areas going forward

An ongoing focus on managing 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.

Steve Pacak
Chair: Risk committee

26 June 2023

Sustainability committee

Members	Capacity	Attendance at meetings
D Meyer (chair)	Independent non-executive	2/2 (100%)
RCC Jafta	Independent non-executive	2/2 (100%)
FLN Letele	Independent non-executive	0/2 (0%)[1]
V Sgourdos (alternate)	Executive	2/2 (100%)
JDT Stofberg	Independent non-executive	2/2 (100%)
B van Dijk	Executive	2/2 (100%)

1 *Unable to attend meetings due to long-standing commitments and urgent family matters. However, Mr Letele provided input on matters to be addressed ahead of the meeting.*

Mandate

The committee has oversight of and reports on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships. It assists the board in developing and supervising 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 speaking up (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.
- Skills and other 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 areas in its mandate are evolving and that management's responses will also adapt to changes in the ESG agenda.

Legislation on ESG matters is rapidly developing. Particular attention will be paid to the group's journey to compliance with the evolving ESG legislative landscape.

Management will continue to improve techniques in how it reports to the committee on responsible corporate citizenship and sustainability, using ever-evolving legislation 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.

Debra Meyer
Chair: Sustainability committee

26 June 2023

Nominations committee

Members	Capacity	Attendance at meetings
RCC Jafta (chair)	Independent non-executive	3/3 (100%)
JP Bekker	Non-executive	3/3 (100%)
HJ du Toit	Independent non-executive	3/3 (100%)
CL Enenstein	Independent non-executive	3/3 (100%)
R Oliveira de Lima	Independent non-executive	2/3 (67%)

Mandate

The committee assists the board in ensuring performance of the board, its committees and directors. It reviews the composition of the board and its committees and recommends suitable candidates to fill vacancies in these governance structures and reviews continuous development programmes for directors.

Key focus areas during the year

» Evaluating the board composition to ensure it appropriately reflects the required skill set and diversity.
» Assessing the composition of the board to execute its duties effectively.
» Assessing the impact of newly enacted gender diversity legislation in the Netherlands.
» Assessing the effectiveness of the board, its members and committees through a board-evaluation process.
» Evaluating the performance and independence of the company secretary.

Key areas of focus going forward

Focus areas for the committee going forward will include:

» Assessing the composition of the board to execute its duties effectively.
» Evaluating 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 role of chair of the board.

Rachel Jafta
Chair: Nominations committee

26 June 2023

Human resources and remuneration committee

Members	Capacity	Attendance at meetings
CL Enenstein (chair)	Independent non-executive	4/4 (100%)
JP Bekker	Non-executive	4/4 (100%)
R Oliveira de Lima	Independent non-executive	4/4 (100%)

Mandate

The committee assists the board in ensuring remuneration policies and practices are aligned to the company's objectives for value creation and benchmarked to ensure fairness and competitiveness in remunerating employees to attract and retain key talent and critical skills required to deliver business goals and results.

Key focus areas during the year

Please refer to the remuneration report.

Key focus areas going forward

Key focus areas for the year ahead, include:

» 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 explicit performance conditions are attached.

Remuneration report

Having achieved its objectives for the financial year, the committee sets out 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 Dutch Corporate Governance Code and Dutch law. It is divided into three sections (background statement, remuneration policy and implementation) and is detailed on pages 138 to 168.

Craig Enenstein
Chair: Human resources and remuneration committee

26 June 2023

Remuneration report

We aim to attract, motivate and retain the best people to create sustainable shareholder value.

Craig Enenstein

Chair: Human resources and remuneration committee

Members of the committee

» CL Enenstein (chair)
» JP Bekker
» R Oliveira de Lima

Dear shareholder

On behalf of the board, I am pleased to present our remuneration report for the 2023 financial year (FY23).

Despite continued global turmoil and uncertainty, the group has recorded a solid operational performance. In line with our strategy, we have concentrated on building strong momentum in our Ecommerce portfolio, driving for profitability.

Business performance[1]

On a consolidated basis, total revenue from continuing operations increased by US$600m, or 10% (23%), from US$5.2bn in the prior period to US$5.8bn. This was primarily due to strong revenue growth in iFood, and Payments and Fintech.

Trading losses increased to US$790m from US$644m, representing increased organic investments to scale ecommerce extensions. However, trading losses in the second half of the year improved by 23% compared to the first half, demonstrating the group's commitment to achieve consolidated ecommerce profitability on a monthly basis in the first half of FY25.

The group's free cash outflow (excluding Avito) was US$410m, a sizeable year-on-year improvement. This was due to improved working capital and lower withholding tax due to fewer Avito dividends being received. Excluding OLX Autos, free cash outflow was limited to just US$30m. Tencent remains a meaningful contributor to the group's cash flow via a stable dividend of US$565m.

Core headline earnings were US$2.5bn – a decrease of 32% (13%) or US$1.2bn, primarily due to lower contributions from the group's associates (US$1.3bn), of which US$1.1bn relates to Tencent.

Discount to net asset value

For FY23, in response to shareholder feedback, we introduced a discount-related, short-term incentive for the CEO and CFO. The board approved an open-ended repurchase programme of Prosus and Naspers shares, designed to efficiently unlock immediate value for shareholders and increase NAV per share over time. Funded by the regular sale of Tencent shares, the programme will remain active while the discount to NAV is at elevated levels.

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.

We did not award longer-term incentives to the CEO and CFO for FY23.

During FY23, the Prosus discount, measured over the period of the programme through to the end of the fiscal year, saw a reduction in the discount from 54% to 38%, the discount reduction representing value creation of approximately US$16bn, which represents a material improvement in the discount. The above-mentioned special incentive will be held in reserve until 31 March 2024 and remeasured against a clawback provision.

The committee has not awarded a similar incentive for FY24.

Details of FY23 remuneration for executive directors appear on page 150 of this report.

Executive director remuneration

For FY24, to incentivise long-term value creation, growth and shareholder alignment, we have returned to a more typical mix of incentives within the executive directors' remuneration packages and have once again awarded longer-term incentives, with a similar mix to the prior years.

Rotation of independent valuations firm

FY23 marks the first financial year for which KPMG has been responsible for performing the valuation work on our ecommerce assets, with Deloitte having stepped down at the end of FY22. We thank Deloitte for the work carried out.

Disclosures

We continue to focus on improving our disclosure on executive remuneration, in line with shareholder feedback and our bid for greater transparency. In addition to disclosing STI goals and achievements for FY23, we now disclose related targets retrospectively; this enhanced disclosure will enable an informed assessment of management's performance linked to incentive awards.

Our stakeholder engagement

We engage frequently and take extensive input from our investors to clearly demonstrate the link between Prosus' strategy, business performance and remuneration philosophy.

Each year, feedback from investor meetings is considered and debated by the remuneration committee as we continue to refine remuneration design and disclosure.

Recently, the inclusion of a discount-related incentive in the FY23 executive director remuneration packages and our enhanced disclosure around the KPIs associated with short-term incentives are examples of this input in action.

We strive for a higher level of N shareholder support for remuneration resolutions. In that spirit, we will continue to make appropriate changes to our remuneration design and disclosures. We will also continue to engage with our shareholders frequently.

I thank you for your feedback and support, and look forward to our future interactions.

Craig Enenstein
Chair: Human resources and remuneration committee

26 June 2023

Key focus areas during the year

» Reflecting the business performance in the FY23 remuneration decisions.
» Ensuring correct pay-for-performance mix is applied.
» Setting regular short-term incentive (STI) targets, including environmental, social and sustainability (ESG) goals that are measurable, sufficiently stretched and linked to the group's strategy.
» Improving disclosure on executive remuneration in the annual report, in a bid for greater transparency.
» Continuing engagement with shareholders on remuneration topics and making design adjustments in response, where appropriate.
» 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.

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 view of our approach to remuneration and information on the components of our executive pay packages.

Read more on page 140

2 **Implementation of the remuneration policy**: Sets out information on how we implemented our policy for FY23.

Read more on page 148

We conclude with an additional information section on page 167

Note: All remuneration is presented at 100%, including the cost apportioned to Naspers.

Background and policy

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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.

Achieving the business plan

» 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[1].

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:
Equal pay for work of equal value

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.

Maintaining pay equality is embedded in our ways of working. 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.

1 *Long-term incentives (LTIs) are an important element of compensation for key employees, but in general are not broadly granted, in line with market practice.*

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 the 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

Attracting and retaining talent
Fair, responsible, consistent

Shareholder alignment
Longer term

INPUTS

Market situation – benchmarking

Pay for performance		Attracting and retaining talent			Shareholder alignment
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 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.

OUTPUTS

Committee deliberation

Pay decision

Our remuneration structure: Pay for performance

Remuneration for our executive directors (CEO and CFO) consists of base salary, STI, LTI, pension and other benefits. The approach is similar for the CEO's other direct reports.

	Our pay design links to our pay principles				
	Pay for performance	Shareholder alignment	Achieving the business plan	Consistency	Attracting and retaining talent
	✓	✓	✓	✓	✓
Fixed remuneration	» 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.				
	✓	✓	✓	✓	✓
STI – Annual performance-related incentive	» Discretionary annual performance-related incentive with performance measures tailored to the executives' roles and responsibilities. » At least 50% of the bonus opportunity is based on delivering financial performance ahead of the board-approved business plan. » Sustainability goals are set for the short and longer term. » Target and maximum bonus opportunities are the same (no payout for over-performance against 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 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. » The committee may consider an additional cash short-term incentive, aligned to specific shareholder interests, of no more than five times the annual fixed gross salary.				
	✓	✓	✓	✓	✓
LTI – Performance share units (PSUs)	» PSUs are designed to incentivise the increase in the value of internet businesses (excluding Tencent) and delivery of superior returns to shareholders. » Three-year cliff-vesting, subject to achieving 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 on page 143 and 144.				
	✓	✓	✓	✓	✓
LTI – Share appreciation rights (SARs)	» SARs incentivise the growth in value of the business units or an aggregation of underlying assets. See page 143 and 144 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. This ensures that senior executives' remuneration is negatively affected if individual businesses do 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.				
	✓	✓	✓	✓	✓
LTI – Share options (SOs)	» 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.				

Malus and clawback provisions apply to STI and LTI.

Executive director participation in LTI plans

The committee reviews three key elements before conducting the scenario analysis, 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 executive's tenure, leading to value creation in the scheme and for the shareholder.
» Industry benchmarking of executive compensation in consultation with external advisers Willis Towers Watson and FW Cook.

LTI awards represent a significant portion of total compensation. They 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 executive directors, providing the PSU performance conditions are met and the share price of SARs or SOs has 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 via PSUs, SARs, and SOs. Each element of the LTI programme plays a distinct part in implementing a remuneration approach that drives business performance for the longer term and is fair, responsible, consistent, aligned with shareholder outcomes and relevant to the talented executives we need to attract and retain (see table on page 140).

In recent years, we focused on compensating executive management on the performance of the global Ecommerce portfolio, excluding Tencent. In FY22 (when LTI was most recently granted), the PSU plan and 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[1].
» **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 145.

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 allocated shares would be awarded if performance is at the 25th percentile of the peer group.
» **At target performance:** 100% of allocated shares would be awarded if performance is at the median of the peer group.
» **At maximum performance:** 200% of allocated shares would be awarded if 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 referenced below[1].

If the threshold level of performance is not achieved, no shares will be awarded to the participant. If more than maximum performance is achieved, no more than 200% of allocated shares would be awarded.

The board remains committed and incentivised to continue on the journey for long-term value creation of the group. To emphasise that intent, FY24 remuneration will be adjusted accordingly. Further details can be found on page 160.

1 *The 31 March 2023 peer group consists of Adevinta, Adyen, Alphabet, Amazon, Auto Trader Group plc, Booking Holdings, Deliveroo, DoorDash, eBay, Expedia Group Inc., IAC/InterActiveCorp, Just Eat Takeaway.com, Mercado Libre, Meta, Netflix, Ocado Group, PayPal Holdings, Sea Limited, Snap, Square, Wayfair Inc., Zalando SE and Zillow Group. Twitter was removed following its delisting in November 2022.*

Blend of LTI	PSU	Global Ecommerce SAR	SOs
Plan characteristics	A performance share award that is transferred to participants after time restrictions have passed, subject to the performance condition being met. PSUs typically vest in full on the third anniversary of the grant, subject to the performance condition being met.	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	Performance is determined based on verifiable financial results and metrics.	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 achievement against performance condition, between 0% and 200% of awarded PSUs may vest and Prosus or Naspers[1] shares are delivered[2] on vesting.	Gains, if any, are settled in cash.	Upon exercise, SOs are settled in Naspers or Prosus shares[1, 2].
Focus on longer-term value creation	Value driven by longer-term outcomes.	Valuation (by third party) driven by longer-term projections[3].	Market cap represents longer-term value.
Alignment with shareholder interests	PSUs align the business strategy and objectives with executive compensation and shareholder returns.	Incentivises value creation in underlying ecommerce businesses (excluding Tencent).	Aligned with shareholders incentivising executive management to reduce the discount to NAV.

1 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.
2 Shares are purchased on the market for cash to avoid shareholder dilution as a result of the company settling its LTI award obligations.
3 Please see page 146 for further details on the valuation process.

Valuations

The Global Ecommerce portfolio

The performance of SARs and PSUs are determined by year-on-year changes in the per-share valuation of the group's Global Ecommerce portfolio. The Global Ecommerce scheme excludes the performance of Tencent.

Methodology

The valuation is an amalgamation of a number of individual schemes and assets which are valued annually, or in the interim if required, by an independent 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.

2023 valuation outcome

The group's assets are on track for consolidated profitability as communicated to investors, while our businesses continue to identify additional investment areas to expand their overall opportunity sets. Despite this, a decline in the value of the portfolio will reflect the re-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 where the market inputs, like risk-free rates, increased compared to 2022 and will drive lower valuations. We continue to see declines in the private market valuations, closing the gap to the declines experienced in the public company valuations.

These declines in the market were noted at 30 September 2022 and, given the meaningful downward market movements and rising inflation resulted in higher interest rates, the decision was taken to perform an interim valuation at 30 September 2022.

For the financial year, the group's assets continued to perform to their plans with a commitment to deliver consolidated Ecommerce trading profit during the first half of FY25. The updated valuations at 31 March 2023 reflect the performance of our businesses in the context of the continued difficult macroeconomic environment.

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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 valuation of the underlying operations

Governance			
1 Report issues →	2 Review →	3 Submission →	4 Approval →
The external valuer[1] issues a report with the respective share scheme valuations.	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.	Reports from the valuer and the valuations subcommittee are submitted to the human resources and remuneration committee as part of their approval process.	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.

1 The group has appointed KPMG as the new external valuer, conducting the valuations for the group's unlisted assets from FY23 onwards.

Ecommerce portfolio and SARs performance 2021 to 2023

	2021	2022[1]	2023
Ecommerce valuation (US$'m)	39 109	35 780	**28 049**
Ecommerce valuation growth	76.6%	(8.5%)	**(22%)**
SAR share price (US$'m)	64.28	49.91	**38.11**
Notional shares	15 210 390	17 923 495	**18 401 174**

1 Adjusted to account for the disposal of Avito. As reported last year, vesting of the first PSU awards was delayed by our announced intention to decouple Avito operationally from the group.

Governance

Recruitment policy

On appointing 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 termination, 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 in executive directors' contracts.

Malus and clawback

Malus and clawback provisions apply to STIs and LTIs awarded to executive directors and the CEO's direct reports (in line with article 135(6) and (8) of Book 2 of the Dutch Civil Code and the remuneration Policy). 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. In addition, all or part of the vested LTI may be claimed back. Malus and clawback provisions may be invoked for certain material events, including cases of material financial misstatement or gross misconduct on the part of the executive director or direct reports of the CEO.

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

Bob van Dijk stepped down as non-executive director of Booking Holdings Inc. on 9 June 2022.

Neither Bob nor Basil Sgourdos holds any board positions outside the Prosus and Naspers groups.

Shareholding requirement for the CEO

To reflect the balance of the underlying value of 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.

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 after regular benchmarking that primarily considers international comparators in the consumer internet and media sectors, as well as the 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 sufficiently 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 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

In FY23, we engaged with our shareholders through regular in-person and online meetings, including the topic of remuneration.

We have outlined the committee's decision process on remuneration on page 141. A remuneration section is included on our investor pages on our website at www.prosus.com.

Group overview
Performance review
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Other information

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 in FY23 and how we intend to operate it in FY24. All decisions on executive remuneration have been made in line with our remuneration policy for this financial year and reflect our business performance.

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. » We build sustainable leadership positions in high-growth markets. » We build businesses with big potential to address societal needs.
Our business priorities	» Food Delivery » Classifieds » Payments and Fintech » Edtech » Etail » Other: Ventures » Social and internet platforms.
Our financial highlights[1]	» Revenue US$32.2bn, -5% (7%), driven by a healthy 22% (31%) increase in Ecommerce segment revenues. » Trading profit declined to US$3.4bn, reflecting a lower share of profits from Tencent and continued investment in our Ecommerce growth extensions, which include: credit, quick commerce and grocery delivery. » Core headline earnings decreasing to US$2.5bn.
Our operating highlights[1, 2]	» Ecommerce businesses consolidated revenue grew 10% (23%) to US$5.8bn, with the biggest contributions to growth from Food Delivery, and Payments and Fintech. Consolidated trading losses from continuing operations of US$617m reflected our focused approach to incremental investment in our Ecommerce growth extensions. Going forward, we expect a continued reduction in trading losses in each reporting period as a result of continued efficiencies and cutting back aggressively on costs. » Food Delivery continued to deliver robust growth in the core restaurant food-delivery business as well as in grocery marketplace and quick commerce, while improving its overall profitability. Profit improvement was driven by increased scale and margin improvement in the core restaurant food-delivery businesses, as well as a more targeted investment in growth extensions such as grocery and quick commerce. Total gross merchandise value (GMV) grew 18% (27%), while revenue, on an economic-interest basis, increased 40% (44%) to US$4.2bn. » Core Classifieds businesses delivered sustained growth and improved profitability, driven by stable operating metrics and a strong performance in Europe. However, core Classifieds was negatively impacted by currency movements. On an economic-interest basis, revenue decreased in nominal terms but grew 15% to US$722m in local currency, excluding M&A, and reported a trading profit of US$60m. » Payments and Fintech continued to see meaningful growth in the core PSP (payment service provider) business and in its burgeoning Indian credit business. The segment grew its economic-interest revenue 32% (51%) to US$1.1bn. On a consolidated basis, the core PSP business and credit drove PayU's revenue growth of 32% (52%) to US$903m. The trading loss was US$83m (FY22: US$46m), at a negative margin of 9% (FY22: -7%) due to a once-off loss provision of US$23m. Excluding this provision, the PSP business remained profitable. » Edtech segment revenues grew by 28% (18%) to US$545m and trading losses increased to US$258m. Growth was affected by decreased demand given the macroeconomic downturn. Our portfolio companies have reacted quickly to changing market conditions and have begun to rationalise their cost structures and investments. Our majority-owned enterprise platforms, Stack Overflow and GoodHabitz, continued to grow, driven by investments in sales headcount, product enhancements and global footprint expansion, which weighed on profitability. » Etail: eMAG had a mixed performance due to decreased consumer demand in a deteriorating macroeconomic environment, the war in neighbouring Ukraine, and a needed restructuring of its Hungarian business. eMAG's revenue declined by 14% (4%) to US$2.0bn, reflecting a 17% (7%) local currency decline in its core Etail business, which was partially offset by strong growth from its restaurant (Tazz) and grocery-delivery (Freshful) services. While overall GMV decreased 13% (4%), third-party (3p) ecommerce business grew GMV 3% (14%) which was offset by a first-party (1p) decline of 20% (11%). These changes were driven by charges in category mix, which is ultimately more supportive of margins. In total, the business reported a trading loss of US$53m, compared to a US$34m trading loss last year.
Remuneration outcome FY23	» We have focused on the path to profitability this year and met our COHE and FCF goals, but missed our organic revenue growth target. The next page contains information on the annual charge of CEO compensation linked to the performance of the company, as well as the FY23 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 sustainability goals are disclosed on pages 152 and 153.

1 All figures from continuing operations.
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.

Aligning remuneration to our strategy

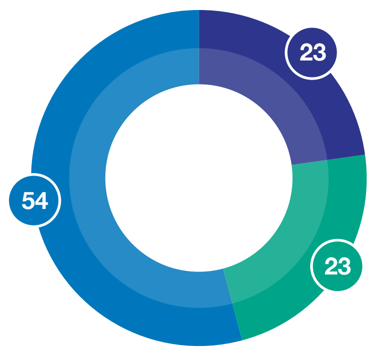
Compensation is substantially 'at risk' and longer term

In FY23, the remuneration committee emphasised the importance of reducing the discount to net asset value in the short term by materially increasing the CEO and CFO's short-term variable compensation exposure to this goal. The discount-linked incentive for FY23 will only be paid out if the improvement is sustained or improved on, as at 31 March 2024. This was a unique event and a further discount-related incentive is not part of the remuneration of the executive directors in the coming year (FY24).

The committee is focused on delivering executive incentives that are predominantly focused on longer-term value creation.

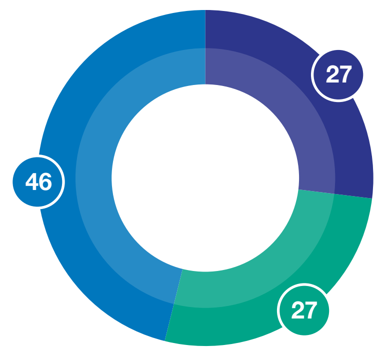
Remuneration mix awarded in FY23

Bob van Dijk (%)



Annual fixed pay	23%
Annual STI (target)	23%
Annual fair value LTI	0%
Discount-linked STI (target)	54%

Basil Sgourdos (%)



Annual fixed pay	27%
Annual STI (target)	27%
Annual fair value LTI	0%
Discount-linked STI (target)	46%

Business performance and remuneration outcomes

Executive directors' remuneration versus company performance

	FY23[6] (%)	FY22 (%)	FY21 (%)	FY20[4] (%)	CAGR[5] (%)
CEO remuneration					
Cash[1] year-on-year change	145	(13)	5	9	25
LTI[2] year-on-year change	(100)	(2)	3	28	(100)
CFO remuneration					
Cash[1] year-on-year change	98	(9)	5	13	21
LTI[2] year-on-year change	(100)	(2)	17	26	(100)
Company performance					
Organic revenue growth[3]	7	24	33	23	20
Organic revenue growth[4] (excluding Tencent)	31	50	51	32	35
Ecommerce share price growth	(24)	(22)	55	15	1

1 Base salary + benefits + actual bonus payout, using the currency in which the CEO (in €) and CFO (in US$) are paid. The primary reason for the FY23 increase is the inclusion of the discount-linked STI.
2 Fair value at grant, using the currency (US$) 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 FY23.
6 Includes continuing operations (excluding a portion of OLX Autos).

Single-figure table FY23 remuneration

The tables below show a single figure for the remuneration and the implementation of the remuneration policy in FY23 for the executive directors. Salary increases were not awarded to the executive directors in FY23.

FY23 single-figure table

€'000	Variable remuneration							
Executive director	Base salary	Standard STI[1]	Discount-linked STI[2]	LTI[3]	Pension	Other benefits[4]	Total remuneration[5]	Proportion of fixed and variable remuneration
Bob van Dijk, CEO	1 296	895	3 150	0	85	46	5 472	24%/76%
Basil Sgourdos, CFO	1 107	923	1 845	0	87	10	3 972	28%/72%

FY23 single-figure table

US$'000	Variable remuneration							
Executive director	Base salary	Standard STI[1]	Discount-linked STI[2]	LTI[3]	Pension	Other benefits[4]	Total remuneration[5]	Proportion of fixed and variable remuneration
Bob van Dijk, CEO	1 405	970	3 414	0	92	49	5 930	24%/76%
Basil Sgourdos, CFO	1 200	1 000	2 000	0	94	16	4 310	28%/72%

1 *Actual payout against FY23 performance; achievement of STI goals is shown on pages 152 and 153.*
2 *The discount-linked STI will be held and paid out after 31 March 2024 should the assessed discount be sustained or improved.*
3 *No LTIs were granted in FY23 to executive directors. The IFRS 2 expense recognised for unvested and vested but unexercised LTI awards at 31 March 2023 is -US$97.6m (-€93.6m) (2022: -US$27m (-€23.3m)) for the CEO and -US$4.1m (-€4.0m) (2022: US$4.3m (€3.7m)) for the CFO and does not reflect the impact of the non-adjusting subsequent event on the intended sale of Avito. The total IFRS 2 expense is shown in note 42 – 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 executive directors above reconciles with executive directors' remuneration disclosed in note 42 of the consolidated financial statements. In note 42, we show base pay, STI, pension and benefits at 90% of the aggregate cost as set out in this remuneration report, plus the full IFRS 2 expense of the LTI per this footnote 3, minus the FY23 LTI awards in fair value at grant, as shown in this single-figure table.*

Special discount-related short-term incentive

Discount-linked STI

A special one-year cash incentive related to reducing the discount to net asset value was introduced in FY23. This discount-linked STI will only be paid on successful discount reduction at the discretion of the human resources and remuneration committee.

During the financial year, a new initiative was developed whereby the group sold Tencent shares and purchased Prosus and Naspers shares with the associated proceeds.

The new initiative resulted in the sale of Tencent shares with a market value of US$10.7bn and the purchase of a commensurate amount of Prosus and Naspers shares.

During FY23, the Prosus discount, measured over the period of the programme through to the end of the fiscal year, saw a reduction in the discount from 54% to 38%, the discount reduction representing value creation of approximately US$16bn, which represents a material improvement in the discount.

The reduction of the discount and value created during the period represents a material improvement in the discount and the committee has deemed that the incentive should be paid, subject to the one-year holding period which was communicated at the outset.

The incentive will only vest, if at 31 March 2024 the discount improvement is sustained or improved. To be clear, so long as the discount at 31 March 2024 remains no greater than the 38% level indicated at 31 March 2023, the discount-linked incentive will be deemed vested and then paid.

As of the end of the fiscal year, the Tencent sale and share purchase programme remained active. No further discount-related incentive is proposed for FY24.

CEO's remuneration compared 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. As such, we 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 considers 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, and South Africa. On a global level, the CEO pay ratio versus employees (including LTI) would be 237:1 (FY22: 340:1, FY21: 316:1, FY20: 311:1). However, we do not consider the pay ratio to be an appropriate measure of fairness given the widely different pay levels observed in the countries where we operate.
If we compare CEO pay versus employees in the Netherlands it shows a ratio of 30:1 (FY22: 40:1, FY21: 19:1, FY20: 22:1). The decrease from FY22 to FY23 is due to the CEO not receiving an LTI.

Also, as shown on page 149, the pay-at-risk portion for the CEO and, within that, more specifically LTI as a result of historical allocations, weighs heavily in our total executive remuneration mix. This approach is typical within the consumer internet and technology sector where we compete for talent. For completeness, we have also reviewed pay ratios excluding LTI, showing a ratio of 112:1 (FY22: 71:1, FY21: 75:1, FY20: 72:1) globally and 22:1 (FY22: 14:1, FY21: 6:1, FY20: 8:1) for the Netherlands.

The ratios are obtained by dividing the FY23 total remuneration for the CEO by the FY23 average total remuneration of all other employees (which includes salaries, wages, on-target bonus, pension and benefits for employees, excluding contractors). It excludes training and development that we offer to our employees. Details of staff costs appear in note 14 on page 214 of the consolidated financial statements.

Competitive pay – knowledge workers

We review the pay levels of our staff at least annually: relative to pay in the markets and countries where we operate, our reward levels are competitive. We see the effectiveness of our reward philosophy and practices confirmed via our formal employee engagement surveys. In recent years, 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. At all levels, we ensure that our pay practices around the world are fair, competitive and above local minimum-wage standards. We ensure critical benefits and protection for our entire workforce are in line with the markets in which we operate.

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.

STI – FY23 goals, targets and achievements

Short-term incentives (STIs) are based on financial, strategic, operational and sustainability performance targets tailored for each role, including financial objectives on the underlying business performance.

The minimum STI payout was 0% of base salary. The target and maximum STI opportunity are the same at 100% of base salary, ie there is no opportunity to overachieve on bonus payout.

Measurements for bonus achievement were based on the business plan for FY23.

We disclose STI goals and achievements for FY23, as well as FY23 targets retrospectively, from this financial year.

In the annual report, we have highlighted metrics or developments for FY23 that were included in the STI of executive directors as indicated on pages 152 and 153.

Investing for sustainable long-term value creation

Prosus competes with tech companies of every size in the consumer internet industry worldwide. To compete effectively, our assets need to reach scale – in user numbers and markets served – relatively quickly. For Prosus, this translates to significant investment and support through their early loss-making years: our diverse portfolio allows us to sustain this investment phase or divest from assets that no longer meet our stringent criteria. This is a strategic choice as we search for entrepreneurs who can build global tech leaders addressing societal needs in high-growth markets. At the same time, we have an obligation to shareholders who entrust their capital to Prosus to create sustainable long-term value through disciplined capital allocation and robust financial performance. Against our stated goal of profitability across our core Ecommerce segment by the first half of FY25, it is appropriate to incentivise management to find the correct balance between investing for growth and competing effectively.

Outcomes of STIs

The outcomes of the annual STI as shown below and on page 153 resulted in annual bonus payout levels of €895 168 or 69% of base salary for Bob van Dijk (CEO) and US$1 000 243 or 83.3% of base salary for Basil Sgourdos (CFO).

All financial, strategic, operational and sustainability goals are measurable and validated.

FY23 goals and achievements

Bob van Dijk

Maximum STI opportunity: 100% base salary.

Group financial goals[1]	Weighting (%)	Target	Actual results	Outcome[2]	Actual payout
Core headline earnings (including Tencent)	**19.05**	US$564m	US$1 056m	✓	**€246 965**
Free cash flow	**19.05**	-US$1.2bn	-US$518m	✓	**€246 965**
	38.10				**€493 930**

Strategic, operational and sustainability goals	Weighting (%)	Target	Actual results	Outcome	Actual payout
Ecommerce financials[1]	**14.28**	Organic revenue growth of 35%	29%	X[2]	**€0**
	14.28	Trading loss of -US$1.85bn	-US$1.50bn	✓[2]	**€185 127**
Sustainability: Diversity and inclusion	**16.67**	89% favourable response to the question 'I feel respected at my company' in the annual engagement survey	86%; details can be found on page 78	X	**€0**
Sustainability: Climate sustainability	**16.67**	Reduce scope 1 and 2 emissions to zero at group level[3] by year-end FY23	Scope 1 and 2 emissions are reduced to zero at group level[3]; details can be found on page 97	✓	**€216 111**
	61.90				**€401 238**

1 Financial targets, actual results and outcomes based on Naspers economic interest results.
2 Outcome assessed after adjustments for M&A, foreign exchange/constant currency and other approved items.
3 As determined by the board. As part of our climate mitigation effort in FY23, our corporate offices located in London and Amsterdam procured green electricity. For the other corporate offices in the scope of reporting and as part of our climate change mitigation, we have procured renewable-energy certifications for our scope 2 emissions.

FY23 goals and achievements

Basil Sgourdos

Maximum STI opportunity: 100% base salary.

Group financial goals[1]	Weighting (%)	Target	Actual results	Outcome[2]	Actual payout
Core headline earnings (including Tencent)	**19.05**	US$564m	US$1 056m	✓	**US$228 665**
Free cash flow	**19.05**	-US$1.2bn	-US$518m	✓	**US$228 665**
	38.10				**US$457 330**

Strategic, operational and sustainability goals	Weighting (%)	Target	Actual results	Outcome	Actual payout
Taxation	**9.52**	Execute plans to navigate the changing global tax landscape	Details can be found on page 112	✓	**US$114 272**
Governance, internal audit and risk management	**9.52**	Ensure effective systems of internal control are operated throughout the group's controlled entities	Details can be found on page 40	✓	**US$114 272**
Balance sheet	**9.52**	Take action to support our debt ratings responding to macro impacts on the balance sheet	Details can be found on page 44	✓	**US$114 272**
Sustainability: Diversity and inclusion	**16.67**	87% favourable response within the finance function to the question 'I feel respected at my company' in the annual engagement survey	72%; details can be found on page 78	X	**US$0**
Sustainability: Climate sustainability	**16.67**	Reduce scope 1 and 2 emissions to zero at group level[4] by year-end FY23	Scope 1 and 2 emissions are reduced to zero at group level[3]; details can be found on page 97	✓	**US$200 097**
	61.90				**US$542 913**

LTI over FY23

No LTI awards were made in FY23. Instead, as described above, a short-term incentive for reducing the discount to net asset value was introduced.

LTI awards continue to 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.

In the table below which continues onto page 157, we have set out information on unvested LTIs, including awards that have vested in FY23. Details of the group's LTI schemes settlement are disclosed in note 37 on page 258 of the consolidated financial statements.

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 2022 (unvested)	Awarded during the year	Vested during the year	Closing balance 31 March 2023 (unvested)	Potential gain of awards vested during the year at vesting date[2]	Fair value of unvested awards 31 March 2023[3]
Naspers Performance Share Units (PSUs)	Three-year cliff – TSR	09/09/2019	07/12/2022	n/a	-	24 527	-	(24 527)	-	6 898 864	-
		21/09/2020	21/09/2023	n/a	-	48 302	-	-	48 302	-	17 875 339
		21/06/2021	21/06/2024	n/a	-	27 796	-	-	27 796	-	5 143 296
		Subtotal				**100 625**	**-**	**(24 527)**	**76 098**	**6 898 864**	**23 018 635**
Prosus Performance Share Units (PSUs)	Three-year cliff – TSR	26/08/2021	26/08/2024	n/a	-	26 993	-	-	26 993	-	2 104 787
		Subtotal				**26 993**	**-**	**-**	**26 993**	**-**	**2 104 787**
Naspers Global Ecommerce Share Appreciation Rights (SARs)	Four-year measurement of value growth of ecommerce business units	15/08/2017	15/08/2022	15/08/2027	27.25	146 789	-	(146 789)	-	3 928 074	-
		08/09/2017	08/09/2022	08/09/2027	27.60	35 055	-	(35 055)	-	895 305	-
		25/06/2018	25/06/2022	25/06/2028	33.57	104 610	-	(104 610)	-	2 149 736	-
		16/07/2019	16/07/2022	16/07/2029	36.70	109 208	-	(109 208)	-	1 842 339	-
		16/07/2019	16/07/2023	16/07/2029	36.70	109 208	-	-	109 208	-	153 787
		21/09/2020	21/09/2022	21/09/2030	41.98	62 571	-	(62 571)	-	451 763	-
		21/09/2020	21/09/2023	21/09/2030	41.98	62 571	-	-	62 571	-	-
		21/09/2020	21/09/2024	21/09/2030	41.98	62 572	-	-	62 572	-	-
		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				**848 952**	**-**	**(497 325)**	**351 627**	**9 267 217**	**153 787**

Overview of LTI awards for Bob van Dijk continued

Bob van Dijk	Performance metric	Award date	Vesting date(s)	Expiry date	Strike price of option/ SAR	Opening balance 1 April 2022 (unvested)	Awarded during the year	Vested during the year	Closing balance 31 March 2023 (unvested)	Potential gain of awards vested during the year at vesting date[2]	Fair value of unvested awards 31 March 2023[3]
Naspers N Share Options (SOs)	Four-year share-price growth	25/06/2018	25/06/2022	25/06/2028	3 100 99	15 287	-	(15 287)	-	29 797 313	-
		16/07/2019	16/07/2022	16/07/2029	3 494.00	3 958	-	(3 958)	-	9 612 820	-
		16/07/2019	16/07/2023	16/07/2029	3 494.00	3 961	-	-	3 961	-	14 137 670
		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	-	92 827
		21/09/2020	21/09/2024	21/09/2030	2 827.88	3 552	-	-	3 552	-	92 827
		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	-	61 633
		13/07/2021	13/07/2024	13/07/2031	2 819.37	2 316	-	-	2 316	-	61 633
		13/07/2021	13/07/2025	13/07/2031	2 819.37	2 316	-	-	2 316	-	61 633
		Subtotal				**43 126**	**-**	**(25 113)**	**18 013**	**39 410 133**	**14 508 223**
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	-	821
		26/08/2021	26/08/2024	26/08/2031	71.61	2 295	-	-	2 295	-	821
		26/08/2021	26/08/2025	26/08/2031	71.61	2 298	-	-	2 298	-	822
		Subtotal				**9 183**	**-**	**(2 295)**	**6 888**	**-**	**2 464**
		Total				**1 028 879**	**-**	**(549 260)**	**479 619**	**55 576 214**	**39 787 896**

1 The aggregate number of vested but unexercised SARs and SOs for Bob is 6 299 177 (2022: 5 801 852) and 284 365 (2022: 1 088 957) respectively. The aggregate cash-settled share-based payment liabilities of vested but unexercised SARs is included in note 37 of the consolidated financial statements on page 267. The share-based payment reserve of vested but unexercised SOs is included in the aggregate retained earnings balance shown in note 37 of the consolidated financial statements on page 269.

2 The potential gain vested in FY23 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 FY23. 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. The potential gain of the PSU award vested in FY23 reflects the actual pre-tax gain. 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 2023 is calculated by taking the difference between the closing share price on 31 March 2023 and the offer price (if applicable) and multiplying that difference by the number of unvested SOs/SARs/PSUs as at 31 March 2023 and assuming 100% vesting for the PSU 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.

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 2022 (unvested)	Awarded during the year	Vested during the year	Closing balance 31 March 2023 (unvested)	Potential gain of awards vested during the year at vesting date[2]	Fair value of unvested awards 31 March 2023[3]
Naspers Performance Share Units (PSUs)	Three-year cliff – TSR	09/09/2019	07/12/2022	–	–	12 718	–	(12 718)	–	3 577 212	–
		21/09/2020	21/09/2023	–	–	28 623	–	–	28 623	–	10 592 643
		21/06/2021	21/06/2024	–	–	16 472	–	–	16 472	–	3 047 934
		Subtotal				**57 813**	**–**	**(12 718)**	**45 095**	**3 577 212**	**13 640 576**
Prosus Performance Share Units (PSUs)	Three-year cliff – TSR	26/08/2021	26/08/2024	–	–	15 995	–	–	15 995	–	1 247 215
		Subtotal				**15 995**	**–**	**–**	**15 995**	**–**	**1 247 215**
Naspers Global Ecommerce Share Appreciation Rights (SARs)	Four-year measurement of value growth of ecommerce business units	15/08/2017	15/08/2022	15/08/2027	27.25	25 354	–	(25 354)	–	678 473	–
		08/09/2017	08/09/2022	08/09/2027	27.60	21 020	–	(21 020)	–	536 851	–
		25/06/2018	25/06/2022	25/06/2028	33.57	53 692	–	(53 692)	–	1 103 371	–
		16/07/2019	16/07/2022	16/07/2029	36.70	56 626	–	(56 626)	–	955 281	–
		16/07/2019	16/07/2023	16/07/2029	36.70	56 627	–	–	56 627	–	79 742
		21/09/2020	21/09/2022	21/09/2030	41.98	37 079	–	(37 079)	–	267 710	–
		21/09/2020	21/09/2023	21/09/2030	41.98	37 079	–	–	37 079	–	–
		21/09/2020	21/09/2024	21/09/2030	41.98	37 080	–	–	37 080	–	–
		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				**417 218**	**–**	**(216 936)**	**200 282**	**3 541 686**	**79 742**

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 2022 (unvested)	Awarded during the year	Vested during the year	Closing balance 31 March 2023 (unvested)	Potential gain of awards vested during the year at vesting date[2]	Fair value of unvested awards 31 March 2023[3]
Naspers N Share Options (SOs)	Four-year share-price growth	25/06/2018	25/06/2022	25/06/2028	3 100.99	8 277	–	(8 277)	–	16 133 470	–
		16/07/2019	16/07/2022	16/07/2029	3 494.00	2 052	–	(2 052)	–	4 983 706	–
		16/07/2019	16/07/2023	16/07/2029	3 494.00	2 055	–	–	2 055	–	7 334 742
		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	–	55 011
		21/09/2020	21/09/2024	21/09/2030	2 827.88	2 105	–	–	2 105	–	55 011
		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	–	36 511
		13/07/2021	13/07/2024	13/07/2031	2 819.37	1 372	–	–	1 372	–	36 511
		13/07/2021	13/07/2025	13/07/2031	2 819.37	1 373	–	–	1 373	–	36 538
		Subtotal				**24 188**	**–**	**(13 806)**	**10 382**	**21 117 176**	**7 554 324**
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	–	486
		26/08/2021	26/08/2024	26/08/2031	71.61	1 360	–	–	1 360	–	486
		26/08/2021	26/08/2025	26/08/2031	71.61	1 362	–	–	1 362	–	487
		Subtotal				**5 442**	**–**	**(1 360)**	**4 082**	**–**	**1 459**
		Total				**520 656**	**–**	**(244 820)**	**275 836**	**28 236 074**	**22 523 316**

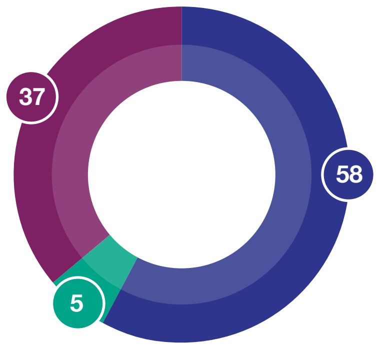
1 The aggregate number of vested but unexercised SARs and SOs for Basil is 759 259 (2022: 542 323) and 92 201 (2022: 104 395) respectively. The aggregate cash-settled share-based payment liabilities of vested but unexercised SARs is included in note 37 of the consolidated financial statements on page 267. The share-based payment reserve of vested but unexercised SOs is included in the aggregate retained earnings balance shown in note 37 of the consolidated financial statements on page 269.

2 The potential gain vested in FY23 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 FY23. The potential gain of the PSU award vested in FY23 reflects the actual pre-tax gain. 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 2023 is calculated by taking the difference between the closing share price on 31 March 2023 and the offer price (if applicable) and multiplying that difference by the number of unvested SOs/SARs/PSUs as at 31 March 2023 and assuming 100% vesting for the PSU 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.

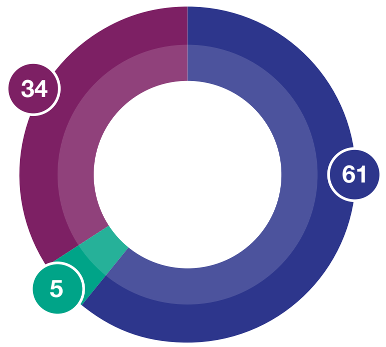
The balance of the executive directors' unvested LTIs as at 31 March 2023 (based on potential profit using share prices on 31 March 2023)

Bob van Dijk (%)



Naspers PSUs	58%
Prosus PSUs	5%
Naspers SOs	37%
Prosus SOs	0%
Ecommerce SARs	0%

Basil Sgourdos (%)



Naspers PSUs	61%
Prosus PSUs	5%
Naspers SOs	34%
Prosus SOs	0%
Ecommerce SARs	0%

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 FY23, the group purchased Naspers N shares to the value of US$14m (FY22: US$38m) and Prosus N shares to the value of US$210m (FY22: US$182m) in the market, totalling US$224m (FY22: US$220m).

The table below sets out the details around Prosus shares purchased in the market through the Prosus N.V. Share Award and Option Plan Trust during FY23 and FY22 in respect of grants made in the Prosus N.V. Share Award Plan and Prosus N.V. Share Option Plan[1]:

	2023			2022		
	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]	**3 174 063**	**210 373 660**	**€58.21 and €71.71 R1 007.90 and R1 330.68**	2 064 211	182 002 007	€42.44 and €84.58 R1 220.09 and R1 434.74

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 Johannesburg Stock Exchange for non-South African and South African employees respectively.

2 Purchase price in euro converted to US dollar by using the exchange rate on date of purchase.

Executive directors' LTI vested and exercised in FY23

PSUs vested

In FY20, Bob van Dijk and Basil Sgourdos were awarded 24 527 and 12 718 Naspers PSUs respectively.

The level of achievement relative to the performance condition, at the end of the three-year performance period, was determined above median, at the 57th percentile; this resulted in a 128% vesting. The total number of Naspers PSU that vested was 31 395 for Bob and 16 279 for Basil.

The achievement of the performance condition was assessed by the human resources and remuneration committee and validated by the valuations subcommittee, as per the valuations process described on page 146.

SOs exercised

Bob van Dijk and Basil Sgourdos exercised Naspers SOs in the MIH Internet Holdings B.V. Share Trust; Basil disposed of the entirety of the award and Bob disposed of 675 415 Naspers N ordinary shares and the remaining shares were transferred into his own name.

Details of the above transactions have been summarised below:

Bob van Dijk – PSUs	**Date vested**	**Number of PSUs**	**Gross gain (pre-tax) US$[1]**
Naspers PSUs	2022/12/07	31 395	6 898 864

Bob van Dijk – SOs	**Date exercised**	**Number of SOs**	**Gross gain (pre-tax) US$[1]**
Naspers N SOs	2022/09/02	832 000	119 362 285
Bob van Dijk – total			**126 261 149**

Basil Sgourdos – PSUs	**Date vested**	**Number of PSUs**	**Gross gain (pre-tax) US$[1]**
Naspers PSUs	2022/12/07	16 279	3 577 212

Basil Sgourdos – SOs	**Date exercised**	**Number of SOs**	**Gross gain (pre-tax) US$[1]**
Naspers N SOs	2023/01/25	27 360	6 590 054
Basil Sgourdos – total			**10 167 266**

1 As part of the Prosus listing, one Prosus ordinary share N is linked to each SO/PSU. The gain on the linked Prosus ordinary share N is included above.

Dilutive impact of group LTI schemes

The board has determined that no more than 5% of the current ordinary share N capital may be used for share-based incentive schemes.

LTI costs

LTIs across the group account for -3.3% of total staff costs, and -0.7% 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 37 on page 258 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 FY23.

Malus and clawbacks

Malus and clawback provisions apply to the STI and LTI awarded to executive directors and direct reports of the CEO. In FY23, no malus or clawback was applied to any remuneration of executive directors and direct reports of the CEO.

CEO shareholding requirement

The CEO met his 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 direct and indirect holding in Naspers and Prosus shares of 10 times annual salary.

Looking forward to FY24

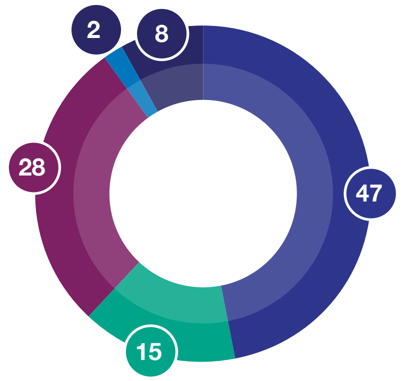
Having not awarded salary increases in FY21 and FY23, the committee has decided to award a 5% salary increase to the CEO and CFO. LTI awards will be made at similar levels to FY22 (the CEO and CFO did not receive LTI awards in FY23) to incentivise long-term value creation, growth and shareholder alignment.

LTI awards to be made in FY24

LTI awards comprise a significant portion of total executive compensation and are designed to incentivise the delivery of sustainable longer-term growth and provide alignment with our shareholders. The entirety of our executives' 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'. We continue to assess and adjust the relevance in terms of size, scale and sector of the peer group for prospective PSU awards. For the FY24 PSU award we have removed Qurate and added Mercado Libre and Sea Limited. The FY24 peer group is: Adevinta, Adyen, Alphabet, Amazon, Auto Trader, Booking Holdings, Deliveroo, DoorDash, eBay, Expedia, IAC, Just Eat Takeaway.com, Mercado Libre, Meta, Netflix, Ocado Group, PayPal, Sea Limited, Snap, Square Inc., Wayfair, Zalando, Zillow Group.

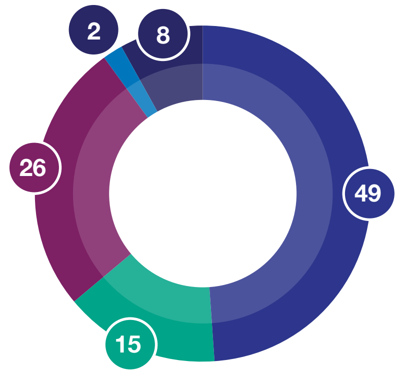
Approximate balance of the unvested LTIs, post the FY24 allocation

Bob van Dijk (%)



Naspers PSUs	47%
Prosus PSUs	15%
Naspers SOs	28%
Prosus SOs	2%
Ecommerce SARs	8%

Basil Sgourdos (%)



Naspers PSUs	49%
Prosus PSUs	15%
Naspers SOs	26%
Prosus SOs	2%
Ecommerce SARs	8%

FY24 single-figure table

€'000		Variable remuneration							
			LTI[4]						
Executive director	Fixed remuneration[1]	Standard STI[2]	PSUs[3]	SARs	SOs	Pension	Other benefits[5]	Total remuneration[6]	Proportion of fixed and variable remuneration
Bob van Dijk, CEO	1 361	1 361	8 025	4 013	1 338	89	47	16 235	8%/92%
Basil Sgourdos, CFO	1 162	1 162	4 428	2 214	738	91	18	9 814	12%/88%

US$'000		Variable remuneration							
			LTI[4]						
Executive director	Fixed remuneration[1]	Standard STI[2]	PSUs[3]	SARs	SOs	Pension	Other benefits[5]	Total remuneration[6]	Proportion of fixed and variable remuneration
Bob van Dijk, CEO	1 476	1 476	8 700	4 350	1 450	97	51	17 600	8%/92%
Basil Sgourdos, CFO	1 260	1 260	4 800	2 400	800	99	20	10 639	12%/88%

1 The executive directors received a 5% increase in base salary, effective from 1 April 2023.
2 This is the at-target and also maximum STI as a percentage to base salary. FY24 STI goals are shown on page 161 of the remuneration report.
3 Represents the grant date fair value of awards to be made during FY24 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. The figure is based on indicative values and may therefore differ from the final fair value granted.
4 The grant of the FY24 PSU and SO awards will be partly settled in Naspers shares (43%) and partly in Prosus shares (57%), aligned with the free-float ownership in Naspers and Prosus.
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 split 10/90 between Naspers and Prosus.

Discount-linked STI

The discount-linked STI awarded in FY23 has been deemed to be achieved, see page 150. A similar award will not be made in FY24.

FY24 STI goals

In the table below, we disclose FY24 STI goals for Bob van Dijk and Basil Sgourdos.

All financial, strategic, operational and sustainability goals are measurable and validated.

The committee undertakes a thorough assessment to ensure targets are sufficiently stretched in the context of potential remuneration delivered. Targets will be disclosed in the FY24 remuneration report.

Bob van Dijk

Target and maximum STI opportunity: 100% base salary

Group financial goals	Weighting (%)	Description	Maximum payout
Core headline earnings (including Tencent)	20	Achieve core headline earnings at target, including Tencent	€272 245
Free cash flow to equity	20	Achieve free cash to equity inflow at target	€272 245
Ecommerce financials	10	Deliver organic topline growth at target, excluding Tencent	€136 123
	40	Manage trading loss at target	€544 491

Strategic, operational and sustainability goals	Weighting (%)	Description	Maximum payout
Sustainability: People	5	Improve employee engagement	€68 061
Sustainability: Climate	5	Majority-owned businesses to measure and document material scope 3 emissions	€68 061

Basil Sgourdos

Target and maximum STI opportunity: 100% of base salary

Group financial goals	Weighting (%)	Description	Maximum payout
Core headline earnings (including Tencent)	30	Achieve core headline earnings at target, including Tencent	US$378 107
Free cash flow to equity	10	Achieve free cash to equity inflow at target	US$126 036

Strategic, operational and sustainability goals	Weighting (%)	Description	Maximum payout
Taxation	5	Execute plans to navigate the changing global tax landscape	US$63 018
Governance, internal audit and risk management	5	Ensure that effective systems of internal control are operated throughout the group's controlled entities	US$63 018
Balance sheet	10	Maintain our debt ratings and deliver appropriate funding structures for M&A transactions the group considers	US$126 036
Holding company discount	30	Sustain the open-ended buyback and identify ways to simplify group structure	US$378 107
Sustainability: People	5	Improve employee engagement	US$63 018
Sustainability: Climate	5	Majority-owned businesses to measure and document material scope 3 emissions	US$63 018

Non-executive directors

Non-executive directors' fees

Given the global scale and complexity of the businesses we operate and in which we have 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 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 2022 annual general meeting, shareholders approved a deferral of the FY23 fee increase to FY24, based on a recent review, the board is proposing a 5% fee increase for FY25.

Non-executive directors' fee development

	2020 (%)	2021 (%)	2022 (%)	2023 (%) (deferred to 2024)	2024 (%)	2025 (proposed)
Board	5	0	5	0	5	5
Committees	5	0	5	0	5	5
Trustees of group share schemes/other personnel funds	5	0	5	0	5	5
All members: Daily fees when travelling to and attending meetings outside home country	0	0	0	0	0	0

Note: Following the listing of Prosus N.V. on Euronext Amsterdam in September 2019, Naspers non-executive directors serve on the boards of both companies. Given these dual responsibilities, 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 boards 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 as approved at the annual general meetings[1]

In US$ (unless otherwise stated)		FY22 (total proposed fee payable by Naspers and Prosus)	FY23 (total proposed fee payable by Naspers and Prosus)	FY23 (amount payable by Prosus)	FY23 (amount payable by Naspers)
Chair[2]		523 243	523 243	366 270	156 973
Member		209 297	209 297	146 508	62 789
All members: Daily fees when travelling to and attending meetings outside home country		3 500	3 500	2 450	1 050
Committees					
Audit committee:	Chair	128 915	128 915	90 241	38 675
	Member	51 566	51 566	36 096	15 470
Risk committee:	Chair	76 573	76 573	53 601	22 972
	Member	30 629	30 629	21 440	9 189
Human resources and remuneration committee:	Chair	90 590	90 590	63 413	27 177
	Member	36 236	36 236	25 365	10 871
Nominations committee:	Chair	48 825	48 825	34 178	14 648
	Member	19 530	19 530	13 671	5 859
Sustainability committee:	Chair	67 013	67 013	46 909	20 104
	Member	26 805	26 805	18 764	8 042
Other (ZAR)					
Trustee of group share schemes/other personnel funds		56 448	56 448	39 514	16 934

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 these dual responsibilities, 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.

Non-executive directors' fees

	2023						
US$'000	Directors' fees[1]		Committees and trusts		Other fees[2]		Total
Non-executives	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	
JP Bekker[3]	576	22	–	7	–	–	605
HJ du Toit[4]	–	–	–	–	–	–	–
S Dubey[5]	174	–	26	–	–	–	200
CL Enenstein	269	–	110	–	–	50	429
M Girotra	251	–	52	–	–	–	303
RCC Jafta	265	65	106	37	–	–	473
AGZ Kemna[6]	258	–	82	–	–	–	340
FLN Letele	262	–	27	–	–	–	289
D Meyer	265	–	67	–	–	–	332
R Oliveira de Lima	272	–	56	–	–	50	378
SJZ Pacak	258	–	205	–	–	–	463
MR Sorour[7]	258	–	–	–	–	120	378
JDT Stofberg	262	–	27	–	–	–	289
Y Xu	255	–	–	–	–	–	255
Total	**3 625**	**87**	**758**	**44**	**–**	**220**	**4 734**

	2022						
US$'000	Directors' fees[1]		Committees and trusts		Other fees[2]		Total
Non-executives	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	
JP Bekker[3]	558	24	–	8	–	–	590
EM Choi[8]	109	–	27	–	–	–	136
HJ du Toit[4]	–	–	–	–	–	–	–
S Dubey[5]	–	–	–	–	–	–	–
CL Enenstein	244	–	110	–	–	50	404
M Girotra	234	–	52	–	–	–	286
RCC Jafta	244	72	127	42	–	–	485
AGZ Kemna[6]	160	–	54	–	–	–	214
FLN Letele	244	–	27	–	–	–	271
D Meyer	241	–	67	–	–	–	308
R Oliveira de Lima	244	–	56	–	–	50	350
SJZ Pacak	244	–	205	–	–	–	449
MR Sorour[7]	244	139	–	–	–	120	503
JDT Stofberg	244	–	27	–	–	–	271
BJ van der Ross[9]	244	–	27	–	–	–	271
Y Xu	244	–	–	–	–	–	244
Total	**3 498**	**235**	**779**	**50**	**–**	**220**	**4 782**

1 Following the listing of Prosus, non-executive directors serve on the boards of both Naspers and Prosus. As a result of these dual responsibilities, 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 directors' fees to education. This year the recipients will be two schools in Cape Town, the Jan van Riebeeck Primary and Secondary schools.
4 Hendrik du Toit elected not to receive directors' fees.
5 Appointed as a director of Prosus on 24 August 2022 and Naspers on 1 April 2022.
6 Appointed with effect from 24 August 2021.
7 Mark Sorour received US$12 425 from MIH Holdings Proprietary Limited for the period 1 April 2022 to 31 March 2023. This payment relates to the increased cost of medical aid for retired members of the MMED medical aid scheme after the unbundling of MultiChoice Group Limited. Originally, it was noted that the company will provide an annual allowance to cover the difference in cost for retired scheme members. This is not disclosed in the above table.
8 Emilie Choi resigned with effect from 26 August 2021.
9 Retired with effect from 1 April 2022.

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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' memorandum of incorporation, Prosus' articles of association, Dutch legal requirements and the South African Companies Act.

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 (2022: 179 988) Naspers A shares and 834 540 (2022: 834 540) Prosus A1 shares.

Compliance

There were no deviations from the executive and non-executive directors' remuneration policy in FY23.

Executive and non-executive directors' interest in Prosus shares

The non-executive directors of Prosus had the following interests in Prosus ordinary shares A1 on 31 March 2023 and 31 March 2022:

	31 March 2023 Prosus ordinary shares A1 Beneficial		
Directors	**Direct**	**Indirect**	**Total**
JDT Stofberg	–	810	810
SJZ Pacak	–	486	486
Total	**–**	**1 296**	**1 296**

	31 March 2022[1] Prosus ordinary shares A1 Beneficial		
Directors	**Direct**	**Indirect**	**Total**
JDT Stofberg	–	810	810
SJZ Pacak	–	486	486
Total	**–**	**1 296**	**1 296**

1 As part of implementing 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.

The executive and non-executive directors had the following interests in Prosus ordinary shares N on 31 March 2023 and 31 March 2022:

	31 March 2023 Prosus ordinary shares N Beneficial		
Directors	**Direct**	**Indirect[1]**	**Total**
JP Bekker[2]	–	9 013 809	9 013 809
HJ du Toit	5 111	–	5 111
S Dubey[3]	–	–	–
CL Enenstein	–	415	415
M Girotra	–	–	–
RCC Jafta	–	–	–
AGZ Kemna	–	–	–
FLN Letele	2 604	–	2 604
D Meyer	–	–	–
R Oliveira de Lima	–	–	–
SJZ Pacak[4]	460 911	693 086	1 153 997
V Sgourdos[5, 6]	124 718	86 619	211 337
MR Sorour	3 955	442	4 397
JDT Stofberg	415 966	141 888	557 854
B van Dijk[7, 8]	525 119	274 945	800 064
BJ van der Ross[9]	–	–	–
Y Xu	–	–	–
Total	**1 538 384**	**10 211 204**	**11 749 588**

1 Prosus SOs that have been released (vested), but not yet been exercised, are included in the indirect column: Bob van Dijk: 274 945 (2022: 1 085 405). Basil Sgourdos: 86 619 (2022: 102 290). Steve Pacak: 0 (2022: 54 000).
2 Between 24 March 2023 and 28 March 2023, Koos Bekker's family trust sold a parcel of Prosus shares to fund building operations at hotels in various countries in which the family trust has an interest. These shares were sold at a volume-weighted average price of €69.3312.
3 Appointed as a director of Prosus on 24 August 2022 and Naspers on 1 April 2022.
4 On 8 July 2022, Steve Pacak exercised 54 000 share options and the linked Prosus N.V. and MultiChoice Group Limited share options. These share options relate to 54 000 Naspers N ordinary share options, awarded on 7 September 2012.
5 On 25 January 2023, Basil Sgourdos exercised 27 360 share options and the linked Prosus N.V. share options. These share options related to 27 360 Naspers share options awarded on 11 July 2013.
6 On 7 December 2022, Basil Sgourdos exercised 16 279 Naspers PSUs and the linked Prosus PSUs awarded to him on 9 September 2019. He disposed of 2 451 Prosus shares to cover taxes and other related costs on market and took delivery of the remaining 13 828 Prosus shares.
7 On 7 December 2022, Bob van Dijk exercised 31 395 Naspers PSUs and the linked Prosus PSUs awarded to him on 9 September 2019. He disposed of the entirety of the award on market.
8 On 29 August, 30 August and 31 August 2022, Bob van Dijk exercised 832 000 Naspers share options and the linked Prosus share options. The share options were awarded on 28 March 2014. 281 556 Prosus ordinary shares N have been disposed of to cover taxes and other related costs incurred on the exercise of the linked Prosus share options. 275 300 Prosus ordinary shares N were sold to realise cash. The remaining 275 144 Prosus ordinary shares N have been transferred to his name.
9 Resigned as a director of Prosus and Naspers on 1 April 2022.

Directors	31 March 2022 Prosus ordinary shares N Beneficial Direct	Indirect[1]	Total
JP Bekker[2]	–	11 513 809	11 513 809
HJ du Toit[2]	5 111	–	5 111
S Dubey[3]			
CL Enenstein	–	415	415
M Girotra	–	–	–
RCC Jafta	–	–	–
AGZ Kemna[4]	–	–	–
FLN Letele	2 604	–	2 604
D Meyer	–	–	–
R Oliveira de Lima	–	–	–
SJZ Pacak[2]	460 911	747 086	1 207 997
V Sgourdos[2, 5]	110 890	102 290	213 180
MR Sorour[2]	3 955	442	4 397
JDT Stofberg[2]	415 966	141 888	557 854
BJ van der Ross[2, 6, 7]	6 262	5 294	11 556
B van Dijk[2, 8]	249 975	1 085 405	1 335 380
Y Xu	–	–	–
Total	**1 255 674**	**13 596 629**	**14 852 303**

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 Appointed as a director on 24 August 2022.
4 Appointed as a director with effect from 24 August 2021.
5 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 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.
6 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.
7 Resigned as a director on 1 April 2022.
8 On 5 January 2022, Bob van Dijk purchased 122 750 Prosus 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?

Award made: Performance conditions and vesting period specified at grant

Date → Achievement of performance condition → **3rd anniversary of grant (year three)** → Continued employment → If yes → **According to number of shares released to participant (0% to 200% of awarded PSUs)**

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?

Award: 10 000 SARs at a value of US$10 per SAR

Percentage of SARs vesting	25%	25%	25%	25%
Date	1st anniversary of grant (year one)	2nd anniversary of grant (year two)	3rd anniversary of grant (year three)	4th anniversary of grant (year four)
Total number of SARs vested	2 500	5 000	7 500	10 000

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?

Offered: 400 SOs, and the closing price on the grant date is US$100 per scheme share

Share option vestings	25%	25%	25%	25%
Date	1st anniversary of grant (year one)	2nd anniversary of grant (year two)	3rd anniversary of grant (year three)	4th anniversary of grant (year four)
Total number of SOs vested	100	200	300	400

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?

Awarded: 200 RSUs

RSU vestings	25%	25%	25%	25%
Date	1st anniversary of grant (year one)	2nd anniversary of grant (year two)	3rd anniversary of grant (year three)	4th anniversary of grant (year four)
Total number of RSUs vested	50	100	150	200

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: RSUs are not available to the CEO, CFO, or other senior executives across the group.

LTI policies

Date and price of SARs, SOs and PSUs/RSUs

Our LTI policy does not allow for backdating LTI awards, or for the offer price to be adjusted 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 the performance conditions determined at grant are achieved.

Offer prices may be adjusted under 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. On vesting, these participants are treated like all other shareholders with respect 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 common, with grants often vesting monthly after the first year.

In FY23 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 LTIs offered.

Note 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. Since 1 April 2022, we have limited 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 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 offer price from 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 future date.

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 determined 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 personal performance goals. These goals, if achieved, drive the accomplishment of the financial and operating plan of the business.

Managers engage continuously with their teams throughout the financial year to ensure 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 paying an annual performance-related STI. While we do not force-rank performance scores, we do expect that any performance-related incentive payments reflect 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 pay increase. Only strong performers are considered for LTI awards.

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This annual report assesses our performance for the financial year ended 31 March 2023. We aim to provide a view of our progress and impact on society.

Reporting

We measure our performance by evaluating how we create value for our key stakeholders. We also report on the 11 material matters 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 give investors 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. As such, their usefulness is 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.

Material matters

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

» 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 338 to 343 of 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, 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.

Under IFRS-EU, the group accounts for its associate and joint venture investments under the equity method. Throughout the financial review, 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 'Non-IFRS financial measures and alternative performance indicators' and note 21 of the consolidated financial statements.

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:

» IFRS Foundation, which includes 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 create and sustain value for our stakeholders.
» We have aligned our climate change approach and our annual 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 those goals that 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 2 to 45)
» Performance review (pages 46 to 69)
» Sustainability review (pages 70 to 115)
» Governance (pages 116 to 168)
» Consolidated financial statements:
  – Note 23 Share capital and premium – capital management
  – Note 40 Financial risk management
  – Note 44 Subsequent events.

The performance review provides information on developments and results for the year ended 31 March 2023, 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 are included on pages 118 to 120.

On 26 June 2023, the board of directors authorised the annual report for issue on 27 June 2023. The annual report as presented in this report is subject to adoption by the annual general meeting of shareholders

1 *As identified in the framework of the International Integrated Reporting Council: financial, human, intellectual, manufactured, social and natural capitals.*

Statement of responsibility by the board of directors for the year ended 31 March 2023

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 174 to 294 and pages 295 to 319.

The consolidated and company financial statements of Prosus for the year ended 31 March 2023, 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 2023, and of the result of our consolidated and company operations for the year ended 31 March 2023.
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 2023 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 2023 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.

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 on our internal control systems is set out in the governance section.

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 for 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. Furthermore, the group has sufficient liquidity to meet obligations as 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 320 to 331.

The annual report, including the consolidated and company financial statements, was approved by the board of directors on 26 June 2023 for release on 27 June 2023 and signed by:

JP Bekker	B van Dijk
V Sgourdos	HJ du Toit
S Dubey	CL Enenstein
M Girotra	RCC Jafta
AGZ Kemna	FLN Letele
D Meyer	R Oliveira de Lima
SJZ Pacak	MR Sorour
JDT Stofberg	Y Xu

Poland

Highlights

2021

Smartphone penetration
51 million*

2022

GDP
Increase of **4.9%** year on year

Buying online
54%

2023

Population
38 million*

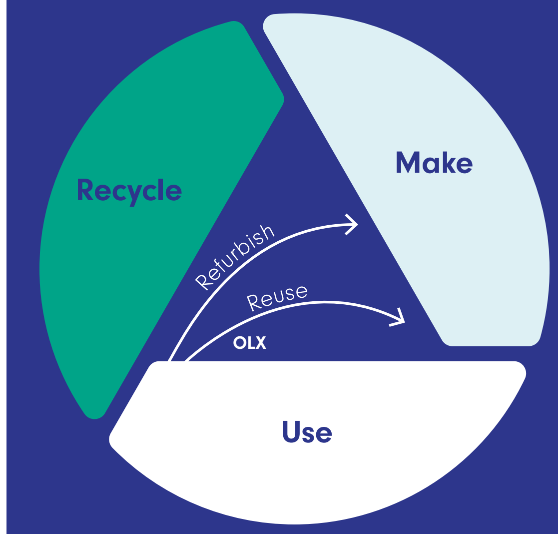
Inflation
18.4%

Monthly app users
8 million

* Estimated.

Prosus offers

OLX is at the heart
of a circular economy



» Second-hand trading enables the circular economy. In 2021, our platforms saved around:

477 million
GJ-eq of energy

357 million
m^3 of water

34 million
tonnes of CO_2e emissions

4.2 million
tons of material

Consolidated statement of financial position

as at 31 March 2023

	Notes	31 March 2023 US$'m	31 March 2022 US$'m
Assets			
Non-current assets		**41 707**	56 073
Property, plant and equipment	32	**620**	604
Goodwill	7	**1 412**	3 372
Other intangible assets	33	**367**	928
Investments in associates	9	**35 930**	44 457
Investments in joint ventures	10	**69**	144
Other investments	28	**2 863**	5 981
Related party loans and receivables	42	**254**	416
Trade and financing receivables[1]	29	**133**	91
Other receivables[1]	35	**43**	41
Derivative financial instruments	40	**–**	13
Deferred taxation	20	**16**	26
Current assets		**23 371**	15 265
Inventory	34	**324**	470
Trade and financing receivables[1]	29	**526**	370
Other receivables[1]	35	**829**	773
Related party loans and receivables	42	**40**	17
Derivative financial instruments	40	**5**	27
Other investments	28	**4 707**	–
Short-term investments	27	**6 726**	3 924
Cash and cash equivalents	26	**9 565**	9 646
		22 722	15 227
Assets classified as held for sale	36	**649**	38
Total assets		**65 078**	71 338

1 Financing receivables of US$185m previously aggregated into 'Other receivables' are now presented in 'Trade and financing receivables' due to the group's growing credit business.

	Notes	31 March 2023 US$'m	31 March 2022 US$'m
Equity and liabilities			
Capital and reserves attributable to the group's equity holders		**44 593**	50 421
Share capital and premium	23	**39 186**	39 190
Treasury shares	23	**(10 043)**	(6 411)
Other reserves	24	**(45 756)**	(40 557)
Retained earnings	25	**61 206**	58 199
Non-controlling interests		**32**	102
Total equity		**44 625**	50 523
Non-current liabilities		**16 048**	16 402
Long-term liabilities	30	**15 768**	15 861
Other non-current liabilities	31	**135**	162
Related party loans and payables	42	**2**	2
Cash-settled share-based payment liabilities	37	**57**	163
Provisions	38	**3**	4
Derivative financial instruments	40	**–**	2
Deferred taxation	20	**83**	208
Current liabilities		**4 405**	4 413
Current portion of long-term liabilities[1]	30	**467**	312
Provisions	38	**45**	9
Trade payables		**356**	549
Accrued expenses[1]	39	**1 720**	1 514
Other current liabilities	31	**773**	1 014
Cash-settled share-based payment liabilities	37	**656**	964
Related party loans and payables	42	**6**	8
Taxation payable		**76**	7
Derivative financial instruments	40	**2**	18
Bank overdrafts	26	**28**	18
		4 129	4 413
Liabilities classified as held for sale	36	**276**	–
Total equity and liabilities		**65 078**	71 338

1 Accrued interest expense of US$124m previously aggregated into 'Accrued expenses' is now presented in 'Current portion of long-term liabilities' to present the interest component with the interest-bearing liabilities.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated income statement

for the year ended 31 March 2023

	Notes	31 March 2023 US$'m	31 March 2022 US$'m
Continuing operations			
Revenue	13	**5 765**	5 220
Cost of providing services and sale of goods	14	**(4 108)**	(3 849)
Selling, general and administration expenses	14	**(2 248)**	(2 152)
Other (losses)/gains – net	15	**(747)**	(169)
Operating loss		**(1 338)**	(950)
Interest income	16	**476**	52
Interest expense	16	**(555)**	(398)
Other finance income/(cost) – net	16	**18**	(92)
Dividend income		**61**	–
Share of equity-accounted results	9, 10	**5 174**	9 257
Impairment of equity-accounted investments	9, 10	**(1 742)**	(581)
Dilution (losses)/gains on equity-accounted investments	9, 10	**(252)**	95
Gains on partial disposal of equity-accounted investments	9, 10	**7 622**	12 339
Net gains/(losses) on acquisitions and disposals	17	**55**	(1 127)
Profit before taxation		**9 519**	18 595
Taxation	19	**(39)**	(54)
Profit from continuing operations		**9 480**	18 541
Profit from discontinued operations	5	**542**	53
Profit for the year		**10 022**	18 594
Attributable to:			
Equity holders of the group		**10 112**	18 733
Non-controlling interests		**(90)**	(139)
		10 022	18 594
Per share information for the year from total operations (US cents)[1]			
Earnings per ordinary share N[2]		**745**	1 243
Diluted earnings per ordinary share N[2]		**736**	1 232
Per share information for the year from continuing operations (US cents)[1]	22		
Earnings per ordinary share N[2]		**705**	1 240
Diluted earnings per ordinary share N[2]		**697**	1 229

1 Earnings per share information is significantly impacted by a lower share in equity-accounted results and a lower gain on partial disposal of equity-accounted investments. Refer to note 9.
2 Earnings per share is based on the weighted average number of shares taking into account the cross-holding agreement from the share exchange. Refer to note 22.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

for the year ended 31 March 2023

	Notes	31 March 2023 US$'m	31 March 2022 US$'m
Profit for the year		**10 022**	18 594
Other comprehensive income (OCI)			
Items that may be subsequently reclassified to profit or loss			
Foreign exchange (losses)/gains arising on translation of foreign operations[1, 2]		**(2 448)**	1 591
Hedging reserve		**–**	20
Recognition of cash flow hedge		**–**	(99)
Derecognition of cash flow hedge		**–**	119
Share of equity-accounted investments' movement in OCI		**797**	(813)
Foreign currency translation reserve		**797**	(813)
Items that may not be subsequently reclassified to profit or loss			
Fair value (losses)/gains on financial assets through OCI	28	**(158)**	(1 210)
Share of equity-accounted investments' movement in OCI and net asset value	9	**(1 741)**	(2 699)
Share-based compensation reserve		**1 107**	1 044
Valuation reserve	24	**(2 848)**	(3 743)
Total other comprehensive loss for the year – net of tax		**(3 550)**	(3 111)
Total comprehensive income for the year		**6 472**	15 483
Attributable to:			
Equity holders of the group		**6 570**	15 566
Non-controlling interests		**(98)**	(83)
		6 472	15 483

1 31 March 2023 includes the reclassification to the consolidated income statement of US$202m relating to the disposal of Avito (2022: US$1.1bn relating to the loss of significant influence of VK).
2 The significant movement relates to the translation effects from equity-accounted investments. Refer to note 9. The current year also includes a net monetary gain of US$102m relating to hyperinflation accounting for the group's subsidiaries in Turkey. Refer to note 2.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 31 March 2023

	Share capital and premium US$'m	Treasury shares US$'m	Foreign currency trans-lation reserve US$'m	Valuation reserve US$'m	Existing control business combi-nation reserve US$'m	Share-based compen-sation reserve US$'m	Retained earnings US$'m	Share-holders' funds US$'m	Non-control-ling interest US$'m	Total US$'m
Balance at 1 April 2022	39 190	(6 411)	(358)	65	(43 487)	3 223	58 199	50 421	102	50 523
Total comprehensive income for the year	–	–	(1 641)	(3 007)	–	1 106	10 112	6 570	(98)	6 472
Profit for the year	–	–	–	–	–	–	10 112	10 112	(90)	10 022
Total other comprehensive loss for the year	–	–	(1 641)	(3 007)	–	1 106	–	(3 542)	(8)	(3 550)
Cancellation of treasury shares	(4)	6 411	–	–	–	–	(6 407)	–	–	–
Repurchase of own shares[1]	–	(10 043)	–	–	–	–	–	(10 043)	–	(10 043)
Capital restructure as a result of the share repurchase programme[2]	–	–	–	–	(616)	–	–	(616)	–	(616)
Share-based compensation movements	–	–	–	–	–	(120)	8	(112)	–	(112)
Share-based compensation expense	–	–	–	–	–	135	–	135	1	136
Contributions made to Naspers share trusts	–	–	–	–	–	(191)	–	(191)	(1)	(192)
Modification of share-based compensation benefits	–	–	–	–	–	(13)	9	(4)	–	(4)
Other share-based compensation movements	–	–	–	–	–	(51)	(1)	(52)	–	(52)
Direct equity movements	–	–	–	1 013	(148)	(364)	(501)	–	–	–
Direct movements from associates	–	–	–	338	–	–	(338)	–	–	–
Realisation of reserves as a result of partial disposal of associate	–	–	–	274	–	(364)	90	–	–	–
Realisation of reserves as a result of disposals	–	–	–	401	(169)	–	(232)	–	–	–
Other direct movements	–	–	–	–	21	–	(21)	–	–	–
Remeasurement of written put option liabilities	–	–	–	–	168	–	–	168	–	168
Cancellation of written put option liabilities	–	–	–	–	41	–	–	41	–	41
Other movements	–	–	–	–	–	–	(14)	(14)	–	(14)
Dividends paid[3]	–	–	–	–	–	–	(191)	(191)	–	(191)
Transactions with non-controlling shareholders[4]	–	–	9	–	(1 639)	(1)	–	(1 631)	28	(1 603)
Balance at 31 March 2023	**39 186**	**(10 043)**	**(1 990)**	**(1 929)**	**(45 681)**	**3 844**	**61 206**	**44 593**	**32**	**44 625**

1 Refer to note 5 for details of the Prosus/Naspers share repurchase programme.
2 Relates to the purchase of Naspers shares as part of the share repurchase programme. Refer to note 5 for details of the Prosus/Naspers share repurchase programme.
3 Dividends paid consist of US$89m attributable to Naspers and US$102m attributable to Prosus' free-float shareholders.
4 The current year relates mainly to the transaction with the non-controlling shareholders of iFood.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 31 March 2023

	Share capital and premium US$'m	Treasury shares US$'m	Foreign currency trans-lation reserve US$'m	Valuation reserve US$'m	Existing control business combi-nation reserve US$'m	Share-based compen-sation reserve US$'m	Retained earnings US$'m	Share-holders' funds US$'m	Non-control-ling interest US$'m	Total US$'m
Balance at 1 April 2021	612	(1 416)	(1 123)	6 707	(2 212)	2 446	38 055	43 069	117	43 186
Total comprehensive income for the year	–	–	722	(4 933)	–	1 044	18 733	15 566	(83)	15 483
Profit for the year	–	–	–	–	–	–	18 733	18 733	(139)	18 594
Total other comprehensive loss for the year	–	–	722	(4 933)	–	1 044	–	(3 167)	56	(3 111)
Movement due to share exchange transaction[1]	38 517	–	–	–	(41 304)	–	–	(2 787)	–	(2 787)
Share-based compensation movements	–	–	–	–	–	(107)	(136)	(243)	(86)	(329)
Share-based compensation expense	–	–	–	–	–	125	–	125	1	126
Contributions made to Naspers share trusts	–	–	–	–	–	(190)	–	(190)	–	(190)
Modification of share-based compensation benefits	–	–	–	–	–	(6)	(172)	(178)	(87)	(265)
Other share-based compensation movements	–	–	–	–	–	(36)	36	–	–	–
Direct equity movements	(5)	–	43	(1 709)	12	(160)	1 819	–	–	–
Direct movements from associates	–	–	–	(1 076)	–	–	1 076	–	–	–
Realisation of reserves as a result of partial disposal of associate	–	–	–	(455)	–	(160)	615	–	–	–
Realisation of reserves as a result of disposals	–	–	43	(178)	12	–	123	–	–	–
Other direct movements	(5)	–	–	–	–	–	5	–	–	–
Remeasurement of written put option liabilities	–	–	–	–	236	–	–	236	–	236
Cancellation of written put option liabilities	–	–	–	–	76	–	5	81	–	81
Other movements	–	–	–	–	–	2	(39)	(37)	–	(37)
Repurchase of own shares[1]	–	(4 995)	–	–	–	–	–	(4 995)	–	(4 995)
Prosus ordinary shares B issued[1]	66	–	–	–	–	–	–	66	–	66
Dividends paid[2]	–	–	–	–	–	–	(238)	(238)	–	(238)
Transactions with non-controlling shareholders[3]	–	–	–	–	(295)	(2)	–	(297)	154	(143)
Balance at 31 March 2022	39 190	(6 411)	(358)	65	(43 487)	3 223	58 199	50 421	102	50 523

1 Relates to the group's share exchange transaction in August 2021.
2 Dividends paid consist of US$104m attributable to Naspers and US$134 attributable to Prosus' free-float shareholders.
3 This relates to transactions with non-controlling interest resulted in the derecognition of non-controlling interest of US$154m.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

for the year ended 31 March 2023

		31 March	
	Notes	2023 US$'m	2022 US$'m
Cash flows from operating activities			
Cash utilised in operations	18	**(349)**	(644)
Dividends received from equity-accounted investments		**572**	571
Cash generated from/(utilised in) operating activities		**223**	(73)
Interest income received		**315**	38
Interest costs paid		**(551)**	(381)
Taxation paid		**(107)**	(189)
Net cash utilised in operating activities		**(120)**	(605)
Cash flows from investing activities			
Property, plant and equipment acquired		**(229)**	(212)
Proceeds from sale of property, plant and equipment		**11**	8
Intangible assets acquired		**(33)**	(30)
Proceeds from sale of intangible assets		**(1)**	–
Acquisitions of subsidiaries and businesses, net of cash	11	**(18)**	(1 896)
Disposals of subsidiaries and businesses, net of cash	12	**2 055**	20
Acquisition of associates	6	**(12)**	(1 361)
Additional investment in existing associates	6	**(292)**	(1 316)
Partial disposals of associates	6	**10 613**	14 609
Disposal of associates		**–**	12
Additional investments in existing joint ventures		**–**	(7)
Acquisition of short-term investments[1]		**(6 605)**	(3 922)
Maturity of short-term investments[1]		**3 924**	1 211
Repayment of loans/(loans advanced) to related parties	42	**58**	(21)
Cash paid for other investments[2]	6	**(559)**	(1 477)
Cash received from other investments[2]	6	**3 764**	85
Acquisition of Naspers shares[3]	23	**–**	(1 287)
Cash movement in other investing activities		**(33)**	(24)
Net cash generated from investing activities		**12 643**	4 392
Cash flows from financing activities			
Payments for the repurchase of own shares	23	**(9 901)**	(4 995)
Proceeds from issue of share capital	23	**–**	66
Proceeds from long and short-term loans raised	30	**104**	9 564
Repayments of long and short-term loans	30	**(56)**	(1 619)
Capital restructure as a result of the share repurchase programme[4]		**(615)**	–
Additional investments in existing subsidiaries[5]		**(1 606)**	(148)
Repayments of capitalised lease liabilities	30	**(51)**	(51)
Contributions made to the Naspers share trusts	42	**(191)**	(190)
Additional investment from non-controlling shareholders		**67**	140
Dividends and capital repayments to shareholders		**(191)**	(238)
Cash movements in other financing activities		**(11)**	(126)
Net cash (utilised in)/generated from financing activities		**(12 451)**	2 403
Net movement in cash and cash equivalents		**72**	6 190
Foreign exchange translation adjustments on cash and cash equivalents		**(69)**	(124)
Cash and cash equivalents at the beginning of the year		**9 628**	3 562
Cash and cash equivalents classified as held for sale	36	**(94)**	–
Cash and cash equivalents at the end of the year	26	**9 537**	9 628

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 mainly to the group's investments measured at fair value. Cash received from other investments includes US$54m dividends received from the JD.com investment.
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 and share repurchase.
4 Relates to the capital restructure from the group's acquisition of Naspers shares. Refer to note 5.
5 Relates to transactions with non-controlling interest resulting in changes in the effective interest of existing subsidiaries.

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

for the year ended 31 March 2023

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. Prosus is listed on the Euronext Amsterdam Stock Exchange, with a secondary listing on the JSE Limited's stock exchange and A2X Markets in South Africa.

The Prosus group is a global consumer internet group and one of the largest technology investors in the world. Operating and investing globally in markets with long-term growth potential, Prosus builds leading consumer internet companies that empower people and enrich communities. The group is focused on building meaningful businesses in the online classifieds, payments and fintech, food-delivery and education technology sectors in markets that include Europe, India 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 2023 have been authorised for issue by the board of directors on 26 June 2023.

2. Basis of preparation

The consolidated financial statements for the year ended 31 March 2023 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 disclosure of segment results.

From 1 April 2022, following the operational separation from OLX Group, the CODM reviewed the financial results of Avito separately from the Classifieds Ecommerce segment. The financial results of Avito are presented separately as a discontinued operation in the operating segment information up until the date of disposal as a result of the group's decision to exit the Russian business.

In March 2023, the group announced its decision to exit the OLX Autos business unit. The exit process is being executed for each operation within the business unit in its local market. The business unit as a whole represents a separate major line of business, both in terms of the distinct nature of the business and its contribution to the operational performance of the group. As such, the operations that are classified as held for sale and the operations that are closed down by 31 March 2023 have been presented as discontinued operations and are reviewed separately by the CODM. OLX Autos operations whose exit process has not been finalised as at 31 March 2023 are presented as continuing operations. These operations will be classified as discontinued operations in the financial year that the exit process is completed.

The comparative financial results of Avito and the relevant operations in the OLX Autos business described above, previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations to allow the current performance of the business to be compared with prior periods. The change has no impact on the total group revenue, adjusted EBITDA and trading (loss)/profit in prior periods.

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 2023, the group recorded US$16.2bn in cash, comprising US$9.5bn of cash and cash equivalents net of bank overdrafts and US$6.7bn in short-term cash investments. The group had US$15.9bn 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 sufficient financial flexibility to continue as a going concern in the year subsequent to the date of these consolidated and company financial statements.

2. Basis of preparation continued

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.

Hyperinflation

In June 2022, the International Monetary Fund declared Turkey as a hyperinflationary economy. Accordingly, the group applied the hyperinflationary accounting requirements of IAS 29 *Financial Reporting in Hyperinflationary Economies* for the group's subsidiaries in Turkey. As the presentation currency of the group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current year.

On initial application of hyperinflationary accounting, opening equity for the group's subsidiaries is restated by applying a general price index from the date transactions arose. These restatements are recognised directly in equity. Subsequent to initial application, all components of equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later. The restatement of opening equity on initial application is not material.

The results, cash flows and financial position for the group's subsidiaries in Turkey are adjusted using a general price index to reflect the current purchasing power at the end of the reporting period. The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition of these subsidiaries to the end of the reporting period. The gain or loss on the net monetary position from translation of the financial information is recognised in the consolidated income statement, except for goodwill, other intangible assets, and deferred tax liabilities arising at acquisition of these subsidiaries. The impact of the gain on the net monetary position in the consolidated income statement is not material.

Goodwill, other intangible assets and deferred tax liabilities arising at acquisition of these subsidiaries are restated using the general price index at the end of the reporting period. The gain or loss on the net monetary position from the adjustment to these assets and liabilities is recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity.

The general price index as published by the Turkish Statistical Institute was used in adjusting the results, cash flows and financial position for the group's subsidiaries in Turkey up to 31 March 2023. The general price inflation factor up to 31 March 2023 was 275.99%.

Accounting policy

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 consolidated income statement, except when deferred in the consolidated statement of 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 the consolidated statement of 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 (except for those which operate 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 the consolidated statement of other comprehensive income and accumulated in the 'Foreign currency translation reserve' in the consolidated 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 the consolidated statement of 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 consolidated 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 (refer to note 6); goodwill impairment (refer to note 7); impairment of equity-accounted investments (refer to note 9 and note 10), the valuation of investments measured at fair value through other comprehensive income (refer to note 41.); 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 fair value of the disposal group (refer to note 36), allocation of goodwill to the disposal group (refer to note 36), equity-compensation benefits (refer to note 37) and the fair value of the residual interest in the Naspers group (refer to note 5). Where relevant, the group has provided sensitivity analyses demonstrating the impact of changes in key estimates and assumptions on reported results.

The following accounting judgements had the most significant impact on the consolidated financial statements:

Lag periods applied when reporting results of equity-accounted investments

Where the reporting periods of associates and joint ventures (equity-accounted investments) are not coterminous with that of the group and/or it is impracticable for the relevant equity-accounted investee to prepare financial statements as of 31 March (for instance due to the availability of the results of the equity-accounted investee relative to the group's reporting period), the group applies an appropriate lag period of not more than three months in reporting the results of the equity-accounted investees. Significant transactions and events that occur between the non-coterminous reporting periods are adjusted for. The group exercises significant judgement when determining the transactions and events for which adjustments are made.

Accounting for equity-accounted investments share of other comprehensive income and changes in net asset value

The group recognises its share of other comprehensive income and other changes in net assets of associates and joint ventures in the statement of comprehensive income. Other changes in net assets of the associate and joint ventures include changes in their share-based compensation reserve, transactions with non-controlling shareholders and other direct equity movements. Equity-accounted investments' share of other comprehensive income and changes in net asset value are accumulated in the valuation reserve.

Accounting for written put option liabilities

The group accounts for all written put options as liabilities equal to the present value of the expected redemption amount payable in the statement of financial position. The present value is based on a discounted cash flow model, market multiples or a recent transaction during the current year in which the equity value was determined. This applies regardless of whether the group has the discretion to settle in its own equity instruments or cash. Written put option liabilities that are linked to a committed employment period are accounted for as cash-settled share-based compensation benefits. The expected redemption amounts payable for these written put options are 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 37.

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.

Prosus share exchange with Naspers shareholders

Prosus offered Naspers shareholders Prosus ordinary shares N in exchange for Naspers N ordinary shares. The transaction resulted in Prosus acquiring Naspers shares. Simultaneously with this transaction, a distribution agreement (hereafter referred to as the cross-holding agreement) was entered into between Naspers and Prosus. The cross-holding agreement takes into account Prosus' indirect interest in itself from holding Naspers shares. It 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.

Majority of the value of the Naspers shares is derived from the investments in the Prosus group. Based on the substance of the transaction the portion of Prosus' effective interest in Naspers that relates to Prosus' underlying investments is accounted for as a shareholder distribution. This is recognised in equity in the 'Existing control business combination reserve'. This portion of the transaction is therefore treated as a transaction with shareholders in contemplation of a capital restructure. Only Prosus' residual interest in the Naspers group is recognised as a FVOCI investment on the consolidated statement of financial position.

In addition, as a result of the cross-holding agreement, Naspers shares acquired by Prosus in the share repurchase programme are accounted for in the same manner as discussed above.

4. 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 2022 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 2023. 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 16	*Leases on Sale and Leaseback*	March 2025
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 Error (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 2023 are expected to have a significant impact on the group.

5. Significant changes in financial position and performance during the reporting period

Share repurchase programme

On 27 June 2022, the group announced the beginning of an open-ended repurchase programme of Prosus ordinary shares N and Naspers N ordinary shares.

The Prosus repurchase programme of its ordinary shares N is funded by an orderly, on-market sale of Tencent Holdings Limited (Tencent) shares. Until 12 August 2022, Prosus also purchased Naspers N ordinary shares.

In September 2022, Naspers began to dispose of some of the Prosus shares that it holds in order to repurchase Naspers shares pursuant of the repurchase programme.

The group has appointed agents of the group to execute the repurchase programme and sale of Tencent shares within parameters set by the group and subject to applicable law and regulation.

As part of the repurchase programme, for the period between 28 June 2022 and 31 March 2023, Prosus purchased 4 152 285 Naspers N ordinary shares for a total consideration of US$626m and repurchased 152 797 117 Prosus ordinary shares N for a total consideration of US$10.0bn of which US$9.9bn was settled in cash by 31 March 2023. These transactions were mainly funded by the sale of 267 664 800 Tencent shares yielding proceeds of US$10.7bn. Furthermore, for the year ended 31 March 2023, Naspers through its subsidiary MIH Treasury Services (Pty) Ltd purchased 16 320 371 Naspers N ordinary shares on the market for a total consideration of US$2.5bn. This transaction was funded by Naspers' disposal of 43 356 695 Prosus ordinary shares N on the market yielding proceeds of US$2.8bn.

Subsequent to the above transactions, Prosus now holds a 52.5%[1] (2022: 49.5%) fully diluted interest representing a 52.7%[2] (2022: 49.9%) economic interest in Naspers. Prosus' legal ownership in Naspers remains less than 50% as at 31 March 2023.

The accounting for the share repurchase programme takes into consideration the cross-holding agreement between Prosus and Naspers and is implemented in accordance with the applicable laws and regulations as well as the authority granted by shareholders. The repurchase programme has no impact on the control structure of the group. Prosus' interest in Naspers does not represent control or significant influence. Naspers therefore continues to hold the majority of the shareholder voting rights of Prosus.

The cross-holding agreement between Naspers and Prosus became effective at the time of closing of the voluntary share exchange in August 2021. The cross-holding agreement takes into account Prosus' indirect interest in itself from holding Naspers shares and deals with how distributions between the two groups will be managed. It eliminates the need for flows back and forth between the two groups as a result of the cross-shareholding, through a waiver by Prosus of its entitlement to distributions on the Naspers shares that it holds, and provides clarity to both Prosus and Naspers' free-float shareholders of their economic interest in distributions made by Prosus. The cross-holding agreement relates to Prosus' fully diluted interest in Naspers and Naspers' legal ownership of Prosus ordinary shares N. At 31 March 2023, subject to this agreement and subsequent to the repurchase transactions above, Prosus' free-float shareholders' economic interest in the Prosus group is 56.5% (2022: 57.7%).

Repurchase of Prosus shares

The Prosus ordinary shares N acquired by the group are classified as treasury shares. These are recognised in 'treasury shares' on the consolidated statement of financial position. The treasury shares were recognised at a cost of US$10.0bn. The group intends to cancel the Prosus shares repurchased in due course once the relevant approvals have been obtained, so as to reduce its issued share capital.

Acquisition of Naspers shares

The Naspers N ordinary shares acquired by the group are subject to the cross-holding agreement. The 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). Based on the substance of this cross-holding agreement, the portion of Prosus economic interest in Naspers attributable to the residual interest in the Naspers group is recognised as a financial asset at fair value through other comprehensive income (FVOCI). The remaining portion of the interest in Naspers attributable to Prosus' underlying investments is accounted for in equity representing a capital restructure.

Accordingly, the consideration paid for Naspers N ordinary shares representing the increase in Prosus residual interest in Naspers was recognised as a FVOCI investment with the remaining portion representing the value of Prosus' underlying investments being recognised in equity. The group recognised US$10m of the consideration as a FVOCI investment and the remaining US$616m in the 'Existing control business combination reserve' in equity.

Repurchase of Naspers shares

During the current year Naspers repurchased 16 320 371 Naspers N ordinary shares through its subsidiary MIH Treasury Services (Pty) Ltd. The transaction impacted Prosus' fully diluted and economic interest in Naspers and consequently impacted the value of Prosus' residual interest in the Naspers group. This transaction resulted in an increase in the residual interest in the Naspers group which was recognised in other comprehensive income. In addition, at 31 March 2023, the residual interest in the Naspers group was revalued to US$206m. The group, as a result of this revaluation, recognised a fair value loss of US$179m.

1 Interest in Naspers based on the cross-holding agreement formula, which was approved in the shareholder resolution.
2 Interest based on distribution rights to each class of shareholders.

5. Significant changes in financial position and performance during the reporting period continued

Disposal of shares in Tencent

The group reduced its ownership interest in Tencent from 28.81% to 26.16%, yielding US$10.7bn in proceeds. This is a partial disposal of an associate that does not result in a loss of significant influence. The group recognised a gain on partial disposal of US$7.6bn in the consolidated income statement. The group reclassified a loss of US$155m from the foreign currency translation reserve to the consolidated income statement related to this partial disposal.

Transactions with non-controlling shareholders

In August 2022, the group entered into an agreement through its subsidiary MIH Movile Holdings B.V. (Movile) to acquire the remaining 33.3% stake in iFood Holdings B.V. (iFood) and IF-JE Holdings B.V., from non-controlling shareholder Just Eat Holding Limited (Just Eat) for €1.5bn in cash, plus a contingent consideration of up to a maximum of €300m at a future date. The transaction was approved by Just Eat shareholders in November 2022. This agreement represents a contractual obligation to acquire shares from non-controlling interest. The group recognised US$1.6bn in 'Other current liabilities' at inception of this agreement consisting of the cash and the fair value of the contingent consideration. The liability was raised from the 'Existing control business combination reserve' in equity prior to the transfer of the risks and rewards of ownership of these shares.

In November 2022, the shares were acquired from the non-controlling shareholders for the cash consideration of US$1.5bn resulting in part settlement of the liability raised. At 31 March 2023, the fair value of the contingent consideration to be settled at a future date amounted to US$88m. The group derecognised US$68m of non-controlling interest.

Exit of the OLX Autos business unit

In March 2023, the group announced the decision to exit the OLX Autos business unit. The OLX Autos business unit is a second-hand car sale ecommerce marketplace which operates through a single technological platform located in various regions. The group believes that significant value exists in the business within its various local markets. Based on this and the ongoing exit process, options for the business are being considered, resulting in the decision to sell or close down each operation in its local market. The business unit as a whole represents a separate major line of business both in terms of the distinct nature of the business and its contribution to the operational performance of the group. The operations of this business classified as held for sale and those that have been closed down by 31 March 2023 are presented as discontinued operations.

The OLX Autos operations whose exit process has not been finalised as at 31 March 2023 are presented as continuing operations given the phased exit process for this business. These operations will be classified as discontinued operations in the financial year that the exit process is completed.

OLX Autos revenue and trading loss for the year were US$1.8bn (2022: US$1.6bn) and US$418m (2022: US$230m) respectively, of which US$853m (2022: US$601m) of revenue and US$216m (2022: US$107m) of trading losses are included in continuing operations.

The group recognised total impairment losses of US$164m of which US$19m is included in discontinued operations. The impairment losses relate to US$116m of goodwill and US$48m of other assets. The other assets impaired are property, plant and equipment, and other intangible assets that will not be recovered through the sale of the business.

Profit from discontinued operations

Discontinued operations consist of the group's Russian business and the OLX Autos business unit.

In May 2022, as a result of the continued conflict in the region, the group announced its decision to exit its Russian business. Accordingly, Avito was presented as a discontinued operation. The group entered into an agreement to sell its shareholding in Avito to Kismet Capital Group (Kismet) for a total cash consideration of US$2.4bn. Kismet is a private investment group with a track record of investing in technology and telecommunications businesses in Russia. The transaction was completed in October 2022. The group recognised a gain on disposal of the subsidiary of US$568m, including a reclassification of the accumulated foreign currency translation gains of US$202m.

Discontinued operations for the OLX Autos business includes the operations classified as held for sale and the operations closed down by 31 March 2023. Refer to note 36 for details of this business unit's disposal group.

The financial information relating to the group's discontinued operations is set out below.

Income statement information of discontinued operations

	31 March 2023 US$'m	31 March 2022 US$'m
Revenue	**1 626**	1 646
Online sale of goods revenue	**944**	980
Classifieds listings revenue	**601**	582
Advertising revenue	**50**	50
Other revenue	**31**	34
Expenses	**(1 606)**	(1 550)
Impairment of goodwill and other assets[1]	**(19)**	–
Other expenses	**(1 587)**	(1 550)
Profit before tax	**20**	96
Taxation	**(46)**	(43)
(Loss)/profit for the period	**(26)**	53
Gain on disposal of discontinued operation	**568**	–
Profit from discontinued operations	**542**	53
Profit from discontinued operations attributable to:		
Equity holders of the group	**537**	52
Non-controlling interest	**5**	1
	542	53

1 Relates to impairment losses of goodwill and other assets in the OLX Autos business unit.

Cash flow statement information of discontinued operations

	31 March 2023 US$'m	31 March 2022 US$'m
Net cash generated from operating activities	**145**	153
Net cash generated from/(utilised in) investing activities[1]	**1 985**	(22)
Net cash generated from/(utilised in) financing activities	**130**	(86)
Cash generated by discontinued operations	**2 260**	45

1 Includes the net cash inflow from the disposal of Avito. Refer to note 6.

Per share information from discontinued operations for the period (US cents)[1]

	31 March 2023 US cents	31 March 2022 US cents
Earnings per ordinary share N	**40**	3
Diluted earnings per ordinary share N	**39**	3
Headline earnings per ordinary share N	**–**	4
Diluted headline earnings per ordinary share N	**–**	4

1 Refer to note 22 for further details on earnings per share from discontinued operations.

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Group structure

Basis of consolidation

Accounting policy

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 the contingent consideration are recognised in the consolidated 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 consolidated 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 consolidated 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 consolidated 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 the consolidated statement of changes 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.

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.

The group's share of other comprehensive income and other changes in net assets of associates and joint ventures is recognised in the consolidated statement of comprehensive income.

For acquisitions of associates and joint ventures achieved in stages, the group measures the cost of its investment as the sum of the consideration paid for each purchase plus a share of the investee's profits and other equity movements. Other comprehensive income recognised in prior periods accumulated in the valuation reserve in relation to the previously held stake in investee is realised and transferred to retained earnings. Acquisition-related costs form part of the investment in the associate or joint venture.

When the group increases its shareholding in an associate or joint venture and continues to exercise significant influence or to exert joint control over the investee, the cost of the additional investment is added to the carrying value of the investee. The acquired share in the investee's identifiable net assets, as well as goodwill arising, is calculated using fair value information at the date of acquiring the additional interest. Goodwill is included in the carrying value of the investment in the associate or joint venture.

Partial disposals of associates and joint ventures that do not result in a loss of significant influence or joint control are accounted for as dilutions. Dilution gains and losses are recognised in the consolidated income statement. The group's proportionate share of gains or losses previously recognised in the consolidated statement of other comprehensive income by associates and joint ventures is reclassified to the consolidated income statement when a dilution occurs if the gains or losses are required to be reclassified to the consolidated income statement in terms of the applicable accounting standard.

When the group increases its shareholding in an associate as a result of a share repurchase programme by the associate, the increase in the ownership interest impacts the components within the carrying amount of the investment. A share repurchase programme by the associate decreases the net asset value of the associate. The excess of the group's share of the decrease in net asset value of the associate over the increase in its share of net assets of the associate (as a result of the increased shareholding) is recognised as notional goodwill within the carrying value of the investment.

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 crossholding. 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 consolidated income statement.

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 consolidated 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 consolidated income statement. This fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest. In addition, the amounts previously recognised in other comprehensive income in respect of the entity disposed are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement.

Group structure continued

Impairment of goodwill

Goodwill is tested annually for impairment or more frequently if change in circumstance indicates 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 consolidated income statement. Impairment losses recognised on goodwill are not reversed in subsequent periods.

6. Business combinations, other acquisitions and disposals

The following relates to the group's significant transactions related to business combinations and other investments for the year ended 31 March 2023:

	Company	Classification	Amount invested US$'m Net cash paid/ (received)	Non-cash consi-deration	Cash in entity acquired/ (disposed)	Total consi-deration
	Acquisition of subsidiaries					
	Other[1]	Subsidiary	18	–	1	19
			18	**–**	**1**	**19**
	Acquisition of equity-accounted investments					
	Other[1]	Associate	12	–	–	12
			12	**–**	**–**	**12**
	Additional investment in existing equity-accounted investments					
a	Delivery Hero SE (Delivery Hero)	Associate	194	288	–	482
	Other[1]	Associate	98	–	–	98
			292	**288**	**–**	**580**
	Other investments					
b	DoorDash Inc. (DoorDash)	FVOCI	–	58	–	58
e	Think & Learn Private Limited (BYJU'S)	FVOCI	–	578	–	578
f	Udemy Inc. (Udemy)	FVOCI	–	207	–	207
h	Oda Norway AS (Oda)	FVOCI	–	45	–	45
g	Meituan	FVOCI	–	4 523	–	4 523
	Other[1, 2]	FVOCI/FVPL	559	–	–	559
			559	**5 411**	**–**	**5 970**
	Disposal/Partial disposal of investments					
b	Wolt Enterprises OY (Wolt)	FVOCI	–	(58)	–	(58)
c	JD.com	FVOCI	(3 666)	–	–	(3 666)
d	Tencent Holdings Limited (Tencent)	Associate	(10 613)	(103)	–	(10 716)
e	Think & Learn Private Limited (BYJU'S)	Associate	–	(578)	–	(578)
f	Udemy Inc. (Udemy)	Associate	–	(207)	–	(207)
h	Oda Norway AS (Oda)	Associate	–	(45)	–	(45)
	Other[1]		(44)	–	–	(44)
			(14 323)	**(991)**	**–**	**(15 314)**
	Disposal of subsidiaries					
i	Avito	Subsidiary	(2 039)	–	(326)	(2 365)
	Other[1]	Subsidiary	(14)	(21)	(14)	(49)
			(2 053)	**(21)**	**(340)**	**(2 414)**

1 'Other' includes various acquisitions and disposals of subsidiaries, associates, joint ventures and other investments that are not individually material.
2 Includes the call options acquired for Delivery Hero shares prior to them being exercised.

Additional investment in existing equity-accounted investments

a. During the current year the group acquired an additional investment in Delivery Hero between December 2022 and March 2023, which increased its shareholding by approximately 4% to 29.95%. The additional interest was acquired by the purchase of shares on the market for US$194m and the purchase of a call option to acquire additional shares which was exercised in March 2023.

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6. Business combinations, other acquisitions and disposals continued

Other investments

b. In June 2022, in exchange for the group's entire interest in Wolt (a food and grocery-delivery marketplace), the group received shares in DoorDash to the value of US$58m. DoorDash is a predominantly US-focused, food, grocery, and retail delivery marketplace, listed on the NYSE. The investment is not held for trading, therefore the group accounts for this as an investment at fair value through other comprehensive income.

Disposal/Partial disposal of investments

c. 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 US$3.67bn. Accumulated fair value losses related to these shares of US$189m were reclassified from the valuation reserve to retained earnings within equity as a result of this disposal.

d. From June 2022 to the end of March 2023, the group sold approximately 3% of Tencent's issued share capital. The group reduced its stake in Tencent from 29% to 26%, for total proceeds of US$10.7bn of which US$103m was receivable at 31 March 2023. The group recognised a gain on partial disposal of US$7.6bn including a reclassification of accumulated foreign currency translation losses of US$155m. Proceeds from this disposal are used to fund the group's share repurchase programme.

e. In September 2022, the group lost significant influence in BYJU'S as it no longer exerts significant influence over the financial and operating policies of the entity. The group recognised a gain on loss of significant influence of the associate of US$22m, including a reclassification of the accumulated foreign currency translation losses of US$55m. The group accounted for its 9.60% effective interest in BYJU'S at fair value through other comprehensive income. The fair value of BYJU'S investment subsequent to the loss of significant influence is US$578m.

f. In September 2022, the group lost its board representation in Udemy. The group recognised a gain on loss of significant influence of the associate of US$77m. The group accounts for its 11.78% effective interest in Udemy at fair value through other comprehensive income. The fair value of the Udemy investment subsequent to the loss of significant influence is US$207m.

g. In November 2022, Tencent declared a special interim dividend in the form of a distribution in specie of 958 121 562 class B ordinary shares of Meituan to its shareholders on the basis of one (1) class B ordinary share of Meituan for every 10 shares held. As a result of this distribution the group obtained a 4% effective interest (257 460 450 class B ordinary shares) in Meituan. Meituan is a Chinese shopping platform for locally found consumer products and retail services including entertainment, dining, delivery, travel and other services. The investment is not held for trading; however, the group expects to sell the shares in due course. 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 24 March 2023. The dividend in specie distribution of the investment in Meituan has reduced the investment in Tencent by US$4.5bn, representing the fair value of the investment on the distribution date.

h. In December 2022, the group lost its significant influence in Oda due to the loss of its board representation. The group recognised a loss of US$68m on loss of significant influence of the associate, including a reclassification of the accumulated foreign currency translation losses of US$14m. The group accounts for its 12.87% effective interest in Oda at fair value through other comprehensive income. The fair value of the Oda investment subsequent to the loss of significant influence is US$45m.

Disposal of subsidiaries

i. In October 2022, the group entered into an agreement to sell its shareholding in Avito to Kismet Capital Group (Kismet) for a total cash consideration of US$2.4bn. Kismet is a private investment group with a track record of investing in technology and telecommunications businesses in Russia. The group recognised a gain on disposal of the subsidiary of US$568m, including a reclassification of the accumulated foreign currency translation gain of US$202m.

The following sets out the group's significant transactions related to business combinations and equity-accounted investments for the year ended 31 March 2022:

			Amount invested US$'m			
	Company	Classification	Net cash paid/ (received)	Non-cash consi-deration	Cash in entity acquired	Total consi-deration
	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.

6. Business combinations, other acquisitions and disposals continued

Financial year ended 31 March 2022

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$144m 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 shareholders' interest. The non-controlling shareholder currently has all the economic benefits associated with ownership of the shares. As a result, the group's obligation to settle this interest is included in the put option liability mentioned above.

The main intangible assets recognised in the business combination were customer relationships, trademarks and technology. The main factor contributing to the goodwill recognised in the acquisition is GoodHabitz's market presence, product development capabilities and engineering capabilities.

b. In August 2021, the group acquired a 100% effective and dilutive interest for US$1.7bn in Stack Overflow. Stack Overflow is a leading knowledge-sharing platform for the global community of developers and technologists. The group accounted for this investment as a subsidiary.

The main intangible assets recognised in the business combination were trade names, technology and customer relationships. The main factor contributing to the goodwill recognised in the acquisition is Stack Overflow's market presence and 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.

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 are 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 founder's 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 of 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.

6. Business combinations, other acquisitions and disposals continued

Financial year ended 31 March 2022 continued

Additional investment in existing equity-accounted investments continued

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 has 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.

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$3.9bn 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$12.3bn. 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.

7. Goodwill

	31 March 2023 US$'m	31 March 2022 US$'m
Cost		
Opening balance	**3 727**	2 261
Foreign currency translation effects[1]	**369**	(167)
Acquisitions of subsidiaries and businesses	**11**	1 692
Disposals of subsidiaries and businesses	**(11)**	(59)
Transferred to assets classified as held for sale[2, 3]	**(1 713)**	–
Closing balance	**2 383**	3 727
Accumulated impairment		
Opening balance	**355**	159
Foreign currency translation effects	**(3)**	1
Impairment	**684**	246
Disposals of subsidiaries and businesses	**(1)**	(51)
Transferred to assets classified as held for sale	**(64)**	–
Closing balance	**971**	355
Carrying value	**1 412**	3 372

1 The current period includes a net monetary gain of US$95m relating to hyperinflation accounting for the group's subsidiaries in Turkey. Refer to note 2.
2 Includes US$15m foreign currency translation gains related primarily to Avito that was classified as held for sale prior to its disposal in October 2022.
3 This relates primarily to Avito that was classified as held for sale in May 2022 prior to its disposal in October 2022 as well as the OLX Autos disposal group classified as held for sale in March 2023. Refer to note 36.

The group recognised impairment losses on goodwill of US$684m (2022: US$246m) in the current year of which US$560m relate to Stack Overflow in the Edtech segment and US$116m relate to the OLX Autos business unit. The impairment loss of the OLX Autos business unit is as a result of the group's decision to exit the business and the assessment of the value that cannot be realised. The remainder of the goodwill related to this business is transferred to the disposal group classifieds as held for sale. The goodwill was allocated to the disposal group based on the relative fair values of the operations within the business (refer to note 36). Stack Overflow is a recent acquisition; however, the increase in risk-free rates resulted in an increase in the discount rate used in the value in use calculation for this investment. In addition, the business has not performed as expected in the current year due to challenging macroeconomic conditions. The recoverable amount was therefore below the carrying amount and resulted in the impairment loss. The prior year impairment related to Stack Overflow as a result of increased discount rates used in the value in use calculation for this investment.

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 7.5% (2022: 2% and 7%) and post-tax discount rates ranging between 11.5% and 28% (2022: 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.

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7. Goodwill continued

Impairment testing of goodwill continued

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 changes. The group's 10-year budgets and forecasts consisted of cash flow projections including macroeconomic factors and trends. 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.

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.

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.

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 and accordingly, discount rates take into account country risk premiums and inflation differentials as appropriate.

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 Edtech, and Payments and Fintech segments accounts for 61% and 25% of the overall balance of goodwill respectively. Accordingly, assumptions made in determining the cash flows of the Edtech, and Payments and Fintech CGUs have a significant impact on the annual impairment assessment. Key assumptions underlying revenue forecasts for CGUs in the Edtech, and Payments and Fintech segments include the CGU's anticipated market share, the number of listings expected over the forecast period and the revenue and EBITDA contribution of each such listing. EBITDA margins based on the long-term 10-year business plan range between -18% and 45%, depending on the stage of maturity of the relevant business. Terminal growth rates and discount rates used in performing impairment tests are detailed in the table below.

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$71m (2022: 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$6m (2022: 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$76m (2022: US$127m).

The carrying value of goodwill presented per segment as at 31 March 2023 is as follows:

	Carrying value of goodwill US$'m	Basis of determination of recoverable amount[1]	Pre-tax discount rates[2] %	Post-tax discount rate applied to cash flows[2] %	Growth rate used to extrapolate cash flows[2] %	Average revenue growth rate[2, 3] %
CGUs by segment						
Classifieds	**86**		Various	Various	Various	6.9 – 14.6
Payments and Fintech	**350**					14.8 – 35.6
PayU India	113	VIU	18.9	16.5	3.5	
PayU Global Payments Operations (GPO)	162	VIU	20.8	17.0	3.5	
Credit India	75	VIU	19.5	18.0	3.5	
Food Delivery	**27**	VIU	21.1	17.0	4.5	1.1 – 22.9
Edtech	**858**					19.6 – 30.5
Stack Overflow	653	VIU	16.7	14.5	3.0	
GoodHabitz	205	VIU	14.8	13.0	3.5	
Etail	**47**	VIU	16.8	15.5	4.5	11.1 – 17.0
Other	**44**	VIU/FVLCoD	Various	Various	Various	
	1 412					

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[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 value for these CGUs are level 3 measurements.
2 Goodwill is tested annually as at 31 December or more frequently if changes in circumstances indicate that it might be impaired.
3 The revenue growth rate is based on an average rate over the forecasted period.

Post-tax discount rates have been applied in calculations as value in use was determined using post-tax cash flows.

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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] 2023 %	2022 %	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**	99.00	Investment holding	The Netherlands	US$
Avito AB[2]	**–**	99.00	Classifieds	Sweden	SEK
Brocante Lab SAS (Selency)[3]	**–**	54.14	Classifieds	France	EUR
Frontier Car Group Inc. (FCG)[4]	**99.00**	99.00	Classifieds	United States of America	US$
Silver Indonesia JVCo B.V. (OLX Indonesia)	**99.00**	99.00	Classifieds	The Netherlands	US$
Food Delivery					
iFood.com Agência de Restaurantes Online S.A. (iFood)[5]	**96.05**	62.54	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	**85.37**	82.60	Credit platform	Singapore	SGD
Red Dot Payment Private Limited	**95.54**	74.09	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.
2 In October 2022, the group disposed of its interest in Avito AB. Refer to note 5.
3 The group lost control of the investment and now accounts for its investment as an associate on account of the group's significant influence.
4 This investment is included in the OLX Autos business that is classified as held for sale during the current year. Refer to note 5.
5 The group acquired the non-controlling shareholders in the current year. Refer to note 5.

The following information relates to the group's interest in its significant subsidiaries as at 31 March:

Name of subsidiary	Effective percentage interest[1] 2023 %	2022 %	Nature of business	Country of incorporation	Functional currency
Edtech					
MIH Edtech Investments B.V.	**100.00**	100.00	Investment holding	The Netherlands	US$
Good Bidco B.V. (GoodHabitz)	**62.23**	62.30	Educational platform	The Netherlands	EUR
Stack Overflow Limited	**100.00**	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)	**80.08**	79.57	Retail and ecommerce	Romania	RON
Extreme Digital Zrt	**61.81**	43.02	Retail and ecommerce	Hungary	HUF
Other ecommerce					
Movile Mobile Commerce Holdings, S.L.	**94.11**	94.03	Mobile value-added services	Brazil	BRL
Sympla Internet Soluções S.A.	**79.64**	77.82	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.

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] 2023 %	2022 %	Nature of business	Country of incorporation	Functional currency	Year-end
Listed companies						
Delivery Hero SE[2]	**29.83**	27.28	Food delivery	Germany	EUR	December
Tencent Holdings Limited[3]	**26.16**	28.81	Internet-related services	Cayman Islands	RMB	December
Remitly Global Inc.	**21.44**	22.75	Digital money transfer	United States of America	US$	December
Skillsoft Corp. (Skillsoft)	**37.25**	37.55	Educational platform	United States of America	US$	December
SimilarWeb Limited[4]	**14.93**	14.93	Internet metrics	Israel	NIS	December
Udemy, Inc.[5]	**–**	12.27	Educational platform	United States of America	US$	March
Unlisted companies						
Classifieds						
EMPG Holdings Limited	**37.57**	39.85	Classifieds	United Arab Emirates	US$	December
OfferUp Incorporated	**39.04**	39.04	Classifieds	United States of America	US$	December
Brocante Lab SAS (Selency)[6]	**26.44**	–	Classifieds	France	EUR	March
Food Delivery						
Bundl Technologies Private Limited (Swiggy)[2]	**32.83**	32.72	Food delivery	India	INR	March
Flink SE[4]	**9.50**	9.76	Food delivery	Germany	EUR	December
Oda Group Holding AS[5]	**–**	13.14	Food delivery	Norway	NOK	December

1 The percentage interest shown is the financial effective interest, after disregarding the interests of equity-compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.
2 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 The group accounts for its interest as an investment in an associate on account of its significant influence on the board of directors.
5 In the current year, the group lost significant influence in the investment due to the loss of its board representation. The investment is accounted for at fair value through comprehensive income. Refer to note 28.
6 The group lost control of the investment and now accounts for its investment as an associate on account of the group's significant influence.

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] 2023 %	2022 %	Nature of business	Country of incorporation	Functional currency	Year-end
Unlisted companies continued						
Edtech						
Ryzac, Inc. (Codecademy)[2]	**–**	23.76	Educational technology	United States of America	US$	December
SoloLearn, Inc.[3]	**18.44**	18.46	Educational technology	United States of America	US$	March
Think & Learn Private Limited (BYJU'S)[4]	**–**	9.81	Educational technology	India	INR	March
Brainly, Inc.	**42.07**	42.13	Educational technology	United States of America	US$	December
Eruditus Learning Solutions Private Limited[3]	**13.18**	13.18	Educational technology	Singapore	SGD	June
Other ecommerce						
Honor Technology, Inc. (Honor)[3]	**13.35**	13.71	Home care	United States of America	US$	December
Meesho, Inc.[3]	**13.83**	13.83	Online marketplace	United States of America	US$	March
API Holdings Private Limited (PharmEasy)[3, 5]	**13.43**	13.24	Healthcare	India	INR	March
N-TEX Transportation Services Private Limited (ElasticRun)	**22.63**	22.63	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 The group disposed of this investment in the current year.
3 The group accounts for its interest as an investment in an associate on account of its significant influence on the board of directors.
4 In September 2022, the group lost significant influence in BYJU'S. Refer to note 6.
5 The group acquired an additional interest in this investment during the current year.

9. Investments in associates continued

The fair values of the group's investments in its listed associates are detailed below:

	31 March 2023 US$'m	31 March 2022 US$'m
Listed investments		
Delivery Hero SE	2 669	3 035
Tencent Holdings Limited	122 952	132 311
Remitly Global Inc.	633	369
Skillsoft Corp.	123	302
SimilarWeb Limited	76	145
Udemy Inc.[1]	–	213

1 In September 2022, the group lost significant influence in Udemy. Refer to note 6.

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 2023 US$'m	31 March 2022 US$'m
Opening balance	44 457	40 556
Associates acquired – gross consideration	769	4 823
net assets acquired[1]	(823)	1 277
goodwill and other intangibles recognised	1 652	3 661
deferred taxation recognised	(60)	(115)
Associates disposed of	(1)	(10)
Associates transferred to held-for-sale	(5)	(38)
Loss of significant influence	(743)	–
Share of current year changes in OCI and net asset value	(1 741)	(2 699)
Share of equity-accounted results	5 398	9 379
Equity-accounted results due to acquisition accounting	(77)	(72)
amortisation of other intangible assets	(100)	(99)
realisation of deferred taxation	23	27
Impairment	(1 725)	(581)
Dividends received[2]	(5 089)	(4 426)
Foreign currency translation effects	(2 122)	(252)
Partial disposal of interest in associate[3]	(2 930)	(2 316)
Dilution (losses)/gains[4]	(261)	93
Closing balance	35 930	44 457
Investments in associates		
Listed	33 604	40 463
Unlisted	2 326	3 994
Total investments in associates	35 930	44 457

1 Current year relates mainly to the allocation of net asset value of Tencent as a result of its share repurchase programme. The prior year relates mainly to the acquisition of additional shares in Delivery Hero.
2 In the current year, the dividend received from Tencent amounted to US$565m cash and dividend in specie of US$4.5bn of Meituan shares (2022: US$570m cash dividend and dividend in specie of US$3.9bn in JD.com shares).
3 Relates to partial disposal of Tencent. During the current year the group recognised a gain on partial disposal of US$7.6bn (2022: US$12.3bn).
4 The total dilution (losses)/gains presented in the consolidated 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 the consolidated statement of other comprehensive income to the consolidated income statement following the shareholding dilutions.

The group recognised US$5.3bn (2022: US$9.3bn) from associates as its share of equity-accounted results in the consolidated income statement. There are no cumulative unrecognised losses relating to associates that have been fully impaired, recognised (2022: US$nil) as at 31 March 2023.

The group recognised total dilution losses of US$252m (2022: gains of US$95m) as part of 'Dilution (losses)/gains on equity-accounted investments' in the consolidated income statement. The net dilution loss includes US$261m (2022: gain of US$92m) which relates to the group's shareholding in Delivery Hero, Swiggy, SimilarWeb and other unlisted investments.

The total dilution (loss)/gain presented in the consolidated income statement also includes a gain of US$9m (2022: US$2m) relating to the reclassification of a portion of the group's foreign currency translation reserves from the consolidated statement of other comprehensive income to the consolidated income statement following shareholding dilutions.

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 2023, 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. For the year ended 31 March 2023, the group assessment took into consideration the market capitalisation of the listed equity-accounted investments, the increase in market interest rates and country risk premiums, and overall business performance.

Impairment assessments for the group's listed equity-accounted investments related to Delivery Hero and Skillsoft as a result of a decline in the market capitalisation and the increase in country risk premiums for these investments. Impairment assessments for the group's unlisted equity-accounted investments related primarily to an investment in the Classifieds segment as a result of the increase in market interest rates and the overall business performance.

The recoverable amounts of equity-accounted investments have been determined based on the higher of the value in use calculations and the fair value less costs of disposal. During the current year and prior financial year, the recoverable amounts were determined using value in use calculations, except for Skillsoft which was determined using fair value less costs of disposal (market price) as at 31 March 2023. The recoverable amount for Skillsoft was however based on a value in use calculation as at 30 September 2022. As at 31 March 2023, Skillsoft was impaired to its market value due to the significant decline in the share price over time. Accordingly, the market price is considered the supportable representation of the recoverable amount for the investment. The value in use calculation was determined using the discounted cash flow method. The market price of Skillsoft is level 1 on the fair value hierarchy. The group used 10-year projected cash flow models as many businesses have monetisation timelines of longer than five years.

For Delivery Hero, the value in use calculations were higher than the market price for this investment because market prices include current market sentiment, while value in use calculations consider a longer-term horizon. The increase of the market price following the release of the December 2022 and first quarter 2023 financial results, supports the recoverable amount determined by the value in use calculations.

The value in use calculations for the listed equity-accounted investments were determined using the sum-of-the-parts approach. Delivery Hero's 10-year projected cash flow models incorporated market views and publicly available analyst projections. Skillsoft's 10-year projected cash flow models as at September 2022 incorporated forecast cash flow information based on the company's latest guidance.

For the unlisted equity-accounted investments, the 10-year projected cash flow models incorporated forecast cash flow information based on the latest management guidance provided.

The value in use calculations determined the equity values for the investments which took into consideration the following key assumptions:

Revenue and expenses

Revenue and expenses in the cash flow models were based on past experience, management's future expectations of business performance and the latest guidance announced by Delivery Hero and Skillsoft.

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9. Investments in associates continued

Impairment of equity-accounted investments continued

Growth rates

The growth rates were consistent with publicly available information relating to long-term average growth rates for the markets in which the equity-accounted investments operate. The annual growth rate used for revenue and expenses over the 10-year forecast period ranged between 5% to 41% (2022: 2% to 47%) for equity-accounted investments.

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 rates used ranged between 11% to 29% (2022: 10% to 20%). Pre-tax discount rates used ranged between 13% to 35% (2022: 11% to 25%) for equity-accounted investments.

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 is assumed to have reached maturity. The terminal growth rates ranged between 2% to 8% (2022: 2% to 5%) for equity-accounted investments. The terminal growth rate was based on the expected growth in perpetuity in the markets where these businesses operate.

The recoverable amounts for the above investments were lower than the respective carrying amounts. Accordingly, for the year ended 31 March 2023, an impairment loss of US$1.7bn (2022: US$584m) was recognised for equity-accounted investments of which US$997m (recognised in the first half of the financial year) related to Delivery Hero (2022: US$nil), US$301m related to Skillsoft (2022: US$111m) and US$425m related primarily to unlisted equity-accounted investments (2022: US$nil). For the Skillsoft impairment loss the group recognised US$204m at September 2022 and a further US$97m as at 31 March 2023. The impairment loss for unlisted equity-accounted investments includes US$326m related to an investment in the Classifieds segment.

At 31 March 2023, the carrying value for Delivery Hero and Skillsoft was US$3.4bn and US$123m respectively (2022: US$4.9bn and US$383m respectively), while the group share in the market capitalisation of these investments was US$2.7bn and US$123m respectively (2022: US$3.0bn and US$302m respectively).

Sensitivity to changes in assumptions

An adverse adjustment to any of the above key assumptions used in the value in use calculations would result in additional impairment losses being recognised.

Material associates' summarised financial information

	31 March[1] Tencent Holdings Limited		31 March[1] Delivery Hero SE	
	2023 US$'m	2022 US$'m	2023 US$'m	2022 US$'m
Dividends received	**5 089**	4 426	**–**	–
Revenue	**80 636**	87 530	**8 933**	6 741
Net profit/(loss) from operations	**25 600**	34 179	**(3 451)**	810
Other comprehensive (loss)/income	**(7 936)**	(18 022)	**490**	(26)
Total comprehensive income/(loss)	**17 664**	16 157	**(2 961)**	784
Non-current assets	**152 416**	168 122	**9 466**	10 403
Current assets	**77 444**	76 469	**3 826**	3 978
Total assets	**229 860**	244 591	**13 292**	14 381
Non-current liabilities	**52 188**	51 726	**8 595**	7 469
Current liabilities	**58 529**	60 880	**2 604**	1 942
Total liabilities	**110 717**	112 606	**11 199**	9 411
Closing net assets	**119 143**	131 985	**2 093**	4 970
Non-controlling interests	**(8 949)**	(11 103)	**(59)**	(17)
	110 194	120 882	**2 034**	4 953
Group's effective interest in associate at year-end	**28 829**	34 826	**642**	1 351
Goodwill and other[2]	**998**	11	**3 803**	3 595
Impairment	**–**	–	**(997)**	–
Carrying value of investment	**29 827**	34 837	**3 448**	4 946

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 Included in goodwill and other for Delivery Hero is the fair value adjustment related to intangible assets arising as a result of the incremental acquisition acquired amounting to US$144m (2022: US$40m).

Other associates' summarised financial information

	31 March	
	2023 US$'m	2022 US$'m
Net loss from operations	**(791)**	(630)
Other comprehensive income	**58**	59
Total comprehensive loss	**(733)**	(571)
Carrying value of investments	**2 655**	4 674
Total carrying value of investments in associates	**35 930**	44 457

The group had no capital commitments or contingent liabilities at 31 March 2023 and 2022 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:

	Effective percentage interest[1]					
Name of joint venture	2023 %	2022 %	Nature of business	Country of incorporation	Functional currency	Year-end
Unlisted companies						
El Cocinero a Cuerda S.L. (SinDelantal Mexico)[2]	**–**	30.72	Food delivery	Spain	EUR	December
Inversiones CMR S.A.S. (Domicilios.com)[3]	**48.99**	31.97	Food delivery	Colombia	COP	December
Silver Brazil JVCo B.V. (OLX Brasil)	**49.50**	49.50	Classifieds	The Netherlands	US$	December

1 The percentage interest shown is the financial effective interest, after disregarding the interests of equity-compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.
2 The group disposed of this investment during the current year.
3 During the current year a mutual decision was made to close down this business. The company is in the process of liquidation.

Adjustments are made for significant transactions and events that take place where lag periods are applied.

	31 March	
	2023 US$'m	2022 US$'m
Opening balance	**144**	158
Joint ventures acquired – gross consideration	**104**	5
Net assets acquired	**104**	5
Share of equity-accounted results	**(147)**	(50)
Impairment	**(17)**	–
Foreign currency translation effects	**(15)**	31
Closing balance	**69**	144

The group recognised losses of US$147m (2022: US$50m) from joint ventures as its share of equity-accounted results in the consolidated income statement. There are no cumulative unrecognised losses relating to joint ventures that have been fully impaired, recognised (2022: US$nil) as at 31 March 2023.

Impairment losses of US$17m (2022: US$nil) were recognised for the group's investments in joint ventures.

None of the group's interests in joint ventures are considered to be individually material.

As at 31 March 2023, 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 2023 and 2022.

Group structure continued

11. Acquisitions of subsidiaries and businesses

	31 March 2023 US$'m	2022 US$'m
Fair value of assets and liabilities:		
Property, plant and equipment	–	16
Other intangible assets	5	309
Net current assets/(liabilities)	5	90
Deferred taxation	–	(81)
Long-term liabilities	(2)	(10)
	8	324
Non-controlling interests	–	(16)
Goodwill recognised	11	1 692
Purchase consideration	19	2 000
Net cash in subsidiaries and businesses acquired	(1)	(104)
Net cash outflow from acquisitions of subsidiaries and businesses	18	1 896

12. Disposals of subsidiaries and businesses

	31 March 2023 US$'m	2022 US$'m
Carrying values of assets and liabilities:		
Property, plant and equipment	–	2
Goodwill	10	8
Other intangible assets	2	16
Net current assets/(liabilities)	1	7
Deferred taxation	–	(4)
Long-term liabilities	–	(1)
Held-for-sale assets	2 011	–
Foreign currency translation realised	(202)	1
	1 822	29
Gain on disposal – net	24	21
Gain on disposal shown as part of discontinued operations	568	–
Selling price	2 414	50
Net cash in subsidiaries and businesses disposed of	(340)	(15)
Shares received as settlement	(21)	(33)
Amounts relating to prior-year disposal	2	22
Amounts to be received in the future	–	(4)
Net cash inflow from disposals of subsidiaries and businesses	2 055	20

Operational performance

13. Revenue

Accounting policy

Revenue disclosed in the consolidated income statement includes revenue from contracts with customers and other revenue not in the scope of IFRS 15.

Revenue from contracts with customers

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 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 and 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.

13. Revenue continued

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.

Interest income revenue

Interest income revenue is finance income generated from the group's credit business across various segments, including the Payments and Fintech segment. The credit business provides financing for goods sold and credit offerings provided. Interest income revenue is recognised using the effective interest rate method, taking into account the expected timing and amount of cash flows. The effective interest rate method is a method of calculating the amortised cost of the financial asset receivable, recognised when the funding is provided to customers.

	Reportable segment(s) where revenue is included	31 March 2023 US$'m	2022 US$'m
From continuing operations			
Online sale of goods revenue	Etail and Classifieds	**2 695**	2 826
Classifieds listings revenue	Classifieds	**436**	426
Payment transaction commissions and fees[1]	Various	**987**	703
Mobile and other content revenue	Other ecommerce	**51**	71
Food-delivery revenue	Food Delivery	**1 366**	986
Advertising revenue	Classifieds	**32**	35
Educational technology revenue	Edtech	**134**	83
Other revenue	Various	**64**	90
		5 765	5 220

1 This revenue is generated primarily from the Payments and Fintech segment and includes interest income revenue relating to the group's credit business across various segments.

Revenue in the table above relates to revenue from contracts with customers, except for interest income revenue of US$91m (2022: US$14m) relating to the group's credit business in various segments.

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 consolidated 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 2023 was US$65m (2022: US$46m). Refer to note 40 for the group's credit risk management policy. Impairment allowances recorded on accrued income balances were not material.

Deferred income (refer to notes 31 and 39)

The total deferred income balance as at 31 March 2023 was US$118m (2022: US$159m) which consists of a current liability portion of US$109m (2022: US$143m) and a non-current liability portion of US$9m (2022: US$16m). Revenue recognised in the current year that was included in the deferred income balance at the beginning of the year (as at 1 April 2022) was US$115m (2022: US$62m).

Unsatisfied long-term contracts

There were no significant changes in accrued income or deferred revenue balances during any of the periods presented.

The group has no unsatisfied long-term contracts as at 31 March 2023 (2022: 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 consolidated income statement.

14. Expenses by nature continued

	31 March 2023 US$'m	2022 US$'m
Operating loss includes the following items:		
Platform cost of sales, website hosting and warehousing costs	**2 511**	2 526
Payment facilitation transaction costs	**693**	588
Delivery services costs	**738**	611
Depreciation[1]	**102**	88
Amortisation[2]	**88**	80
Short-term lease payments	**4**	2
Auditor's remuneration – PwC in the Netherlands[3]		
Audit fees of the financial statements	**4**	4
Other audit services	**1**	1
Auditor's remuneration – PwC network outside the Netherlands		
Audit fees of the financial statements	**6**	5
Audit fees – other audit services	**1**	1
Total audit fees	**12**	11
Staff costs[4]		
The total cost of employment of all employees, including executive directors, was as follows:		
Salaries, wages and bonuses	**1 125**	907
Social security taxes	**129**	107
Retirement benefit costs	**36**	17
Medical aid fund contributions	**8**	4
Cash-settled share-based compensation expenses	**(183)**	132
Equity-settled share-based compensation expenses	**118**	110
	1 233	1 277
Training costs	**9**	10
Retention option expense	**20**	30
Total staff costs	**1 262**	1 317
Advertising expenses	**267**	318
General administration cost	**491**	416
Net impairment on financial assets measured at amortised cost	**37**	12
Other costs of providing services and sale of goods, purchases and expenses	**151**	32
Total	**6 356**	6 001

1 Includes depreciation charge of US$1m in cost of providing services and sale of goods (2022: US$1m).
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.
4 Staff costs in the current year include redundancy costs paid as a result of the restructuring of the group.

15. Other (losses)/gains – net

	31 March 2023 US$'m	2022 US$'m
Loss on sale of assets	**(4)**	–
Impairment losses	**(751)**	(246)
Impairment of goodwill, PPE and other intangible assets	**(718)**	(246)
Impairment of other assets	**(33)**	–
Dividends received on investments	**–**	45
Income on business support services	**8**	34
Other	**–**	(2)
Total other (losses)/gains – net	**(747)**	(169)

Refer to note 7, 32 and 33 for further information on the above impairments.

16. Finance income/(costs)

	31 March 2023 US$'m	2022 US$'m
Interest income		
Loans and bank accounts[1]	**444**	34
Other	**32**	18
	476	52
Interest expense		
Loans and overdrafts	**(512)**	(384)
Capitalised lease liabilities	**(7)**	(5)
Other	**(36)**	(9)
	(555)	(398)
Other finances income/(costs) – net		
Net profit/(loss) from foreign exchange translation and fair value adjustments on financial instruments	**18**	(92)
Gains/(losses) on translation of assets and liabilities	**100**	133
(Losses)/gains on derivative and other financial instruments[2]	**(82)**	(225)
Total finance (costs)/income – net	**(61)**	(438)

1 The increase in the current year relates primarily to increased cash and short-term investments.
2 Prior period included a cost of US$217m related to the early settlement of portions of the 2025 and 2027 bonds.

17. Net gains/(losses) on acquisitions and disposals

	31 March 2023 US$'m	2022 US$'m
Gains on disposal of investments – net	**30**	34
Gains/(losses) recognised on loss of significant influence[1]	**30**	(1 112)
Gains on loss of control	**23**	–
Remeasurement of contingent consideration	**1**	(6)
Transaction-related costs	**(31)**	(42)
Other	**2**	(1)
	55	(1 127)

1 In the prior year, 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$1.1bn as a result of the loss of significant influence.

18. Cash from operations

	31 March 2023 US$'m	31 March 2022 US$'m
Profit before tax per income statement	9 519	18 595
Adjustments:		
Non-cash and other	(9 832)	(18 951)
Loss on sale of assets	4	–
Depreciation and amortisation	190	168
Retention option expense	20	30
Share-based compensation expenses	(65)	242
Net finance cost	61	438
Share of equity-accounted results	(5 174)	(9 257)
Impairment of equity-accounted investments	1 742	581
Gains on acquisitions and disposals	(31)	(28)
Dilution losses/(gains) on equity-accounted investments	252	(95)
Gains on partial disposal of equity-accounted investments	(7 622)	(12 339)
(Gains)/losses recognised on loss of significant influence transactions	(30)	1 112
Gains recognised on loss of control transactions	(23)	–
Income on business support services	(8)	(34)
Dividends received on investments	–	(45)
Net realisable value adjustments on inventory, net of reversals	14	6
Impairment of assets	751	246
Dividend income	(61)	–
Reversal of provision	148	33
Other	–	(9)
Operating cash flows of discontinued operations, net of adjustments for non-cash and other items	145	206
	(168)	(150)
Working capital	(181)	(494)
Cash movement in trade and other receivables	(53)	(208)
Cash movement in payables, accruals and cash-settled share-based payment liabilities	(210)	(96)
Cash movement in inventories	82	(190)
Total cash utilised in operations	**(349)**	**(644)**

19. Taxation

Accounting policy

Tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in the consolidated statement of other comprehensive income or directly in equity. In such cases, the related tax is also recognised in the consolidated statement of 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 2023 is 25.8% (2022: 25.8%). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated 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.

	31 March 2023 US$'m	31 March 2022 US$'m
Current taxation	67	100
current year	67	97
prior year	–	3
Deferred taxation	(28)	(46)
current year	(28)	(46)
Total taxation expense per income statement	39	54
Reconciliation of taxation		
Taxation at statutory rates[1]	2 449	4 654
Adjusted for:		
non-deductible expenses[2]	728	577
non-taxable income[3]	(2 028)	(3 144)
temporary differences not provided for[4]	238	271
adjustments related to prior-year taxes	–	(5)
other taxes	8	13
tax attributable to equity-accounted earnings	(1 336)	(2 315)
tax adjustment for foreign taxation rates	(20)	3
Taxation provided in income statement	39	54

1 The reconciliation of taxation has been performed using the statutory tax rate of Prosus of 25.8% (2022: 25.8%). The impact of different tax rates applied to profits earned in other jurisdictions is disclosed above as 'tax adjustment for foreign taxation rates'.
2 Non-deductible expenses relate primarily to impairment losses and dilutions of equity-accounted investments.
3 Non-taxable income relates primarily to the gains on disposals of subsidiaries and associates and the remeasurement share-based payment liability.
4 Temporary differences for losses not provided for relate primarily to loss-making entities that did not recognise deferred tax assets.

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20. Deferred taxation

Accounting policy

Deferred tax assets and liabilities have been calculated using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date, being the rates, the group expects to apply to the periods in which the assets are realised or the liabilities are settled.

Deferred taxation is provided on the taxable or deductible temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction, other than a business combination, that, at the time of the transaction, affects neither the accounting nor the taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences and unused tax losses can be utilised.

Deferred tax liabilities are provided for temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

The deferred tax assets and liabilities and movements thereon were attributable to the following items:

	1 April 2022 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$'m	Transferred to held for sale US$'m	31 March 2023 US$'m
Deferred taxation assets							
Provisions and other current liabilities	12	8	–	–	–	(5)	15
Capitalised lease liabilities	1	(3)	–	–	1	(1)	(2)
Tax losses carried forward	3	5	–	–	–	(1)	7
Other	14	(8)	–	–	(5)	(1)	–
Total deferred tax assets	30	2	–	–	(4)	(8)	20
Offsetting of deferred tax liabilities	(4)						(4)
Net deferred tax assets	26						16
Deferred taxation liabilities							
Intangible assets	212	(32)	–	–	25	(113)	92
Other	–	(2)	–	–	(3)	–	(5)
Total deferred tax liabilities	212	(34)	–	–	22	(113)	87
Offsetting of deferred tax assets	(4)		–	–			(4)
Net deferred tax liabilities	208						83
Net deferred taxation	(182)	36	–	–	(26)	105	(67)

	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)

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 consolidated income statement and consolidated statement of financial position.

The group has tax losses carried forward of approximately US$5.5bn (2022: US$3.3bn) and unrecognised deferred tax assets on interest carried forward of US$169m. A summary of the tax losses carried forward at 31 March 2023 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	7	133	–	–	–	140
Expires in year two	20	28	–	–	–	48
Expires in year three	17	2	–	–	–	19
Expires in year four	6	14	–	–	–	20
Expires in year five	3	14	2	–	–	19
Expires after year five	105	43	417	–	220	785
Non-expiring	23	4 291	11	18	157	4 500
	181	4 525	430	18	377	5 531

Net deferred taxation assets amount to US$16m (2022: US$26m), of which US$10m (2022: US$16m) are expected to be utilised within the next 12 months and US$6m (2022: US$9m) after 12 months. Net deferred taxation liabilities amount to US$83m (2022: US$208m), of which US$4m (2022: US$28m) are expected to be settled within the next 12 months and US$79m (2022: US$180m) 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 policy

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 that make strategic decisions. The group proportionately consolidates its share of the results of its associates and joint ventures in the various reportable segments. This is considered to provide additional information on the economic value of these investments.

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision-maker 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 is the same CODM for the Prosus group.

The group proportionately consolidates its share of the results of its associated companies and joint ventures in its reportable segments. This is considered to provide additional information on the economic reality of these investments and corresponds to the manner in which the CODM assesses segmental performance.

The group has identified its reportable segments based on its business by service or product. The operating segments are grouped into the following categories: Ecommerce, Social and internet platforms and Corporate. Below are the 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, 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 the 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.

Corporate – this segment comprises entities providing various corporate functions and activities. These services include but are not limited to executive oversight, information management, legal, treasury, control and accounting, human resources, taxes and investor relations.

Sales between the above segments are eliminated in the 'Inter-segmental' column. The revenue from external parties and all other items of income, expenses, profits and losses reported in the segment report is measured in a manner consistent with that in the consolidated 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).

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 2023			31 March 2022		
	External US$'m	Inter-segmental US$'m	Total US$'m	External US$'m	Inter-segmental US$'m	Total US$'m
Continuing operations						
Ecommerce	9 944	–	9 944	8 174	–	8 174
– Classifieds[1, 2]	1 575	–	1 575	1 324	–	1 324
– Food Delivery	4 203	–	4 203	2 992		2 992
– Payments and Fintech	1 034	18	1 052	784	12	796
– Edtech	545	–	545	425	–	425
– Etail	1 953	–	1 953	2 259	–	2 259
– Other	634	(18)	616	390	(12)	378
Social and internet platforms	22 269	–	22 269	25 794	–	25 794
– Tencent	22 269	–	22 269	25 261	–	25 261
– VK[3]	–	–	–	533	–	533
Corporate segment	–	–	–	–	–	–
Total economic interest from continuing operations	32 213	–	32 213	33 968	–	33 968
Less: Equity-accounted investments	(26 448)	–	(26 448)	(28 748)	–	(28 748)
Total consolidated from continuing operations	5 765	–	5 765	5 220	–	5 220
Total from discontinued operations[1, 2]	1 626	–	1 626	1 646	–	1 646
Total consolidated	7 391	–	7 391	6 866	–	6 866

1 From 1 April 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation up until the date of disposal. The comparative financial results of Avito, previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations. Refer to note 5.
2 From 1 March 2023, following the group's decision to exit the OLX Autos business unit, its operations classified as held for sale and those that have been closed by 31 March 2023 were presented as a discontinued operation. The OLX Autos business unit is a separate major line of business both in terms of the distinct nature of the business and its contribution to the operational performance of the group. The comparative financial results of these operations previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations. Refer to note 5.
3 During the year ended 31 March 2022, the group lost significant influence in VK Company Limited (VK). In November 2022, the group signed an agreement with VK to renounce all VK shares and shareholder rights for no consideration.

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Operational performance continued

21. Segment information continued

	Year ended 31 March 2023						
	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
Continuing operations							
Ecommerce	9 944	(11 213)	(1 269)	(200)	(26)	(14)	(1 509)
– Classifieds[4, 5]	1 575	(1 688)	(113)	(31)	(7)	(5)	(156)
– Food Delivery	4 203	(4 748)	(545)	(88)	(7)	(9)	(649)
– Payments and Fintech	1 052	(1 160)	(108)	(6)	(2)	–	(116)
– Edtech	545	(784)	(239)	(15)	(5)	1	(258)
– Etail	1 953	(1 963)	(10)	(46)	(5)	(2)	(63)
– Other	616	(870)	(254)	(14)	–	1	(267)
Social and internet platforms	22 269	(15 974)	6 295	(1 145)	(22)	(43)	5 085
– Tencent	22 269	(15 974)	6 295	(1 145)	(22)	(43)	5 085
Corporate segment	–	(166)	(166)	(6)	–	(1)	(173)
Total economic interest from continuing operations	32 213	(27 353)	4 860	(1 351)	(48)	(58)	3 403
Less: Equity-accounted investments	(26 448)	20 920	(5 528)	1 249	35	51	(4 193)
Total consolidated from continuing operations	5 765	(6 433)	(668)	(102)	(13)	(7)	(790)
Total from discontinued operations[4, 5]	1 626	(1 580)	46	(15)	(5)	–	26
Total consolidated	7 391	(8 013)	(622)	(117)	(18)	(7)	(764)

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 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 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation up until the date of disposal. The comparative financial results of Avito, previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations.
5 From 1 March 2023, following the group's decision to exit the OLX Autos business unit, its operations classified as held for sale and those that have been closed by 31 March 2023 were presented as a discontinued operation. The OLX Autos business unit is a separate major line of business both in terms of the distinct nature of the business and its contribution to the operational performance of the group. The comparative financial results of these operations previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations.

	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
Continuing operations							
Ecommerce	8 174	(9 196)	(1 022)	(165)	(13)	(6)	(1 206)
– Classifieds[4, 5]	1 324	(1 361)	(37)	(27)	(3)	(3)	(70)
– Food Delivery	2 992	(3 643)	(651)	(67)	(5)	(1)	(724)
– Payments and Fintech	796	(848)	(52)	(6)	(1)	(1)	(60)
– Edtech	425	(525)	(100)	(16)	(1)	–	(117)
– Etail	2 259	(2 247)	12	(43)	(3)	(1)	(35)
– Other	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[6]	533	(412)	121	(44)	(26)	(5)	46
Corporate segment	–	(160)	(160)	(6)	–	(1)	(167)
Total economic interest from continuing operations	33 968	(27 527)	6 441	(1 396)	(55)	(44)	4 946
Less: Equity-accounted investments	(28 748)	21 763	(6 985)	1 308	48	39	(5 590)
Total consolidated from continuing operations	5 220	(5 764)	(544)	(88)	(7)	(5)	(644)
Total from discontinued operations[4, 5]	1 646	(1 513)	133	(28)	(4)	(4)	97
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 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation up until the date of disposal. The comparative financial results of Avito, previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations.
5 From 1 March 2023, following the group's decision to exit the OLX Autos business unit, its operations classified as held for sale and those that have been closed by 31 March 2023 were presented as a discontinued operation. The OLX Autos business unit is a separate major line of business both in terms of the distinct nature of the business and its contribution to the operational performance of the group. The comparative financial results of these operations previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations.
6 During the year ended 31 March 2022, the group lost significant influence in VK In November 2022, the group signed an agreement with VK to renounce all VK shares and shareholder rights for no consideration.

Operational performance continued

21. Segment information continued

Additional disclosure

	Year ended 31 March 2023			Year ended 31 March 2022		
	Reversal of impairment/ (impairment) of assets US$'m	Share of equity-accounted results US$'m	Average number of employees[1]	Reversal of impairment/ (impairment) of assets US$'m	Share of equity-accounted results US$'m	Average number of employees[1]
Continuing operations						
Ecommerce	(1 050)	(1 818)	23 074	143	(522)	18 673
– Classifieds[2, 3]	(246)	(182)	4 869	–	(69)	2 953
– Food Delivery	(185)	(1 173)	5 596	390	(148)	4 560
– Payments and Fintech	(3)	(30)	3 512	–	(23)	2 120
– Edtech	(575)	(202)	772	(246)	(155)	509
– Etail	(2)	(2)	7 579	(1)	–	7 402
– Other	(39)	(229)	746	–	(127)	1 129
Social and internet platforms	(1 493)	6 994		(1 459)	9 779	
– Tencent	(1 493)	6 994		(1 453)	9 863	
– VK[4]	–	–		(6)	(84)	
Corporate segment	–	–	178	–	–	183
Total reportable segments from continuing operations	(2 543)	5 176	23 252	(1 316)	9 257	18 856
Less: Equity-accounted investments[5]	1 792	–	–	1 070	–	
Total from continuing operations	(751)	5 176	23 252	(246)	9 257	18 856
Total from discontinued operations[2, 3]	(19)			–	–	–
Total	(770)	5 176	23 252	(246)	9 257	18 856

1 Includes 387 (2022: 326) employees working in The Netherlands. As at 31 March 2023, the group employed 22 634 (2022: 23 437) permanent employees in its subsidiaries.

2 From 1 April 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation up until the date of disposal. The comparative financial results of Avito, previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations.

3 From 1 March 2023, following the group's decision to exit the OLX Autos business unit, its operations classified as held for sale and those that have been closed by 31 March 2023 were presented as a discontinued operation. The OLX Autos business unit is a separate major line of business both in terms of the distinct nature of the business and its contribution to the operational performance of the group. The comparative financial results of these operations previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations.

4 During the year ended 31 March 2022, the group lost significant influence in VK. In November 2022, the group signed an agreement with VK to renounce all VK shares and shareholder rights for no consideration.

5 All associates and joint ventures' results are accounted for using the equity method.

Trading profit/(loss) as presented in the segment disclosure is the CODM and management's key 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	
	2023 US$'m	2022 US$'m
Consolidated adjusted EBITDA from continuing operations[1]	(668)	(544)
Depreciation	(102)	(88)
Amortisation of software	(13)	(7)
Interest on capitalised lease liabilities	(7)	(5)
Consolidated trading loss from continuing operations[2]	(790)	(644)
Interest on capitalised lease liabilities	7	5
Amortisation of other intangible assets	(75)	(73)
Other (losses)/gains – net	(747)	(169)
Other	6	8
Retention option expense	(20)	(30)
Remeasurement of cash-settled share-based incentive expenses	291	(18)
Share-based incentives for share options settled in Naspers Limited shares[3]	(9)	(29)
Consolidated operating loss from continuing operations per the income statement	(1 337)	(950)
Interest income	476	52
Interest expense	(555)	(398)
Dividend Income	61	–
Other finance (costs)/income – net	18	(92)
Share of equity-accounted results	5 174	9 257
Impairment of equity-accounted investments	(1 742)	(581)
Dilution gains on equity-accounted investments	(252)	95
Gains on partial disposal of equity-accounted investments	7 622	12 339
Net gains on acquisitions and disposals	54	(1 127)
Profit before taxation from continuing operations per the income statement	9 519	18 595

1 Adjusted EBITDA is a non-IFRS measure that represents operating profit/loss, as adjusted, to exclude: depreciation; amortisation; retention option expenses linked to business combinations; other losses/gains – net, which includes dividends received from investments, profits and losses on sale of assets, fair value adjustments of financial instruments, impairment losses, cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and subsequent fair value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the group has a cash cost on settlement with participants). It is considered a useful measure to analyse operational profitability.

2 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.

21. Segment information continued

Geographical information

Revenue from continuing operations 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. 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 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.

Geographical area	31 March 2023 External consolidated revenue US$'m	31 March 2023 External proportionately consolidated revenue US$'m	31 March 2022 External consolidated revenue US$'m	31 March 2022 External proportionately consolidated revenue US$'m
From continuing operations				
Asia	**528**	**23 753**	358	26 288
Europe	**2 833**	**5 385**	2 956	5 288
Central Europe	**641**	**641**	736	736
Eastern Europe	**2 130**	**2 154**	2 121	2 663
Western Europe	**62**	**2 590**	99	1 889
Latin America	**2 252**	**2 354**	1 776	1 859
North America	**87**	**624**	65	467
Other	**65**	**97**	65	66
Total revenue from continuing operations	**5 765**	**32 213**	5 220	33 968

22. Earnings per share and equity

Accounting policy

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the group by the weighted average ordinary shares outstanding during the financial year, excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The group discloses headline earnings per share as determined in accordance with Circular 1/2021, pursuant to the JSE Listings Requirements. Headline earnings represent 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 are determined by dividing the headline earnings described above by the weighted average ordinary shares outstanding during the financial year, excluding treasury shares. Diluted headline earnings per share are determined by dividing the 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.

The group presents treasury shares separately in the consolidated statement of changes in equity as well as on the face of the consolidated statement of financial position.

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.

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.

Based on the substance of the transaction, the portion of the effective interest in Naspers that relates to Prosus' underlying investments is accounted for as a shareholder distribution. This is recognised in equity in the 'Existing control business combination reserve'. This portion of the transaction is therefore treated as a transaction with shareholders in contemplation of a capital restructure. Only Prosus' residual interest in the Naspers group is recognised as an investment at fair value through other comprehensive income on the consolidated statement of financial position.

22. Earnings per share and equity continued

Calculation of headline earnings

	31 March 2023 Gross US$'m	Taxation US$'m	Non-controlling interests US$'m	Net US$'m
Earnings from continuing operations				
Basic earnings attributable to shareholders				9 575
Impact of dilutive instruments of subsidiaries, associates and joint ventures				(116)
Diluted earnings attributable to shareholders				9 459
Headline adjustments for continuing operations				
Adjustments for:	(8 843)	–	(104)	(8 947)
Impairment of other assets	33	–	–	33
Impairment of goodwill, PPE and other intangible assets	718	–	(1)	717
Gains recognised on loss of control	(23)	–	–	(23)
Loss on sale of assets	4	–	–	4
Gains recognised on loss of significant influence	(30)	–	1	(29)
Net gains on acquisitions and disposals of investments	(30)	–	–	(30)
Gains on partial disposal of equity-accounted investments	(7 622)	–	–	(7 622)
Dilution losses on equity-accounted investments	252	–	–	252
Remeasurements included in equity-accounted earnings[1]	(3 887)	–	(64)	(3 951)
Impairment of equity-accounted investments	1 742	–	(40)	1 702
Basic headline earnings from continuing operations[2]				628
Diluted headline earnings from continuing operations				512

1 Remeasurements included in equity-accounted earnings include US$5.9bn (2022: US$6.3bn) relating to gains arising on acquisitions and disposals by associates and US$1.9bn (2022: US$1.1bn) relating to net impairments of assets recognised by associates.
2 Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined separately identifiable remeasurements. The headline earnings measure is pursuant to the JSE Listings Requirements.

	31 March 2022 Gross US$'m	Taxation US$'m	Non-controlling interests US$'m	Net US$'m
Earnings from continuing operations				
Basic earnings attributable to shareholders				18 681
Impact of dilutive instruments of subsidiaries, associates and joint ventures				(170)
Diluted earnings attributable to shareholders				18 511
Headline adjustments for continuing operations				
Adjustments for:	(15 660)	–	–	(15 660)
Impairment of goodwill and other intangible assets	246	–	–	246
Losses recognised on loss of significant influence	1 112	–	–	1 112
Net gains on acquisitions and disposals of investments	(34)	–	–	(34)
Gains on partial disposal of equity-accounted investments	(12 339)	–	–	(12 339)
Dilution gains on equity-accounted investments	(95)	–	–	(95)
Remeasurements included in equity-accounted earnings	(5 131)	–	–	(5 131)
Impairment of equity-accounted investments	581	–	–	581
Basic headline earnings from continuing operations[1]				3 021
Diluted headline earnings from continuing operations				2 851

1 Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined separately identifiable remeasurements. The headline earnings measure is pursuant to the JSE Listings Requirements.

	31 March 2023 US$'m	2022 US$'m
Earnings from discontinued operations		
Basic earnings attributable to shareholders	537	52
Diluted earnings attributable to shareholders	537	52
Headline adjustments for discontinued operations[1]		
Adjustments for:	(543)	3
Loss on sale of property, plant and equipment and other intangible assets	6	–
Impairment of goodwill, intangible assets and other assets	19	–
Net (gains)/loss on acquisitions and disposals of investments	(568)	3
	(6)	55
Total tax effects of adjustments	–	–
Total adjustment for non-controlling interest	6	–
Basic headline earnings from discontinued operations	–	55
Diluted headline earnings from discontinued operations	–	55

1 Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined, separately identifiable remeasurements. The headline earnings measure is pursuant to the JSE Listings Requirements.

22. Earnings per share and equity continued

Calculation of headline earnings continued

The earnings per share information 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 voluntary share exchange. The cross-holding agreement deals with how distributions by Prosus will be attributed to its ordinary shareholders N.

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 52.5% (2022: 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 and not recognised as treasury shares. Refer to note 5 for the impact of the share repurchase programme.

The ordinary shareholders A and B are entitled to one voting right per share. The ordinary shareholders A are entitled to one fifth of the economic rights attributable to the Prosus free-float shareholders. The ordinary shareholders B are entitled to one millionth of the economic rights of the Prosus ordinary shares N.

	31 March	
	Number of participating ordinary shares N	
Issued shares	**2023**	2022
Net number of shares in issue at year-end (net of treasury shares)[1]	**1 851 020 628**	2 003 817 745
Cross-holding ordinary shares N	**(596 444 361)**	(584 373 494)
Net number of shares at year-end	**1 254 576 267**	1 419 444 251
Weighted average number of ordinary shares		
Issued net of treasury shares at the beginning of the year	**1 419 444 251**	1 612 777 577
Weighting of share repurchase	**(54 343 317)**	(21 496 865)
Weighting of cross-holding ordinary shares N	**(7 733 518)**	(365 033 306)
Weighting of ordinary shares N issued to Naspers shareholders		280 465 945
Weighted average number of shares in issue during the year[2]	**1 357 367 416**	1 506 713 351
Adjusted for effect of future share-based payment transactions	**–**	–
Diluted weighted average number of shares in issue during the year	**1 357 367 416**	1 506 713 351
Per share information from continuing operations for the year (US cents)[3]		
Earnings per ordinary share N	**705**	1 240
Diluted earnings per ordinary share N	**697**	1 229
Headline earnings per ordinary share N	**46**	201
Diluted headline earnings per ordinary share N	**38**	189
Dividend paid per ordinary share N (euro cents)	**14**	14
Proposed dividend per ordinary share N (euro cents)	**14**	14

1 Includes 448 991 535 ordinary shares N issued to Naspers shareholders in the prior period due to share exchange. The Prosus free-float shareholders hold 714 127 311 ordinary shares N (2022: 823 567 733) with the remaining 1 136 893 317 ordinary shares N (2022: 1 180 250 012) held by Naspers.

2 The number of shares in issue is weighted for the period that the shares were not recognised as treasury shares as a result of the share repurchase programme. Refer to note 5.

3 Total earnings per share for ordinary shareholders A amount to 62 US cents (2022: 108 US cents) and ordinary shareholders B amount to nil US cents. Earnings per share for ordinary shareholders A from continuing operations amount to 59 US cents (2022: 108 US cents) and ordinary shareholders B amount to nil US cents for all periods.

23. Share capital and premium

	31 March	
	2023 US$'m	2022 US$'m
Authorised		
5 000 000 000 ordinary shares N of €0.05 each (2022: €0.05)		
10 000 000 ordinary shares A1 of €0.05 each (2022: €0.05)		
10 000 ordinary shares A2 of €50.0 each (2022: €50.0)		
3 000 000 000 ordinary shares B of €0.05 each (2021: €0.05)		
Issued		
2 003 817 745 ordinary shares N (2022: 2 073 643 605)	**114**	114
4 456 650 ordinary shares A1 (2022: 4 456 650)	**1**	1
1 128 507 756 ordinary shares B (2022: 1 128 507 756)	**62**	62
	177	177
Share premium	**39 009**	39 013
	39 186	39 190
Treasury shares	**(10 043)**	(6 411)
	29 143	32 779

Equity compensation plans administered by Naspers group share trusts hold 5 975 966 (2022: 4 543 614) of the ordinary shares N issued.

On 27 June 2022, the group announced the beginning of an open-ended repurchase programme of Prosus ordinary shares N and Naspers N ordinary shares. The accounting for the share repurchase programme takes into consideration the cross-holding agreement between Prosus and Naspers and is implemented in accordance with the applicable laws and regulations as well as the authority granted by shareholders.

Voluntary share exchange transaction

In August 2021, Prosus completed a voluntary share exchange transaction with Naspers shareholders. This offered Naspers shareholders the opportunity to tender their existing Naspers N ordinary shares for newly issued Prosus ordinary shares N.

Since the completion of the voluntary share exchange transaction, Prosus' interest in Naspers is accounted for based on the substance of the transaction, taking into consideration the cross-holding agreement between Prosus and Naspers that became effective simultaneously with the closing of the transaction.

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).

Based on the substance of this cross-holding agreement, the portion of Prosus' interest in Naspers attributable to the residual interest in the Naspers group is recognised as a financial asset at fair value through other comprehensive income (FVOCI). The portion of the interest in Naspers that relates to Prosus' underlying investments is accounted for as a shareholder distribution. This is recognised in equity in the 'Business combination reserve'. This portion of the transaction is therefore treated as a transaction with shareholders in contemplation of a capital restructure.

As at 31 March 2023, Prosus now holds a 52.5% (2022: 49.5%) fully diluted interest representing a 52.7% (2022: 49.9%) economic interest in Naspers.

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23. Share capital and premium continued

Share repurchase programme

Purchase of Naspers N ordinary shares

As part of the repurchase programme, during the current year, Prosus purchased 4 152 285 Naspers N ordinary shares for a total consideration of US$626m.

The Naspers N ordinary shares acquired by the group are subject to the cross-holding agreement. The consideration paid for Naspers N ordinary shares representing the increase in Prosus residual interest in Naspers was recognised as a FVOCI investment with the remaining portion representing the value of Prosus' underlying investments being recognised in equity.

The group recognised US$10m of the consideration as a FVOCI investment and the remaining US$616m in 'Existing control business combination reserve' in equity.

Repurchase of Prosus ordinary shares N

As part of the repurchase programme, Prosus repurchased 152 797 117 Prosus ordinary shares N for a total consideration of US$10.0bn, of which US$9.9bn was paid in cash.

In the prior year, Prosus repurchased 57 951 367 Prosus ordinary shares N for a total consideration of US$5.0bn 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 Prosus ordinary shares N acquired by the group are classified as treasury shares. These are recognised in 'Treasury shares' on the consolidated statement of financial position. The treasury shares were recognised at a cost of US$10.0bn. The group intends to cancel the Prosus shares repurchased in due course once the relevant approvals have been obtained, so as to reduce its issued share capital.

Treasury shares

The group holds a total of 152 797 117 ordinary shares N (2022: 69 825 860), or 7.63% (2022: 3.37%), of the gross number of ordinary shares N in issue at 31 March 2023 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.

During the current year, the group cancelled 69 825 860 ordinary shares N.

Voting and dividend rights

The company's issued share capital at 31 March 2023 consists of 4 456 650 (2022: 4 456 650) ordinary shares A1, 1 128 507 756 ordinary shares B (2022: 1 128 507 756) and 2 003 817 745 (2022: 2 073 643 605) 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 ordinary shares A1 and 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 Prosus' 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 and B 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 arise from the accounting treatment of the restructuring that occurred upon formation of the Prosus group.

Unissued share capital

The directors of the company have authority, until the next annual general meeting, to allot and issue the unissued 2 996 182 255 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.

	2023 Number of shares N	2022 Number of shares N
Movement in ordinary shares N in issue during the year		
Ordinary shares N in issue at 1 April	**2 073 643 605**	1 624 652 070
Ordinary shares cancelled	**(69 825 860)**	–
Ordinary shares N issued as part of the share exchange	**–**	448 991 535
Shares in issue at 31 March	**2 003 817 745**	2 073 643 605
Movement in ordinary shares held as treasury shares during the year		
Shares held as treasury shares at 1 April	**69 825 860**	11 874 493
Ordinary shares cancelled	**(69 825 860)**	–
Shares acquired under the share repurchase programme	**152 797 117**	57 951 367
Shares held as treasury shares at 31 March	**152 797 117**	69 825 860
Net number of ordinary shares in issue at 31 March	**1 851 020 628**	2 003 817 745

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$565m (2022: US$571m) in cash dividends from Tencent during the 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.

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23. Share capital and premium continued

Capital management continued

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 2023:

Currency of year-end balance	Listing date[1]	Year of final repayment	Fixed interest rate	Interest payments	31 March 2023 US$'m	2022 US$'m
US$	Jul 2015	2025	5.50%	Semi-annual	**225**	225
US$	Jul 2017	2027	4.85%	Semi-annual	**614**	614
US$	Jan 2020	2030	3.68%	Semi-annual	**1 250**	1 250
EUR	Aug 2020	2028	1.54%	Annual	**921**	942
EUR	Aug 2020	2032	2.03%	Annual	**813**	829
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**	1 850
EUR	Jul 2021	2033	1.99%	Annual	**921**	940
EUR	Jul 2021	2029	1.29%	Annual	**1 084**	1 108
US$	Jan 2022	2052	4.99%	Semi-annual	**1 250**	1 250
US$	Jan 2022	2032	4.19%	Semi-annual	**1 000**	1 000
US$	Jan 2022	2027	3.26%	Semi-annual	**1 000**	1 000
EUR	Jan 2022	2034	2.78%	Annual	**705**	719
EUR	Jan 2022	2030	2.09%	Annual	**650**	664
EUR	Jan 2022	2026	1.21%	Annual	**543**	553
					15 326	15 444

1 The publicly traded bonds are listed on the Irish Stock Exchange (Euronext Dublin).

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 US$5.3bn equivalent under its Global Medium-term Note Programme. These issuances consist of US$1.3bn 4.987% notes due 2052, US$1.0bn 4.193% note due 2032, US$1.0bn 3.257% note 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 US$4.0bn equivalent under its Global Medium-term Note Programme. These issuances consist of US$1.85bn 3.061% notes due 2031, €1.0bn 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 consolidated income statement and as part of 'Repayments of long- and short-term loans' in the consolidated cash flow statement.

Undrawn revolving credit facility

The group has an undrawn revolving credit facility (RCF) of US$2.5bn of which US$2.4bn matures in March 2028 and US$95m matures in March 2027 with the option of an extension of one year. 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% (currently 0.80%) before commitment and utilisation fees.

The borrower under the undrawn RCF of US$2.5bn (2022: undrawn balance of US$2.5bn) (refer to the group's unutilised banking facilities disclosed in note 40) is Prosus N.V. The borrower is obligated to pay a commitment fee equal to 35% of the applicable margin under the RCF. The undrawn balance of the RCF is available to fund future investments and development expenditure by the group.

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 2023, the group had total interest-bearing debt (including capitalised lease liabilities) of US$16.1bn (2022: US$16.1bn) and a cash balance including short-term cash investments of US$16.2bn (2022: US$13.6bn). The net interest-bearing debt-to-equity ratio was 0% at 31 March 2023 (31 March 2022: positive 5%) 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$15.9bn (2022: US$15.8bn) and the adjusted net interest-bearing debt-to-equity ratio was negative 1% at 31 March 2023 (2022: 4%). 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.

24. Other reserves

	31 March 2023 US$'m	2022 US$'m
Other reserves in the statement of financial position comprise:		
Foreign currency translation reserve	**(1 990)**	(358)
Valuation reserve	**(1 929)**	65
Existing control business combination reserve (BCR)	**(45 681)**	(43 487)
Share-based compensation reserve	**3 844**	3 223
	(45 756)	(40 557)

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.

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24. Other reserves continued

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 consolidated income statement, with a corresponding adjustment to this reserve in equity. Upon settlement of share based compensation benefits, the reserve is reclassified to retained earnings.

A significant proportion of the group's foreign currency translation, valuation and share-based compensation reserves relates to the group's interests in its equity-accounted investments, particularly Tencent.

Existing control business combination reserve

The existing control business combination reserve is used to account for transactions with non-controlling shareholders, written put option liabilities and the capital restructure related to the voluntary share exchange transaction. For transactions with non-controlling shareholders, 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. As part of the voluntary exchange transaction, Prosus obtained an interest in Naspers. Based on the substance of the transaction, the portion of the interest in Naspers that relates to Prosus' underlying investments is accounted for as a shareholder distribution. This portion is recognised in this reserve. It represents a transaction with shareholders in contemplation of a capital restructure.

Below is a summary of the group's significant transactions with non-controlling shareholders during the year:

	31 March 2023			31 March 2022		
	Shareholding acquired/ (disposed) %	Purchase price US$'m	BCR US$'m	Shareholding acquired/ (disposed) %	Purchase price US$'m	BCR US$'m
iFood.com (iFood)[1]	33.33%	1 626	(1 562)	–	–	–
Red Dot Payment Pte Ltd	22.45%	17	(17)	–	–	–
Carsmile S.A	34.40%	14	(14)	–	–	–
Dante International Kft (eMAG)	0.51%	9	(9)	–	–	–
Movile Mobile Commerce Holdings S.L.	–	–	–	0.68%	43	(4)
Frontier Car Group Inc.	–	–	–	9.30%	61	(59)
Zoop S.A.	–	–	–	20.12%	24	(32)
		1 666	(1 602)		128	(95)

1 Purchase price for this transaction includes the fair value of the contingent consideration on the date of the transaction. Refer to note 5.

25. Retained earnings

The board recommends that, in total, shareholders receive a distribution (in the form of a capital repayment for holders of ordinary shares N and a dividend for holders of ordinary shares B and ordinary shares A1) of approximately €175m, which currently represents an increase of approximately 7% for free-float shareholders. Holders of ordinary shares B and ordinary shares A1 will receive an amount per share equal to their economic entitlement as set out in the articles of association. Furthermore, the board recommends that those holders of ordinary shares N as at 3 November 2023 (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 the annual general meeting on 23 August 2023, elections to receive a dividend instead of a capital repayment will need to be made by holders of ordinary shares N by 20 November 2023. More information regarding the distribution will be published in the notice of annual general meeting.

Capital repayments and dividends will be payable to shareholders recorded in our books on the dividend record date and paid on 28 November 2023. Capital repayments will be paid from qualifying share capital for Dutch tax purposes. No dividend withholding tax will be withheld on the amounts of capital reductions paid to shareholders. However, if holders of ordinary shares N rather elect to receive a dividend from retained earnings, dividends will be subject to the Dutch dividend withholding tax rate of 15%.

Dividends payable to holders of ordinary shares N who elect to receive a dividend and who hold their listed ordinary shares N through the listing of the company on the JSE will, in addition to the 15% 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%, a rebate equal to the Dutch dividend tax paid in respect of the dividend (without right of recovery). Shareholders holding their listed ordinary shares N through the listing of the company on the JSE, unless exempt from paying South African 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% South African dividend tax.

Financial assets and liabilities

Financial assets

Accounting policy

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, financing 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 consolidated income statement.

Changes in the fair value of equity investments classified as financial assets at fair value through other comprehensive income are recognised in the consolidated statement of other comprehensive income and are accumulated in the valuation reserve in the consolidated statement of changes in equity.

Dividends received on equity investments at fair value through other comprehensive income are recognised in the consolidated 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 consolidated income statement.

Refer to note 41 for the group's fair value measurement methodology regarding financial assets.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where they have been transferred and the group has also transferred substantially all risks and rewards of ownership.

Financial assets are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to realise the asset and settle a related financial liability simultaneously.

Impairment

The group recognises expected credit losses (impairment allowances) on financial assets measured at amortised cost and accrued income balances. The group assesses, on a forward-looking basis, the impairment allowances associated with these financial assets and makes use of provision matrices relevant to its various operations in establishing impairment allowances, specifically for trade receivables.

For trade and other receivables, including accrued income balances, the group measures impairment allowances at an amount equal to the lifetime expected credit losses on these financial assets. Lifetime expected credit losses are those losses that result from all possible default events over the expected life of the financial instrument.

For financing receivables, related party and other 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 consolidated income statement in an impairment allowance account. The gross carrying amount of the financial assets is reduced by the impairment loss allowance and is written off when the group has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof.

Refer to note 40 for further details regarding the group's credit risk management.

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Financial assets and liabilities continued

26. Cash and cash equivalents

Accounting policy

Cash and cash equivalents are carried in the consolidated statement of financial position at amortised cost (other than money market funds) which equals the cost or face value of the asset. Cash 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 consolidated statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

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	
	2023 US$'m	2022 US$'m
Cash at bank and on hand	**1 136**	1 383
Short-term bank deposits[1]	**8 429**	8 263
Bank overdrafts	**(28)**	(18)
	9 537	9 628
Restricted cash		
The following cash balances are restricted from immediate use:		
Classifieds	**29**	104
Payments and Fintech	**455**	339
Etail	**41**	27
Other ecommerce	**3**	44
Total restricted cash	**528**	514

1 Included in short-term bank deposits is an amount of US$447m (2022: US$928m) which represents money market funds 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.

27. Short-term investments

Accounting policy

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.

		31 March	
	Weighted average interest rate	**2023 US$'m**	2022 US$'m
Deposits and money market investments	4.90%	**6 602**	3 921
Accrued interest income		**124**	3
		6 726	3 924

The deposits and money market investments of US$6.6bn (2022: US$3.9bn) 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.

27. Short-term investments continued

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 2023.

Most short-term investments are held in the same currency as the respective entity's functional currency. However, there are certain money markets investments held in foreign currency by entities with US dollar functional currencies which give rise to foreign currency risk. Due to the nature of short-term investments, there is an insignificant exposure to price risk.

Refer to note 40 for further information regarding the credit risk and foreign currency risk of short-term investments.

28. Other investments

	31 March	
	2023 US$'m	2022 US$'m
Investments at fair value through other comprehensive income	**7 528**	5 918
Investments at fair value through profit or loss	**34**	63
Investments at amortised cost	**8**	–
Total other investments	**7 570**	5 981
Current portion of other investments	**(4 707)**	–
Investments at fair value through other comprehensive income	**(4 707)**	–
Non-current portion of other investments	**2 863**	5 981

Reconciliation of investments at fair value through other comprehensive income

	31 March	
	2023 US$'m	2022 US$'m
Opening balance	**5 918**	4 122
Fair value adjustments recognised in OCI	**(158)**	(1 210)
Purchases/additional contributions[1]	**4 724**	5 646
Loss of significant influence of investments in associate	**830**	26
Disposals[2]	**(3 775)**	(45)
Impact of the share repurchase programme and share exchange[3, 4]	**10**	(2 665)
Foreign currency translation effects	**(21)**	44
Closing balance	**7 528**	5 918

1 Significant movement in the current year relates to the Meituan dividend in specie received from Tencent. The prior year related to the acquisition of Naspers shares prior to the share exchange transaction and the JD.com dividend in specie received from Tencent. Refer to note 6.
2 The significant movement in the current year relates to the disposal of the JD.com investment. Refer to note 6.
3 The current period includes the movement in the residual interest in Naspers group as a result of the purchase of Naspers shares.
4 Significant movement in prior year relates to the share exchange transaction in August 2021.

Financial assets and liabilities 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 2023 US$'m	2022 US$'m
Listed investments		
JD.com[1]	–	3 940
Trip.com Group Limited	1 130	694
Sinch AB[2]	–	105
Meituan[3]	4 707	–
Udemy[4]	151	–
DoorDash Inc.[5]	51	–
Other	5	26
	6 044	4 765
Unlisted investments		
BYJU'S[4]	493	–
Residual interest in the Naspers group[6]	206	385
GoStudent	160	226
Urbanclap Technologies	84	84
Creditas Financial Solutions Limited	62	62
Oda Norway AS[4]	45	–
Pantera Venture Funds	41	26
WayFlyer	43	25
Primrose Hill (ZestMoney)	–	38
Mensa Brand Technologies (Mensa Brands)	27	25
Sandbox	13	33
Spotdraft[7]	24	–
Stockbit	22	13
Wolt Enterprises Oy[5]	–	70
Other	264	166
	1 484	1 153
Total other investments	7 528	5 918

1 The group obtained its interest in JD.com as a dividend in specie declared from Tencent. The group disposed of this investment in the current year. Refer to note 6.
2 The group disposed of this investment in the current year.
3 The group obtained its interest in Meituan as a dividend in specie declared from Tencent. Refer to note 6.
4 The group lost significant influence during the current year due to the loss of board representation.
5 The group exchanged its investment in Wolt for an investment in DoorDash Inc.
6 The group recognised a residual interest in the Naspers group as a result of the share exchange transaction in prior year. Refer to note 5.
7 The group acquired this investment during the current year.

Fair value gains or losses on investments held at fair value through other comprehensive income are not reclassified to the consolidated income statement. These investments are not held for trading.

29. Trade and financing receivables

	31 March 2023 US$'m	2022 US$'m
Carrying value		
Trade and financing receivable, gross	729	489
Trade receivable, gross	276	235
Financing receivable, gross[1]	453	254
Less: Allowance for impairment of trade receivables	(70)	(28)
	659	461
Less: non-current portion of trade and financing receivables[1]	(133)	(91)
Current portion of trade and financing receivables	526	370
The movement in the allowance for impairment of trade and financing receivables during the year was as follows:		
Opening balance	(28)	(28)
Additional allowances charged to the income statement	(58)	(22)
Allowances reversed through the income statement	14	16
Allowances utilised	–	6
Transferred to assets classified as held for sale	1	–
Foreign currency translation effects	1	–
Closing balance	(70)	(28)

1 Financing receivables relate to the group's credit business. The credit business provides financing for goods sold and credit offerings provided. The non-current portion relates to the financing receivables for the credit business.

The group's maximum exposure to credit risk at the reporting date is the carrying value of the trade and financing receivables mentioned above. The group does not hold any form of collateral as security relating to trade receivables. Refer to note 40 for the group's credit risk management.

At 31 March 2023 and 2022, the total allowance for impairment of trade and financing 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 portfolios are based on the nature of the receivables, the revenue stream and geographic region.

The group recognises an allowance for expected credit losses for its trade and financing receivables. The expected credit loss assessment incorporates historical and forward-looking information, taking 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. The increase in the expected credit losses in the current year relate primarily to the trade and financing receivables of the OLX Autos business as a result of the decision to exit the business. The OLX Autos trade and financing receivables included above also relate to the operations whose exit process has not been finalised as at 31 March 2023 and are presented as continuing operations. Overall, the expected credit loss allowance did not have a material impact on the group's trade receivables for the year ended 31 March 2023 and 31 March 2022.

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

Trade receivables

	31 March 2023			31 March 2022		
	Carrying value US$'m	Impairment US$'m	Expected loss rate (%)	Carrying value US$'m	Impairment US$'m	Expected loss rate (%)
Current	198	(1)	1	145	(1)	1
Past due 30 to 59 days	30	(4)	13	51	(3)	6
Past due 60 to 89 days	11	(1)	9	5	(1)	20
Past due 90 to 119 days	4	(1)	25	5	(1)	20
Past due 120 days and older	33	(21)	64	29	(13)	45
	276	(28)		235	(19)	

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Financing receivables

	31 March 2023			31 March 2022		
	Carrying value US$'m	**12- month Expected credit loss US$'m**	**Expected loss rate (%)**	Carrying value US$'m	12-month expected credit loss US$'m	Expected loss rate (%)
Current	**408**	**(17)**	**4**	237	(1)	–
Past due 30 to 59 days	**13**	**(4)**	**31**	2	(1)	50
Past due 60 to 89 days	**9**	**(4)**	**44**	1	–	–
Past due 90 to 119 days	**10**	**(6)**	**60**	1	–	–
Past due 120 days and older	**13**	**(11)**	**85**	13	(7)	54
	453	**(42)**		254	(9)	

Financial liabilities

Accounting policy

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 consolidated 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 written 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 derecognised through the 'Existing control business combination reserve' in equity.

Written put options that provide the group with the discretion to settle its obligations in the group's own equity instruments (including the shares of a subsidiary) are also accounted for as outlined above. Written put option liabilities are presented within 'Other non-current liabilities and other current liabilities' in the consolidated 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 is 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 consolidated 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.

30. Long-term liabilities

	31 March 2023			31 March 2022		
	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	**15 746**	**379**	**16 125**	15 811	281	16 092
Capitalised lease liabilities	**150**	**54**	**204**	200	63	263
Loans and other liabilities	**15 596**	**325**	**15 921**	15 611	218	15 829
Non-interest-bearing	**22**	**88**	**110**	50	31	81
Loans and other liabilities	**22**	**88**	**110**	50	31	81
Total liabilities	**15 768**	**467**	**16 235**	15 861	312	16 173

Interest-bearing: Capitalised lease liabilities

				31 March	
Type of lease	**Currency of year-end balance**	**Year of final repayment**	**Weighted average interest rate**	**2023 US$'m**	2022 US$'m
Buildings	Various	2023 – 2037	1.28% – 9.22%	**167**	226
Computers, furniture and office equipment	Various	2023 – 2027	2.90% – 8.85%	**16**	21
Vehicles	Various	2023 – 2029	1.50% – 6.32%	**21**	16
Total capitalised lease liabilities				**204**	263

Maturity profile

	31 March	
	2023 US$'m	2022 US$'m
Minimum instalments		
Payable within year one	**58**	65
Payable within year two	**50**	68
Payable within year three	**37**	45
Payable within year four	**31**	38
Payable within year five	**18**	30
Payable after year five	**29**	41
	223	287
Future finance costs on capitalised lease liabilities	**(19)**	(24)
Present value of capitalised lease liabilities	**204**	263
Present value		
Payable within year one	**54**	63
Payable within year two	**46**	64
Payable within year three	**33**	41
Payable within year four	**27**	33
Payable within year five	**16**	26
Payable after year five	**28**	36
Present value of capitalised lease liabilities	**204**	263

Financial assets and 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 2023 US$'m	31 March 2022 US$'m
Unsecured[1]						
Publicly traded bond		US$	2025	5.50%	**225**	225
Publicly traded bond		EUR	2026	1.21%	**543**	553
Publicly traded bond		US$	2027	4.85%	**614**	614
Publicly traded bond		US$	2027	3.26%	**1 000**	1 000
Publicly traded bond		EUR	2029	1.29%	**1 084**	1 107
Publicly traded note[2]		EUR	2028	1.54%	**921**	941
Publicly traded bond		US$	2030	3.68%	**1 250**	1 250
Publicly traded bond		EUR	2030	2.09%	**650**	664
Publicly traded bond		US$	2031	3.06%	**1 850**	1 850
Publicly traded bond		US$	2032	4.19%	**1 000**	1 000
Publicly traded note[3]		EUR	2032	2.03%	**813**	830
Publicly traded bond		EUR	2033	1.99%	**921**	941
Publicly traded bond		EUR	2034	2.78%	**705**	719
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$	2052	4.99%	**1 250**	1 250
Various institutions		Various	Various	Various	**77**	19
Secured[4]						
Syndicated facility	Debtors book	INR	2023 – 2025	3.55% – 11.35%	**190**	–
Fondo de Inversion Activa		CLP	2024	10.5%	**55**	40
Exim Bank S.A. and Raiffeisen Bank[5]		EUR	2028	EURIBOR 1M + 1.41%	**30**	41
Exim Bank S.A.		EUR	2029	EURIBOR 1M + 1.6%	**17**	14
Raiffeisen Bank	Building	EUR	2031	EURIBOR 3M + 1.6%	**45**	30
Various institutions		Various	Various	Various	**130**	193
Total facilities					**15 870**	15 781
Unamortised loan costs					**(87)**	(93)
Premium on euro bonds[2, 3]					**14**	17
Accrued interest					**124**	124
					15 921	15 829

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 43 for details of the group's assets pledged as collateral.
5 The loan is a joint facility between Exim Bank and Raiffeisen Bank.

30. Long-term liabilities continued

Non-interest-bearing: Loans and other liabilities

Loans	Asset secured	Currency of year-end balance	Year of final repayment	31 March 2023 US$'m	31 March 2022 US$'m
Unsecured					
Earn-out obligations		Various	Conditional	**109**	20
Preference shares liability		BRL	2023	**–**	61
Other		Various	Various	**1**	–
				110	81
Total long-term liabilities					
Repayment terms of long-term liabilities (excluding capitalised lease liabilities)					
Payable within year one				**460**	266
Payable within year two				**90**	104
Payable within year three				**870**	16
Payable within year four				**1 015**	792
Payable within year five				**630**	1 012
Payable after year five				**13 039**	13 796
				16 104	15 986
Premium on euro bonds				**14**	17
Unamortised loan costs				**(87)**	(93)
				16 031	15 910
Interest rate profile of long-term liabilities (long and short-term portion, including capitalised lease liabilities)					
Liabilities at fixed rates: one to 12 months				**379**	157
Liabilities at fixed rates: more than 12 months				**15 543**	15 801
Interest-free loans				**110**	81
Liabilities linked to variable rates				**203**	134
				16 235	16 173

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Financial assets and liabilities continued

Reconciliation of liabilities arising from financing activities

	31 March 2023		
	Capitalised lease liabilities US$'m	Interest-bearing liabilities US$'m	Non-interest-bearing liabilities US$'m
Balance at 1 April 2022	**263**	**15 829**	**81**
Additional earn-outs recognised	**–**	**–**	**88**
Additional liabilities recognised	**118**	**102**	**2**
Additional working capital liabilities recognised	**–**	**169**	**–**
Settlement of preference share liability	**–**	**–**	**(61)**
Repayments of capital portion of leases and long and short-term loans	**(51)**	**(55)**	**(1)**
Repayments of interest on capitalised lease liabilities	**(11)**	**–**	**–**
Interest accrued	**11**	**469**	**–**
Interest paid	**–**	**(469)**	**–**
Acquisition of subsidiary	**–**	**(2)**	**–**
Amortisation of transaction costs	**(1)**	**7**	**–**
Foreign exchange translation	**(23)**	**(128)**	**6**
Transfer to held for sale	**(100)**	**–**	**–**
Other	**(2)**	**(1)**	**(5)**
Balance at 31 March 2023	**204**	**15 921**	**110**
Less: Current portion	**(54)**	**(325)**	**(88)**
Non-current liabilities	**150**	**15 596**	**22**

	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	7 970	66
Additional liabilities recognised	82	9 549	15
Repayments of capital portion of leases and long and short-term loans[1]	(51)	(1 402)	–
Repayment of interest on capitalised lease liabilities	(10)	–	–
Interest accrued	10	331	–
Interest paid	–	(287)	–
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	15 829	81
Less: Current portion	(63)	(218)	(31)
Non-current liabilities	200	15 611	50

1 *Repayment of long and short-term loans in the consolidated statement of cash flows includes US$217m relating to the early settlement of bonds. This was included in other finance cost on the consolidated income statement.*

31. Other non-current liabilities

	31 March	
	2023 US$'m	2022 US$'m
Written put option liabilities[1]	**899**	1 158
Post-employment liabilities	**–**	2
Deferred income	**9**	16
Total other liabilities	**908**	1 176
Less: Current portion of other liabilities	**(773)**	(1 014)
Non-current portion of other liabilities	**135**	162

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, GoodHabitz and various other smaller ecommerce units.*

During the year, the group recognised an aggregate gain on the remeasurement of written put option liabilities of US$168m (2022: US$236m). The movement in the written put option liability in the current year is predominantly due to the cancellation of written put option liabilities, changes in the non-controlling interests ownership of the subsidiaries and a decrease in the enterprise values used to determine the expected redemption amount payable. Enterprise values decreased due to the current downturn in the macroeconomic environment. In the prior year the remeasurement was predominantly due to a decline in the group's ecommerce subsidiaries 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	
	2023 US$'m	2022 US$'m
Exercisable within one year	**773**	1 014
Exercisable after two to five years	**126**	144
Total other liabilities	**899**	1 158

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 right during the exercisable period, request an initial public offering (IPO) of the relevant group subsidiary and the IPO is either declined by the group or is ultimately unsuccessful.

Sensitivity analysis

The measurement of written put option liabilities is based on the value of the underlying businesses, calculated either through a discounted cash flow analysis or through transaction prices observed in orderly transactions. Accordingly, the measurement of written put option liabilities is subject to significant estimation uncertainty. At 31 March 2023, 98% (2022: 84%) 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.

Other assets and liabilities

The following analysis illustrates the sensitivity of written put option liabilities to reasonable changes in the most significant underlying variables used in their measurement:

Increase/(decrease) in written put option liabilities and loss/(gain) in equity	31 March 2023 US$'m	31 March 2022 US$'m
1% increase in the discount rate and a 1% decrease in the terminal growth rate	(28)	(99)
1% decrease in the discount rate and a 1% increase the terminal growth rate	91	275

Other assumptions contained in the discounted cash flow analyses as at 31 March 2023 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 consolidated statement of cash flows.

	31 March 2023 US$'m	31 March 2022 US$'m
Opening balance	1 158	1 267
Additional obligations raised	7	157
Remeasurements recognised in equity	(168)	(236)
Settlements	(18)	–
Expirations and cancellations	(41)	(81)
Foreign currency translation effects	(39)	51
Closing balance	**899**	1 158

32. Property, plant and equipment

Accounting policy

Property, plant and equipment comprises owned and leased assets.

Property, plant and equipment are stated at cost, being the purchase cost plus costs to prepare the assets for their intended use, less accumulated depreciation and accumulated impairment losses. Cost includes transfers from equity of gains/losses on qualifying cash flow hedges relating to foreign currency property, plant and equipment acquisitions. Property, plant and equipment, with the exception of land, are depreciated in equal annual amounts over each asset's estimated useful life to their residual values. Land is not depreciated as it is deemed to have an indefinite life.

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, furniture and fittings	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 consolidated 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 consolidated 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.

Other assets and liabilities continued

Accounting policy continued

Lessee accounting

The group recognises all leases (with limited exceptions) as right-of-use assets and obligations to make lease payments (lease liabilities) from the lease commencement date.

The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. The cost includes the initial amount of the respective lease liability adjusted for lease payments made before the commencement date of the lease, plus initial direct costs incurred and estimated costs to dismantle or destroy the underlying asset, less lease incentives received, where applicable. The right-of-use asset is subsequently depreciated using the straight-line method over the earlier of the useful life of the underlying asset or the period of the lease term. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease and where that rate cannot be readily determined the group entity uses the incremental borrowing rate.

This is the rate of interest that the group entity would have to pay to borrow the funds necessary to obtain an asset of a similar value to the respective right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability 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; and
» penalties for early termination of the lease, unless the group is reasonably certain not to terminate the lease early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured where there is a change in future lease payments, a change in the group's estimate of amounts expected to be payable under a residual value guarantee or if the group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in the consolidated 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 consolidated 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 consolidated 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 consolidated income statement.

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 2022					
Cost	**536**	**197**	**107**	**30**	**870**
Accumulated depreciation and impairment	**(163)**	**(82)**	**(37)**	**(10)**	**(292)**
Carrying value at 1 April 2022	**373**	**115**	**70**	**20**	**578**
Foreign currency translation effects	**17**	**1**	**3**	**–**	**21**
Transferred to assets classified as held for sale[1, 2]	**(110)**	**(43)**	**(15)**	**(1)**	**(169)**
Acquisitions of assets	**64**	**54**	**25**	**2**	**145**
Acquisitions of right-of-use assets	**96**	**7**	**5**	**11**	**119**
Disposals/scrappings	**(14)**	**(3)**	**(8)**	**(4)**	**(29)**
Impairment[3]	**(7)**	**(4)**	**(2)**	**(1)**	**(14)**
Depreciation[4]	**(68)**	**(31)**	**(11)**	**(7)**	**(117)**
31 March 2023					
Cost	**511**	**174**	**105**	**33**	**823**
Accumulated depreciation and impairment	**(160)**	**(78)**	**(38)**	**(13)**	**(289)**
Carrying value at 31 March 2023	**351**	**96**	**67**	**20**	**534**
Work in progress at 31 March 2023					**86**
Total carrying value at 31 March 2023					**620**

1 Includes US$11m foreign currency translation gains related primarily to Avito that was classified to held for sale prior to its disposal in October 2022.
2 This relates to Avito which was classified as held for sale in May 2022 prior to its disposal in October 2022 as well as the OLX Autos disposal group classified as held for sale in March 2023. Refer to note 5.
3 Includes impairment of US$11m related to the OLX Autos business unit.
4 Includes depreciation of US$15m related to Avito and the OLX Autos business unit prior to the classification as held for sale.

	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[1]	(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

1 Includes depreciation of US$29m that was reclassified to discontinued operations. Refer to note 5.

The carrying value of work in progress mainly comprises buildings and equipment.

Other assets and liabilities continued

The group recognised US$14m (2022: US$nil) impairment losses on property, plant and equipment. No impairment losses (2022: US$nil) were recognised within work in progress. US$14m (2022: US$nil) of the impairment losses have been included in 'Other (losses)/gains – net' in the consolidated income statement.

The carrying values and depreciation of right-of-use assets included in property, plant and equipment are as follows:

	31 March 2023		31 March 2022	
	Carrying value US$'m	Depreciation charge for the year US$'m	Carrying value US$'m	Depreciation charge for the year US$'m
Vehicles	17	(5)	16	(5)
Buildings	156	(56)	203	(55)
Computers, furniture and office equipment	22	(7)	21	(6)
	195	(68)	240	(66)

Included in the acquisition of property, plant and equipment is an amount of US$119m (2022: US$109m) relating to leased assets, which are non-cash in nature. Refer to note 43 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 policy

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

No value is attributed to internally developed trademarks or similar rights and assets. The costs incurred to develop these items are charged to the consolidated income statement as incurred.

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 programs 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 accounting policy on the impairment of other intangible assets.

33. Other intangible assets continued

	Customer-related assets US$'m	Brand names US$'m	Software US$'m	Total US$'m
1 April 2022				
Cost	633	689	250	1 572
Accumulated amortisation and impairment	(240)	(306)	(111)	(657)
Carrying value at 1 April 2022	393	383	139	915
Foreign currency translation effects	64	66	(1)	129
Acquisitions of subsidiaries and businesses	1	–	4	5
Disposals of subsidiaries and businesses	–	(2)	–	(2)
Acquisitions	2	–	12	14
Transfers from work in progress	–	–	15	15
Transferred to assets classified as held for sale[1, 2]	(269)	(266)	(46)	(581)
Impairment[3]	(22)	(3)	(15)	(40)
Amortisation[4]	(36)	(17)	(46)	(99)
Cost	297	263	208	768
Accumulated amortisation and impairment	(164)	(102)	(146)	(412)
Carrying value at 31 March 2023	133	161	62	356
Work in progress at 31 March 2023				11
Total carrying value at 31 March 2023				367

1 Includes US$39m foreign currency translation gains related primarily to Avito that was classified to held for sale prior to its disposal in October 2022.
2 This relates to Avito which was classified as held for sale in May 2022 prior to its disposal in October 2022 as well as the OLX Autos disposal group classified as held for sale in March 2023. Refer to note 36.
3 Includes impairment of US$37m related to the OLX Autos business unit. Refer to note 5.
4 Includes amortisation of US$11m related to Avito and the OLX Autos business unit prior to the classification as held for sale.

	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
Transfer from work in progress	1	–	8	9
Disposals	–	(1)	(1)	(2)
Amortisation[1]	(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

1 Includes amortisation of US$58m that was reclassified to discontinued operations. Refer to note 5.

The group recognised no impairment losses on other intangible assets (2022: US$nil).

Other assets and liabilities continued

34. Inventory

Accounting policy

Inventory is stated at the lower of cost and net realisable value. The cost of inventory is determined on a first-in-first-out basis (FIFO) and on an exceptional basis 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	
	2023 US$'m	2022 US$'m
Carrying value		
Finished products, trading inventory and consumables, gross	**349**	484
Less: Allowance for slow-moving and obsolete inventories	**(25)**	(14)
Net inventory	**324**	470

The total allowance charged to the consolidated income statement to write inventory down to net realisable value amounted to US$17m (2022: US$7m), and reversals of these allowances amounted to US$3m (2022: US$1m). Net realisable value writedowns relate primarily to inventory within the Classifieds and Etail segments.

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 considered. Overall, the inventory writedown during the year ended 31 March 2023 did not have a significant impact on the group's financial results.

35. Other receivables

	31 March	
	2023 US$'m	2022 US$'m
Prepayments	**158**	191
Accrued income[1, 7]	**65**	46
Staff debtors[7]	**3**	1
VAT and related taxes receivable	**100**	147
Merchant and bank receivables[2, 7]	**346**	342
Sundry deposits	**6**	17
Interest receivable on cross-currency interest rate swap[7]	**–**	2
Disposal proceeds receivable[3, 7]	**118**	21
Service provider receivable[7]	**–**	4
Loan receivable[4, 7]	**22**	20
Other receivables[6, 7]	**54**	23
Total other receivables	**872**	814
Less: Non-current portion of other receivables[5]	**(43)**	(41)
Current portion of other receivables	**829**	773

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$4m (2022: US$4m). Refer to note 40 for details of the group's credit risk management policy.
3 The current year includes proceeds receivable from the sale of Tencent shares. Refer to note 6.
4 Loan receivables are presented net of an allowance for expected impairment (credit) losses of US$nil (2022: US$7m).
5 Relates to non-current prepaid rental deposits, loan receivables and employment- linked prepayments.
6 Includes financial assets of US$48m (2022: US$23m).
7 These items are classified as financial assets.

36. Disposal groups classified as held for sale

Accounting policy

Non-current assets and liabilities (disposal groups) are classified as held for sale and presented as current assets and liabilities in the consolidated statement of financial position, when their carrying values will be recovered principally through a sale transaction and when such sale is considered highly probable. The assets and liabilities of disposal groups held for sale are stated at the lower of carrying value and fair value less costs of disposal. From the date on which disposal groups are classified as held for sale, the group applies the measurement provisions of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations,* which includes, among other requirements, the cessation of the recognition of depreciation and amortisation.

In September 2022, the assets and liabilities of the group's subsidiary Zoop Tecnologia e Meios de Pagamento S.A. (Zoop) were classified as held for sale following the decision to sell the investment. The group is in negotiations with potential buyers.

In March 2023, the group announced the decision to exit the OLX Autos business unit. The disposal group that is classified as held for sale consists of assets and liabilities of the operations that management has committed to a plan to sell. Efforts to sell the disposal group are in progress and is expected in the 2024 financial year.

The assets and liabilities classified as held for sale are detailed in the table below:

	31 March	
	2023 US$'m	2022 US$'m
Assets	**649**	38
Property, plant and equipment	**26**	–
Goodwill	**302**	–
Other intangible assets	**29**	–
Investments in associates	**–**	38
Inventory	**32**	–
Deferred taxation assets	**2**	–
Trade and other receivables	**164**	–
Cash and cash equivalents[1]	**94**	–
Liabilities	**276**	–
Derivative financial instruments	**1**	–
Deferred taxation liabilities	**13**	–
Long-term liabilities	**29**	–
Provisions	**2**	–
Trade payables	**165**	–
Accrued expenses and other current liabilities	**66**	–

1 Included in cash and cash equivalents is US$45m relating to restricted cash from Zoop.

37. Equity-compensation benefits

Accounting policy

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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

37. Equity-compensation benefits continued

Accounting policy continued

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 N ordinary shares that converted into Prosus ordinary shares N on the 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 trust's 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.

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 42 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 consolidated statement of financial position during the current year.

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Other assets and liabilities continued

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[9]	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
Red Dot Payment Pte Ltd Options Scheme	20%	a	10 years	Cash-settled
Zoop Holding Participações S.A. Share Option Scheme[9]	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 percentage 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 For all options granted prior to September 2020, one fifth vests after years one, two, three, four and five.
9 These schemes relate to entities that are presented as disposal groups classified as held for sale in the current year.

37. 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
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 BV 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.

From 1 April 2022, new grants under the SAR schemes will have an expiry period of six years.

Other assets and liabilities continued

Liabilities arising from share-based payment transactions

The following liabilities have been recognised in the consolidated statement of financial position relating to the group's cash-settled share-based payment obligations:

	31 March	
	2023 US$'m	2022 US$'m
Cash-settled share-based payment liability		
Total carrying amount of cash-settled share-based payment liability	**713**	1 127
Less: Current portion of cash-settled share-based payment liability	**(656)**	(964)
Non-current portion of cash-settled share-based payment liability	**57**	163

Reconciliation of the cash-settled share-based payment liability is as follows:

	31 March	
	2023 US$'m	2022 US$'m
Opening carrying amount of cash-settled share-based payment liability	**1 127**	1 056
SAR scheme charge per the consolidated income statement[1, 2]	**(187)**	129
Employment-linked put option charge per the consolidated income statement	**14**	23
Additions	**–**	5
Settlements	**(165)**	(372)
Modification[2]	**5**	265
Transferred to liabilities classified as held for sale[3]	**(37)**	–
Foreign currency translation effects	**(44)**	21
Closing carrying amount of cash-settled share-based payment liability	**713**	1 127

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 Some of the group's equity-settled compensation plans were prospectively modified to cash-settled due to the change in settlement policy of the share option schemes. In the 31 March 2022 financial year, the modification relates primarily to the iFood share option scheme to cash settled.
3 Relates primarily to Avito which was classified as held for sale in May 2022 prior to its disposal in October 2022 as well as the OLX Autos disposal group classified as held for sale in March 2023. Refer to note 36.

As at 31 March 2023 68.25% (2022: 63.04%) 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$103m (2022: US$90m) 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.

37. Equity-compensation benefits continued

The group recognised, in the consolidated income statement a remeasurement of US$29m (2022: US$23m) 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.

Movements in terms of the group's significant share option and RSU plans are as follows:

	31 March 2023					
	Naspers RSU	**Prosus RSU**	**Naspers PSU**	**Prosus PSU**	**MIH Holdings**	**MIH Internet**
Shares						
Outstanding at 1 April	**28 251**	**2 135 060**	**265 672**	**269 298**	**28 250**	**1 930 686**
Movements between Naspers and Prosus group companies	**–**	**–**	**–**	**–**	**122**	**–**
Granted	**–**	**3 258 804**	**22 073**	**343 328**	**–**	**–**
Exercised	**(16 949)**	**(468 748)**	**(100 903)**	**–**	**(8 443)**	**(1 085 299)**
Forfeited	**(3 247)**	**(488 712)**	**–**	**–**	**(532)**	**(30 122)**
Cancelled	**–**	**(330 839)**	**–**	**–**	**–**	**–**
Outstanding at 31 March	**8 055**	**4 105 565**	**186 842**	**612 626**	**19 397**	**815 265**
Available to be implemented by the trust at 31 March	**–**	**–**	**–**	**–**	**14 133**	**683 745**
Weighted average exercise price	**(ZAR)**	**(EUR)**	**(ZAR)**	**(EUR)**	**(ZAR)**	**(ZAR)**
Outstanding at 1 April	**–**	**–**	**–**	**–**	**2 860.16**	**1 921.39**
Movements between Naspers and Prosus group companies	**–**	**–**	**–**	**–**	**–**	**–**
Granted	**–**	**–**	**–**	**–**	**–**	**–**
Exercised	**–**	**–**	**–**	**–**	**1 947.87**	**1 293.49**
Forfeited	**–**	**–**	**–**	**–**	**2 394.31**	**3 089.81**
Cancellation	**–**	**–**	**–**	**–**	**–**	**–**
Outstanding at 31 March	**–**	**–**	**–**	**–**	**2 284.60**	**2 714.09**
Available to be implemented by the trust at 31 March	**–**	**–**	**–**	**–**	**2 883.20**	**2 656.84**
Weighted average share price of options taken up during the year						
Shares	**16 949**	**468 748**	**100 903**	**–**	**8 443**	**1 085 299**
Weighted average share price	**2 638.44**	**64.27**	**2 637.25**	**–**	**3 087.90**	**2 561.18**

Other assets and liabilities continued

Movements in terms of the group's significant share option and RSU plans are as follows:

	31 March 2023		
	Dante International	**iFood**	**Movile Joint Scheme**
Shares			
Outstanding at 1 April	62 621	100 788	771 665
Granted	31 247	55 393	–
Exercised	(4 764)	(5 585)	(131 886)
Forfeited	(1 559)	(10 331)	(117 565)
Cancelled	–	(20 071)	(6 900)
Outstanding at 31 March	87 545	120 194	515 314
Available to be implemented by the trust at 31 March	31 801	43 436	328 913
Weighted average exercise price	**(US$)**	**(BRL)**	**(BRL)**
Outstanding at 1 April	1 235.66	6 891.64	242.13
Movements between Naspers and Prosus group companies	–	–	–
Granted	1 185.31	15 069.51	–
Exercised	743.11	4 591.34	311.40
Forfeited	1 414.05	8 379.76	132.38
Cancelled	–	19 220.38	285.18
Outstanding at 31 March	1 241.31	8 580.74	248.86
Available to be implemented by the trust at 31 March	1 005.14	5 369.11	267.90
Weighted average share price of options taken up during the year			
Shares	4 764	5 585	131 886
Weighted average share price	1 466.96	12 227.44	1 530.63

37. 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 (EUR)	Naspers PSU	Prosus PSU (EUR)	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	2 135 060	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	(ZAR)	(EUR)	(EUR)	(EUR)	(ZAR)	(ZAR)
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						
Shares	23 788	159 424	–	–	645	63 801
Weighted average share price	2 803.06	68.53	–	–	3 432.25	2 467.59

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Other assets and liabilities 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)
Cancelled	–	–	–
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
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			
Shares	32 776	33 920	190 675
Weighted average share price	567.46	4 270.68	2 170.23

37. Equity-compensation benefits continued

Movements in terms of the group's significant share appreciation rights plans are as follows:

31 March 2023	MIH China	Naspers Global Classifieds	Naspers Global Ecommerce	Naspers Ventures	PayU Global
SARs					
Outstanding at 1 April	374 169	19 277 985	11 311 508	6 526 815	903 563
Movements between Naspers					
Granted	130 590	13 850 566	1 017 872	505 790	155 915
Exercised	(60)	(436 439)	(1 128 082)	(2 482 665)	(264 010)
Forfeited	(1 892)	(13 139 989)	(211 653)	(566 229)	(75 175)
Cancelled	–	(46 232)	–	–	–
Outstanding at 31 March	502 807	19 505 891	10 989 645	3 983 711	720 293
Available to be implemented at 31 March	261 947	8 133 190	8 203 303	182 057	269 651
Weighted average exercise price	(US$)	(US$)	(US$)	(US$)	(US$)
Outstanding at 1 April	169.56	9.90	29.73	11.04	160.71
Movements between Naspers					
Granted	125.42	6.18	38.88	25.43	47.04
Exercised	138.40	7.61	29.03	5.51	76.19
Forfeited	221.39	8.40	52.22	17.49	162.10
Cancelled	–	6.18	–	–	–
Outstanding at 31 March	157.90	8.33	30.22	15.40	147.03
Available to be implemented at 31 March	149.75	8.91	24.21	5.48	90.50
Weighted average share price of SARs taken up during the year					
SARs	60	436 439	1 128 082	2 482 665	264 010
Weighted average share price	161.53	9.33	51.26	23.53	164.73

Other assets and liabilities continued

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2022				
	MIH China	Naspers Global Classifieds	Naspers Global Ecommerce	Naspers Ventures	PayU Global
SARs					
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					
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

37. Equity-compensation benefits continued

Share option allocations outstanding and currently available to be implemented at 31 March 2023 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 2023**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price**	**Exercisable at 31 March 2023**	**Weighted average exercise price**
MIH Internet (ZAR)					
780.68 to 886.69	**1 982**	0.43	787.32	**1 982**	787.32
1196.88 to 1272.66	**24 713**	1.41	1 268.47	**24 713**	1 268.47
1302.89 to 1371.87	**7 100**	1.67	1 370.80	**7 100**	1 370.80
1572.04 to 1634.84	**19 142**	2.43	1 623.49	**19 142**	1 623.49
1700.53 to 1741.27	**652**	2.56	1 722.47	**652**	1 722.47
1834.76 to 1931.85	**3 966**	3.57	1 857.10	**3 966**	1 857.10
1991.88 to 2380.94	**183 822**	3.40	2 099.00	**180 684**	2 094.69
2429.53 to 2819.37	**83 335**	5.50	2 753.28	**66 619**	2 748.02
2827.88 to 3055	**198 100**	6.62	2 886.43	**119 685**	2 859.38
3077.6 to 3473.99	**263 785**	5.62	3 192.75	**236 914**	3 173.35
3494 to 3809	**28 668**	6.12	3 530.35	**22 288**	3 536.07
	815 265			**683 745**	
iFood (BRL)					
408.64 to 2 233.05	**9 004**	3.93	1 304.66	**9 004**	1 304.66
3 984.58 to 7 177.42	**64 476**	6.77	5 117.02	**31 584**	4 993.13
12 321.91 to 2 2388.59	**46 714**	6.49	14 763.91	**2 848**	22 388.59
	120 194			**43 436**	
Movile Joint Scheme (BRL)					
80.1 to 117.31	**273 335**	7.33	116.22	**140 654**	115.19
149.71 to 279.9	**48 988**	4.25	169.26	**41 488**	161.61
285.18 to 468.87	**60 197**	4.84	368.49	**60 197**	368.49
497	**132 794**	6.33	497.00	**86 574**	497.00
	515 314			**328 913**	
Dante International (US$)					
319.02 to 414.5	**533**	2.18	361.83	**533**	361.83
533.7 to 678.53	**7 346**	3.95	624.49	**7 346**	624.49
829.21 to 1 692.23	**64 777**	6.30	1 065.09	**20 203**	914.09
2 343.84	**14 889**	8.40	2 343.84	**3 719**	2 343.84
	87 545			**31 801**	

Other assets and liabilities continued

Share option allocations outstanding and currently available to be implemented at 31 March 2023 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 2023	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2023	Weighted average exercise price
MIH Holdings (ZAR)					
886.69 to 1378.67	834	0.72	1 028.27	834	1 028.27
1700.53 to 1740.85	1 079	2.47	1 738.27	1 079	1 738.27
2323.52 to 2429.53	839	3.42	2 360.29	839	2 360.29
2782.5 to 2839.88	5 477	6.18	2 809.71	4 134	2 803.81
3040 to 3420.55	11 168	6.48	3 347.31	7 247	3 372.96
	19 397			14 133	

Share appreciation rights allocations outstanding and currently available to be implemented at 31 March 2023 by exercise price for the group's significant share incentive plans:

	SARs outstanding			SARs currently available	
Exercise prices	Number outstanding at 31 March 2023	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2023	Weighted average exercise price
MIH China (US$)					
81.78 to 244.59	502 807	5.98	157.90	261 947	149.75
Naspers Global Classifieds (US$)					
3.54 to 7.64	9 064 101	5.09	6.28	1 713 199	6.68
8.5 to 12.29	10 441 790	6.95	10.11	6 419 991	9.50
	19 505 891			8 133 190	
Naspers Global Ecommerce (US$)					
15.58 to 23.61	4 803 675	1.55	15.81	4 803 675	15.81
27.25 to 31.89	1 155 546	4.46	27.56	1 155 546	27.56
32.99 to 36.7	2 069 116	5.79	34.59	1 261 429	34.82
36.76 to 45.64	1 348 698	7.14	40.57	687 886	40.46
47.81 to 67.1	1 612 610	7.65	60.78	294 767	64.79
	10 989 645			8 203 303	
Naspers Ventures (US$)					
5 to 8.74	993 097	11.75	7.30	182 057	5.48
10.06 to 25.45	2 990 614	13.65	18.08	–	–
	3 983 711			182 057	
PayU Global (US$)					
32.04 to 58.44	191 602	5.04	47.55	40 303	49.93
67.37 to 140.26	528 691	7.31	102.81	229 348	97.63
	720 293			269 651	

37. Equity-compensation benefits continued

Share option and RSU plan grants made during the year relating to the group's significant plans:

	Naspers RSU (ZAR)	Prosus RSU (EUR)	Naspers PSU (ZAR)	Prosus PSU (EUR)
31 March 2023				
Weighted average fair value at measurement date	–	62.71	–	103.56
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	–	62.71	–	103.56
Weighted average option life (years)	–	10.00	–	3.17
Weighted average annual suboptimal rate (%)	–	180%	–	180%
Weighted average vesting period (years)	–	2.50	–	2.85
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	3.0	3.0

	MIH Holdings (ZAR)	MIH Internet (ZAR)	Dante International (US$)	iFood (BRL)	Movile Joint Scheme (BRL)
31 March 2023					
Weighted average fair value at measurement date	1 167.99	–	591.72	8 899.20	–
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	2 348.69	–	1 185.31	15 729.18	–
Weighted average exercise price	2 348.69	–	1 185.31	12 321.91	–
Weighted average expected volatility (%)*	47.0%	–	62.0%	65.0%	–
Weighted average option life (years)	10.0	–	6.0	6.0	–
Weighted average dividend yield (%)					
Weighted average risk-free interest rate (%) (based on zero-rate bond yield at perfect fit)	9.0%	–	4.0%	7.4%	–
Weighted average annual suboptimal rate (%)	180%	–	180%	180%	–
Weighted average vesting period (years)	2.5	–	2.5	2.0	–

* *The weighted average expected volatility of all share options listed above is determined using historical daily share prices.*

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Other assets and liabilities continued

	MIH Holdings (ZAR)	MIH Internet (ZAR)	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	50.4	–
Weighted average option life (years)	10.0	10.0	10.0	10.0	–
Weighted average dividend yield (%)	0.2	0.2	–	–	–
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.*

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 2023					
Weighted average fair value at remeasurement date	**83.75**	**1.03**	**14.76**	**10.76**	**10.19**
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	**165.39**	**3.42**	**34.20**	**23.71**	**32.38**
Weighted average exercise price	**125.42**	**6.18**	**38.83**	**25.43**	**46.92**
Weighted average expected volatility (%)*	**46.0%**	**52.0%**	**55.0%**	**35.0%**	**45.0%**
Weighted average option life (years)	**6.0**	**6.0**	**6.0**	**15.0**	**6.0**
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	**3.6%**	**3.6%**	**3.6%**	**3.5%**	**3.6%**
Weighted average annual suboptimal rate (%)	**180.0%**	**180.0%**	**180.0%**	**180.0%**	**180.0%**
Weighted average vesting period (years)	**4.9**	**2.6**	**2.1**	**3.5**	**2.5**
Share price at measurement date	**165.4**	**3.4**	**34.2**	**23.7**	**32.4**

* *The weighted average expected volatility of all share appreciation rights listed above is determined using historical daily share prices.*

37. Equity-compensation benefits continued

	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 remeasurement 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)	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)	2.3	2.3	2.3	2.3	2.3
Weighted average annual suboptimal rate (%)	160	160	160	160	160
Weighted average vesting period (years)	2.5	2.6	3.5	3.5	2.50
Share price at measurement date	155.02	11.59	57.27	25.46	132.78

* *The weighted average expected volatility of all share appreciation rights listed above is determined using historical daily share prices.*

38. Provisions

Accounting policy

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 consolidated 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.

A provision for restructuring costs is recognised when the group has a detailed formal plan for the restructuring and has raised a valid expectation to those affected that it will implement and carry out the restructuring.

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 consolidated income statement.

Other assets and liabilities continued

	31 March 2023 US$'m	2022 US$'m
Pending litigation	**12**	7
Reorganisation and restructuring	**23**	–
Long-service and retirement gratuity	**3**	3
Other	**10**	3
Total provisions	**48**	13
Less: Non-current portion of provisions	**(3)**	(4)
Current portion of provisions	**45**	9

The group is currently involved in various litigation matters. The litigation provision has been estimated based on management assessment on likelihood of requirements on legal counsel and management's estimates of costs and possible claims relating to these after taking appropriate legal advice.

The reorganisation and restructuring provision relates to the restructuring 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.

39. Accrued expenses

	31 March 2023 US$'m	2022 US$'m
Deferred income[1]	**109**	143
Accrued expenses[2]	**229**	158
Amounts owing in respect of investments acquired[2]	**–**	3
Taxes and other statutory liabilities	**95**	113
Bonus accrual	**109**	89
Accrual for leave	**28**	28
Other personnel accruals	**46**	57
Payments received in advance	**81**	61
Payables from reverse factoring arrangements[2]	**100**	90
Merchant payable[2]	**871**	724
Other[3]	**52**	48
	1 720	1 514

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$43m (2022: US$42m).

Hedging

Accounting policy

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 consolidated statement of financial position. The group designates derivatives as hedging instruments either in their entirety or elements thereof, as appropriate. The fair values of derivatives used for hedging purposes are disclosed in note 40 below.

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 (net investment hedge).

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 consolidated 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 consolidated 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 consolidated income statement in the same period during which the hedged expected future cash flow affects the consolidated 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 consolidated income statement in the same period as the expected cash flows affect the consolidated 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 consolidated 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 consolidated income statement. The amount accumulated in the foreign currency translation reserve is reclassified to the consolidated 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 consolidated income statement.

40. Financial risk management

Financial risk factors

The group's activities expose it to a variety of financial risks such as market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. These include the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. The group's overall risk management programme seeks to minimise the potential adverse effects of financial risks on its financial performance. The group uses derivative financial instruments, such as forward exchange contracts and interest rate swaps, to hedge certain risk exposures.

Risk management is carried out by management under policies approved by the board of directors and its risk management committee. Management identifies, evaluates and, where appropriate, hedges financial risks. The various boards of directors within the group provide written policies, in line with the overall group policies, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and the investment of excess liquidity.

40.1 Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk. A substantial portion of the group's revenue and expenses is denominated in the currencies of the countries in which it operates.

In certain instances, the group will hedge its foreign currency risks associated with certain of its net investments in foreign operations. The group will determine which investments to hedge based on the foreign currency risk arising on translation of its foreign operations.

Following the acquisition of the group's interest in Delivery Hero SE during the 2018 financial year, the group elected to hedge the foreign exchange risk resulting from the difference between the functional currency of Delivery Hero (euro) and the currency of the funding incurred to acquire the investment (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.

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, €1.0bn 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.

In April 2022, the group designated €2.0bn of the euro bonds as a hedge of the net investment in Delivery Hero SE along with the cross-currency interest swap discussed above. In March 2023, the group fully settled the cross-currency interest swap resulting in the cash receipt of US$13m. Subsequent to the settlement the group designated an additional €200m of the euro bond as a hedge of the net investment in Delivery Hero SE. As at 31 March 2023, €2.2bn of the euro bonds were designated as a hedge of the net investment in Delivery Hero SE. The additional investment in Delivery Hero in the 2022 and 2023 financial year was funded by the euro bonds, therefore this hedge designation creates as a natural offset of the foreign currency exposure of the investment and the bond liability. The group designated only the spot exchange rate element of the euro bonds in the hedging relationship.

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.

Cumulative gains of US$35m (2022: loss of US$14m) have been recognised in the foreign currency translation reserve relating to the net investment hedge since the inception of the hedging relationship. The decrease in the value of the net investment in Delivery Hero used to determine hedge ineffectiveness for the period is US$1.5bn (2022: increase in value of US$2.1bn).

During the current year, total gains of US$55m (2022: US$12m) were recognised on the cross-currency interest rate swap prior to settlement and the euro bonds designated as a hedge. Gains of US$50m (2022: US$10m) 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$5m (2022: US$2m) were recognised as part of 'Other finance (costs)/income – net' in the consolidated income statement. This is the element of the cross-currency interest rate swap prior to settlement and the portion of the euro bonds not designated as part of the hedging relationship. Ineffectiveness may arise from credit risk on the cross-currency interest rate swap and the euro bonds. 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 2023.

40. Financial risk management continued

40.1 Foreign exchange risk continued

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 2023, the group had a net cash balance including short-term cash investments of US$16.26bn (2022: US$13.55bn). These funds are largely denominated in US dollar which is also the functional currency of the relevant group subsidiary in which the cash is held. However, there are certain money market investments held in euros by entities with US dollar functional currencies which do give rise to foreign currency risk.

Foreign currency sensitivity analysis

The group's presentation currency is the US dollar, but as it operates internationally, it is exposed to a number of currencies, of which the exposure to the US dollar, euro, Indian rupee, Brazilian real, Romanian lei, Turkish lira and Polish zloty 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 lei (2022: 10% increase on aforementioned currencies) and a 20% increase of the US dollar against the Brazilian real, Turkish lira and Polish zloty (2022: 20% increase of the US dollar against forementioned currencies). These movements would result in a US$464m increase in net profit after tax for the year (2022: US$380m increase). Other equity would decrease by US$78m (2022: US$124m decrease).

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 2023		31 March 2022	
	Average rate	**Closing rate**	Average rate	Closing rate
Currency (1FC = US$)				
South African rand (ZAR)	**0.0583**	**0.0562**	0.0670	0.0685
Euro (EUR)	**1.0415**	**1.0841**	1.1586	1.1067
Chinese yuan renminbi (RMB)	**0.1453**	**0.1456**	0.1562	0.1577
Brazilian real (BRL)	**0.1943**	**0.1975**	0.1891	0.2110
Indian rupee (INR)	**0.0124**	**0.0122**	0.0134	0.0132
Polish zloty (PLN)	**0.2213**	**0.2317**	0.2525	0.2382
Romanian lei (RON)	**0.2114**	**0.2191**	0.2346	0.2240
Turkish lira (YTL)	**0.0557**	**0.0521**	0.0927	0.0681
British pound sterling (GBP)	**1.2036**	**1.2335**	1.3620	1.3135

The average rates listed above are only approximate average rates. The group measures separately the transactions of each of its material operations, using the particular currency of the primary economic environment in which the operation conducts its business, translated at the prevailing exchange rate on the transaction date.

The below table details the group's unhedged liabilities that are denominated in a currency other than the functional currency of the settling entity:

	31 March 2023		31 March 2022	
	Currency amount of liabilities US$'m	US$'m	Currency amount of liabilities US$'m	US$'m
Uncovered liabilities				
Euro	5 333	5 782	5 284	5 847
South African rand	7	–	5	–
US dollar	–	–	13	13
British pound	1	1	1	2
Other	–	6	–	1

Derivative financial instruments

The following table details the group's derivative financial instruments:

	31 March 2023		31 March 2022	
	Assets US$'m	Liabilities US$'m	Assets US$'m	Liabilities US$'m
Current portion				
Forward exchange contracts	5	2	27	18
	5	2	27	18
Non-current portion				
Derivatives contained in lease agreements	–	–	11	2
Cross-currency interest rate swap	–	–	2	–
	–	–	13	2
Total	5	2	40	20

The group's forward exchange contracts and cross-currency interest rate swap are subject to master netting arrangements that allow for offsetting of asset and liability positions with the same counterparty in the event of default. None of the group's forward exchange contracts and cross-currency interest rate swap agreement have been offset in the consolidated statement of financial position. At 31 March 2023 and 31 March 2022, there were no contracts that could be offset under the master netting arrangement.

40. Financial risk management continued

40.2 Credit risk

The group is exposed to credit risk relating to the following financial assets measured at amortised cost:

Trade receivables and accrued income balances

Trade receivables relate to amounts due from customers for goods sold or services rendered in the ordinary course of business. 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 Payments and Fintech, Classifieds, and Food Delivery segments. 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 Classifieds, and Payments and Fintech segments and are included within 'Other receivables' in the consolidated 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. 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, the 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) reasonable and supportable forward-looking information that is considered predictive of future credit losses within each business.

The historical loss experience/rates that are taken into account when determining impairment allowances is determined with reference to representative sales periods within each business (typically not shorter than 12 months) and the credit losses incurred over that period.

Forward-looking information considered in measuring lifetime expected credit losses include macroeconomic factors, with the most significant factors considered being inflation and unemployment rate increases as these are considered to most significantly affect the future ability of the group's customers to settle their accounts as they fall due for payment. All forward-looking information considered is specific to the economy that most significantly affects the underlying customer's ability to repay the relevant amount due. 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.

As at 31 March 2023, an impairment allowance (net of reversals) of US$8m (2022: US$6m) has been recognised with respect to trade receivables and accrued income balances.

Financing receivables

Financing receivables are amounts due from customers for financing provided for goods sold and other credit offerings. The group's financing receivables arise mainly in its Payments and Fintech, Classifieds and Food Delivery segments. The measurement of the expected credit loss allowance on these financing receivables is based on the general expected credit loss model. The assessment considers whether there has been a significant increase in credit risk. The receivables are analysed based on their ageing and the expected credit loss rate applied to the receivables is based on historical loss rates adjusted to incorporate forward-looking information such as inflation and unemployment rates. 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 majority of the financing receivables are current, and there has been no significant increase in credit risk for these financing receivables since initial recognition. Consequently, the impairment loss allowance is based on a 12-month expected credit loss model.

As at 31 March 2023, an impairment allowance (net of reversals) of US$33m (2022: US$9m) has been recognised with respect to financing receivables.

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 current and prior 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. In addition, these related parties have sufficient liquid assets and will therefore be able to settle their debt. As at 31 March 2023 and 2022, impairment allowances on related party loans and receivables were not material.

Other receivables

Credit risk related to other receivables arises mainly from accrued income balances, merchant and bank receivables, and disposal proceeds receivable.

Accrued income

The credit risk profile and impairment methodology applied to accrued income balance that are included within 'Other receivables' in the consolidated statement of financial position is outlined above.

Merchant and bank receivables

Merchant and bank receivables balances relate to transactions, primarily in the group's Food Delivery, and Payments and Fintech 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 39) 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 2023, an impairment allowance of US$4m (2022: US$4m) 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 2023 and 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 2023, impairment allowances related to loan receivables amounted to US$nil (31 March 2022: US$7m).

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 2023, 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 continuing 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$37m as at 31 March 2023 (2022: US$12m). 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.

40. Financial risk management continued

40.3 Liquidity risk

Prudent liquidity risk management implies, among other aspects, maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The facilities expiring within one year are subject to renewal at various dates during the next year. The group had the following unutilised banking facilities as at 31 March 2023 and 31 March 2022:

	31 March	
	2023 US$'m	2022 US$'m
On call	**123**	121
Expiring within one year	**160**	19
Expiring beyond one year	**2 516**	2 502
	2 799	2 642

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 2023				
	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	**(204)**	**(223)**	**(58)**	**(136)**	**(29)**
Interest-bearing: Loans and other liabilities	**(15 921)**	**(22 803)**	**(757)**	**(4 460)**	**(17 586)**
Non-interest-bearing: Loans and other liabilities	**(110)**	**(110)**	**(82)**	**(28)**	**–**
Other current and non-current liabilities	**(889)**	**(899)**	**(773)**	**(126)**	**–**
Trade payables	**(356)**	**(356)**	**(356)**	**–**	**–**
Accrued expenses	**(1 243)**	**(1 243)**	**(1 243)**	**–**	**–**
Related party loans and payables	**(8)**	**(8)**	**(6)**	**(2)**	**–**
Bank overdrafts	**(28)**	**(28)**	**(28)**	**–**	**–**
Trade payables classified as held for sale	**(165)**	**(165)**	**(165)**	**–**	**–**
Accrued expenses classified as held for sale	**(66)**	**(66)**	**(66)**	**–**	**–**
Derivative financial assets/(liabilities)					
Forward exchange contracts – inflow	**5**	**215**	**215**	**–**	**–**
Forward exchange contracts – outflow	**(2)**	**(213)**	**(213)**	**–**	**–**

Financial risk management continued

	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: Capitalised finance leases	(263)	(282)	(64)	(178)	(40)
Interest-bearing: Loans and other liabilities	(15 829)	(23 098)	(464)	(3 813)	(18 821)
Non-interest-bearing: Loans and other liabilities	(81)	(109)	(44)	(65)	–
Other current liabilities and non-current liabilities	(1 158)	(1 158)	(1 014)	(144)	–
Trade payables	(549)	(549)	(549)	–	–
Accrued expenses	(1 017)	(1 017)	(1 017)	–	–
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)	–

40.4 Interest rate risk

As part of the process of managing the group's fixed and floating borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Where appropriate, the group uses derivative financial instruments, such as interest rate swap agreements, purely for hedging purposes. The fair value of these instruments will not change significantly as a result of changes in interest rates due to their short-term nature and floating interest rates.

Refer to note 30 for the interest rate profiles and repayment terms of long-term liabilities as at 31 March 2023 and 2022.

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 and London Interbank Average Rates. Management's best estimate of the possible change in these interest rates is an increase of 100 basis points (2022: 100 basis points) for South African and European Interbank Average Rates and an increase of 300 basis points (2022: 300 basis points) for Brazilian and Johannesburg Interbank Average Rates.

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 2023 would decrease by US$37m (2022: increase on net profit (and equity) by US$82m).

40.5 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$604m decrease in other comprehensive income (2022: US$477m). Refer to note 28 for details of the group's listed investments.

41. Fair value of financial instruments

The carrying values, net gains and losses recognised in profit or loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	Carrying value US$'m	Net gains/(losses) recognised in profit or loss US$'m	Total interest income US$'m	Impairment US$'m
	31 March 2023			
Assets				
Other investments	7 570	(99)	–	–
Financial assets at fair value through profit or loss	34	(99)	–	–
Financial assets at fair value through other comprehensive income[2]	7 528	–	–	–
Other loans and investments[3]	8	–	–	
Receivables and loans[3]	1 719	(28)	38	36
Trade and financing receivables	659	–	1	44
Other receivables	602	(30)	2	(7)
Foreign currency intergroup receivables	–	2	–	–
Trade and other receivables classified as held for sale	164	–	–	(1)
Related party receivables	294	–	35	–
Derivative financial instruments[1]	5	10	–	–
Forward exchange contracts	5	–	–	–
Cross-currency interest rate swap	–	10	–	–
Derivatives contained in lease agreements	–	–	–	–
Short-term investments[3]	6 726	(42)	160	–
Cash and cash equivalents classified as held for sale	94	–	–	–
Cash and cash equivalents[1, 3]	9 565	35	278	–
Total	25 679	(124)	476	36

1 Measured at fair value through profit or loss. Cash and cash equivalents include money market funds that are part of cash and cash equivalents.
2 During the year losses of US$158m (2022: US$1.2bn) was recognised in other comprehensive income with respect to the group's financial assets at fair value through other comprehensive income.
3 Measured at amortised cost.

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	31 March 2023		
	Carrying value US$'m	Net gains/(losses) recognised in profit or loss US$'m	Total interest expense US$'m
Liabilities			
Long-term liabilities[1]	15 925	120	492
Interest-bearing: Capitalised lease liabilities	150	–	2
Interest-bearing: Loans and other liabilities	15 596	118	490
Non-interest-bearing: Loans and other liabilities	22	–	–
Long-term liabilities classified as held for sale	29	–	–
Other non-current liabilities[2]	126	2	–
Related party loans and payables	2	–	–
Short-term payables and loans[1]	3 076	5	41
Interest-bearing: Capitalised lease liabilities	54	1	5
Interest-bearing: Loans and other liabilities	325	1	7
Non-interest-bearing: Loans and other liabilities	88	–	–
Trade payables	356	–	1
Trade payables classified as held for sale	165	–	–
Other current liabilities[2]	773	3	–
Accrued expenses	1 243	(7)	28
Accrued expenses classified as held for sale	66	–	–
Related party loans and payables	6	3	–
Foreign currency intergroup payables	–	4	–
Derivative financial instruments[3]	2	7	–
Forward exchange contracts	2	7	–
Derivatives contained in lease agreements	–	–	–
Bank overdrafts[1]	28	–	22
Total	19 031	132	555

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 2023					
Publicly traded bonds[1]	15 377	12 009	–	12 009	–
31 March 2022					
Publicly traded bonds[1]	15 492	13 056	–	13 056	–

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).

41. 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 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[1]	5 918	–	–	–
Receivables and loans[3]	1 354	31	13	17
Trade and financing receivables	461	(3)	–	6
Other receivables	460	–	1	11
Related party receivables	433	34	12	–
Derivative financial instruments[2]	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[2, 3]	9 646	(29)	30	–
Total	20 945	(52)	52	17

1 During the year, losses of US$1.2bn were recognised in other comprehensive income with respect to the group's financial assets at fair value through other comprehensive income.
2 Measured at fair value through profit or loss. Cash and cash equivalents include money market funds that are part of cash and cash equivalents.
3 Measured at amortised cost.

	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 finance leases	200	–	8
Interest-bearing: Loans and other liabilities	15 611	68	378
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	5
Interest-bearing: Capitalised finance leases	63	(1)	2
Interest-bearing: Loans and other liabilities	218	–	2
Non-interest-bearing: Loans and other liabilities	31	–	–
Trade payables	549	(7)	–
Other current liabilities[2]	1 014	14	–
Accrued expenses	1 017	6	1
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	398

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).

41. 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 funds 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 consolidated income statement.
» **Financial assets at fair value** – relates to a contractual right to receive shares or cash. The fair value is based on a listed share price on the date the transaction was entered into.

Level 3 fair value measurements

» **Financial assets at fair value** – relate predominantly to unlisted equity investments and the residual interest in the Naspers group. The fair value of unlisted equity investments is based on the most recent funding transactions for these investments, a discounted cash flow calculation (DCF), or a weighted-income and market approach using a discounted cash flow calculation and market multiples. The unlisted equity investments based on a DCF or weighted-income and market approach relate to investments in the Edtech segment. The fair value of these unlisted equity investments is based on the following unobservable inputs:

» **Revenue growth rates and EBITDA margins**

Revenue growth rates and EBITDA margins are based on past experience and management's future expectations of business performance.

» **Growth rate**

The long-term growth rate is based on expectations for inflation in the regions in which the business operates, the data is sourced from publicly available information. The long-term growth rate is spread over a 10-year forecast period. The annual growth rate used for revenue and expenses over the 10-year forecast period ranged between 2% to 6%.

» **Discount rate**

The discount rate used is a weighted average cost of capital. The weighted average cost of capital takes into account the cost of equity and cost of debt. The cost of equity is based on a risk-free rate adjusted for specific risks such as a country risk and equity risk premium. The cost of debt is based on the pre-tax cost of debt adjusted with a sovereign spread premium net of tax. Discount rates used ranged between 12% to 15%.

» **Terminal growth rate**

The terminal growth rate considered the steady growth rates that would appropriately extrapolate cash flows beyond the forecasted periods once the business segment has assumed to reach maturity. The terminal value assumes free cash flow in the terminal period grows at the long-term growth rate and is then calculated using the Gordon Growth model. Terminal growth rates used ranged between 1% to 5%.

For our largest investment in the Edtech segment, a 1% increase in the discount rates would result in a decrease in the valuation of this investment by US$53m and a 1% decrease in the discount rates would result in an increase in the valuation of this investment by US$60m.

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' 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.

» **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

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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 2023			
	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	**7 528**	**6 044**	**–**	**1 484**
Financial assets at fair value through profit or loss	**34**	**4**	**–**	**30**
Forward exchange contracts	**5**	**–**	**5**	**–**
Cash and cash equivalents[1]	**447**	**–**	**447**	**–**
Total	**8 014**	**6 048**	**452**	**1 514**
Liabilities				
Forward exchange contracts	**1**	**–**	**1**	**–**
Earn-out obligations	**109**	**–**	**–**	**109**
Total	**110**	**–**	**1**	**109**

	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

1 Relates to short-term bank deposits which are money market funds held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies.

41. Fair value of financial instruments continued

The following table shows a reconciliation of the group's level 3 financial instruments:

	31 March 2023			
	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 2022	**(20)**	**1 153**	**9**	**44**
Additions	**(96)**	**38**	**–**	**41**
Total (losses)/gains recognised in the income statement	**7**	**–**	**–**	**(11)**
Total losses recognised in other comprehensive income	**–**	**(270)**	**–**	**–**
Settlements/disposals	**–**	**(65)**	**(9)**	**(35)**
Transfer to held for sale	**–**	**–**	**–**	**(9)**
Foreign currency translation effects	**–**	**(4)**	**–**	**–**
Impact of share exchange	**–**	**10**	**–**	**–**
Transfers from investments in associates	**–**	**622**	**–**	**–**
Total	**(109)**	**1 484**	**–**	**30**

	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 gains/(losses) 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

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$nil (2022: US$4m) from level 2 to level 1 and a transfer of US$1m (2022: US$10m) from level 3 to level 1. There was another transfer of US$622m (2022: US$nil) to level 3 due to investments in associates that lost significant influence during the current year.

Other disclosures

42. Related party transactions and balances

The group entered into transactions and has balances with a number of related parties, including equity-accounted investments, 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	
	2023 US$'m	2022 US$'m
Sale of goods and services to related parties[1]		
EMPG Holdings Limited	–	12
MIH Holdings Proprietary Limited	11	12
Bom Negócio Atividades de Internet Ltda (OLX Brasil)	28	14
Skillsoft Corp.	8	34
Various other related parties	1	1
	48	73

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	
	2023 US$'m	2022 US$'m
Services received from related parties[1]		
MIH Holdings Proprietary Limited	9	10
Various related parties	2	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.

During the current year the group recharged US$11m (2022: US$12m) to Naspers companies in respect of services performed on their behalf. In addition Naspers recharged costs of US$9m (2022: US$10m) to the group's companies.

	31 March	
	2023 US$'m	2022 US$'m
Dividends paid to holding company		
Naspers Limited	89	104
	89	104

42. Related party transactions and balances continued

The balances of receivables and payables between the group and related parties are as follows:

	31 March	
	2023 US$'m	2022 US$'m
Loans and receivables[1]		
Myriad/MIH (Malta) Limited	–	6
MIH Holdings Proprietary Limited	5	1
Bom Negócio Atividades de Internet Ltda (OLX Brasil)[2]	150	219
MIH Treasury Services Proprietary Limited	11	16
MIH Internet Holding B.V. Share Trust[3]	102	154
Inversiones CMR S.A.S.	1	21
GoodGuyz Investments B.V.	6	6
Silvergate Capital Corporation	2	4
Other	17	6
Less: Allowance for impairment of loans and receivables[4]	–	–
Total related party receivables	294	433
Less: Non-current portion of related party receivables	(254)	(416)
Current portion of related party receivables	40	17

1 The group provides services and loan funding to a number of its related parties.
2 During the current year a portion of the loan was capitalised to the investment in joint venture. 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 trust for equity compensation plans. The loan is interest free and repayable in 2031, or upon winding up of the trust, if earlier. Cash flows for this transaction are disclosed as investing activities in the condensed consolidated statement of cash flows.
4 Impairment allowance for non-current receivables from related parties is based on a 12-month expected credit loss model and was not material.

	31 March	
	2023 US$'m	2022 US$'m
Payables		
Zitec Com SRL	3	2
MIH Holdings Proprietary Limited	3	3
Myriad/MIH (Malta) Limited	-	2
Various other related parties	2	3
Total related party payables	8	10
Less: Non-current portion of related party payables	(2)	(2)
Current portion of related party payables	6	8

There was no movement in the allowance for impairment of related party receivables during the year (2022: US$ nil).

Terms of significant related party current receivables and payables

Current portion of related party payables amount to US$6m (2022: 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.

Shares held in holding company

At 31 March 2023, as a result of the share exchange transaction and share repurchase programme, Prosus held 52.5% (2022: 49.5%) fully diluted interest, representing a 52.7% (2022: 49.9%) economic interest in Naspers. Prosus' legal ownership in Naspers remains less than 50% as at 31 March 2023. The accounting for the share repurchase programme and the share exchange transaction takes into consideration the cross-holding agreement between Prosus and Naspers. The cross-holding agreement governs how distributions between the two groups should be managed.

Based on the substance of the above transactions, the portion of the effective interest in Naspers that relates to Prosus' underlying investments is accounted for as a shareholder distribution in equity. Only Prosus' residual interest in the Naspers group is recognised as an investment at fair value through other comprehensive income on the consolidated statement of financial position.

Form June 2022, as part of the group's share repurchase programme, Prosus acquired an additional 4 152 285 Naspers N ordinary shares amounting to US$626m.

Prosus' residual interest in the Naspers group amounting to US$206m is recognised as a FVOCI investment. Refer to note 28.

Refer to note 5 for details of the accounting treatment for the above transaction.

Naspers guarantees

The group's bonds amounting to US$839m are guaranteed by Naspers Limited.

Group equity contributions to Naspers share trusts

The group made contributions to Naspers share trusts amounting to US$191m (2022: US$190m) during the current year.

Directors' remuneration

The executive directors received the following remuneration and emoluments:

	2023 US$'000	2022 US$'000
Executive directors[1]		
Salary	2 345	2 372
Annual short-term incentive payments	1 774	1 585
Discount-linked short-term incentive payments[2]	4 873	–
Pension contributions and other benefits paid on behalf of director	227	223
Share-based payment expense	(101 763)	(22 705)
Total	**(92 544)**	(18 525)

1 Executive directors' aggregate cost of their compensation is currently allocated 90% to Prosus and 10% to Naspers.
2 The discount-linked STI will be held and paid out after 31 March 2024 should the assessed discount be sustained or improved.

The non-executive directors received the following remuneration and emoluments:

	2023 US$'000	2022 US$'000
Non-executive directors[1]		
Directors' fees	2 512	2 429
Committee and trust fees	531	541
Total	**3 043**	2 970

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:

	2023 US$'000	2022 US$'000
Key management		
Short-term employee benefits	17 194	17 901
Post-employment benefits	536	513
Share-based payment expense	33 722	65 534
Total	**51 452**	83 948

42. Related party transactions and balances continued

Directors' remuneration continued

The group has not provided any personal loans, advances or guarantees to the executive, non-executive directors and/or key management personnel.

Key management excludes executive and non-executive directors' remuneration.

The prior year's remuneration includes the remuneration of the former statutory directors until the date of resignation and the remuneration of the newly appointed executive directors from the date of appointment.

Directors' interest in Prosus shares

The directors of Prosus (and their associates) had the following interests in Prosus A ordinary shares as at 31 March:

	2023			2022		
	Prosus ordinary shares A			Prosus ordinary shares A		
	Beneficial			Beneficial		
Name	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total
SJZ Pacak[1]	–	486	486	–	486	486
JDT Stofberg[1]	–	810	810	–	810	810
Total	**–**	**1 296**	**1 296**	–	1 296	1 296

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 ordinary shares A1 were issued to holders of ordinary shares A1 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:

	2023			2022		
	Prosus ordinary shares N			Prosus ordinary shares N		
	Beneficial			Beneficial		
Name	**Direct**	**Indirect[1]**	**Total**	Direct	Indirect	Total
JP Bekker[2]	–	9 013 809	9 013 809	–	11 513 809	11 513 809
H du Toit[2]	5 111	–	5 111	5 111	–	5 111
CL Enenstein	–	415	415	–	415	415
FLN Letele	2 604	–	2 604	2 604	–	2 604
SJZ Pacak[3]	460 911	693 086	1 153 997	460 911	747 086	1 207 997
V Sgourdos[4, 5]	124 718	86 619	211 337	110 890	102 290	213 180
MR Sorour	3 955	442	4 397	3 955	442	4 397
JDT Stofberg	415 966	141 888	557 854	415 966	141 888	557 854
BJ van der Ross[6]	–	–	–	6 262	5 294	11 556
B van Dijk[7, 8]	525 119	274 945	800 064	249 975	1 085 405	1 335 380
Total	**1 538 384**	**10 211 204**	**11 749 588**	1 255 674	13 596 629	14 852 303

1 Prosus share options that have been released (vested), but have not yet been exercised, are included in the indirect column: Bob van Dijk – 274 945 (2022: 1 085 405). Basil Sgourdos – 86 619 (2022: 102 290). Steve Pacak – nil (2022: 54 000).
2 Between 24 March 2023 and 28 March 2023, Koos Bekker's family trust sold a parcel of Prosus shares to fund building operations at hotels in various countries in which the family trust has an interest. These shares were sold at a volume-weighted average price of €69.3312.
3 On 8 July 2022, Steve Pacak exercised 54 000 share options and the linked Prosus N.V. and MultiChoice Group Limited share options. These share options relate to 54 000 Naspers N ordinary share options, awarded on 7 September 2012.
4 On 25 January 2023, Basil Sgourdos exercised 27 360 share options and the linked Prosus N.V. share options. These share options related to 27 360 Naspers share options awarded on 11 July 2013.
5 On 7 December 2022, Basil Sgourdos exercised 16 279 Naspers PSUs and the linked Prosus PSUs awarded to him on 9 September 2019. He disposed of 2 451 Prosus shares to cover taxes and other related costs on market and took delivery of the remaining 13 828 Prosus shares.
6 Resigned as a director of Prosus and Naspers on 1 April 2022.
7 On 7 December 2022, Bob van Dijk exercised 31 395 Naspers PSUs and the linked Prosus PSUs awarded to him on 9 September 2019. He disposed of the entirety of the award on market.
8 On 29 August, 30 August and 31 August 2022, Bob van Dijk exercised 832 000 Naspers share options and the linked Prosus share options. The share options were awarded on 28 March 2014. 281 556 Prosus ordinary shares N have been disposed of to cover taxes and other related costs incurred on the exercise of the linked Prosus share options. 275 300 Prosus ordinary shares N were sold to realise cash. The remaining 275 144 Prosus ordinary shares N have been transferred to his name.

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.

43. 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 2023 amount to US$nil (2022: US$nil).

(b) Other commitments

The group entered into contracts for the receipt of various services. These service contracts are for the receipt of information technology and computer support services, access to networks, consulting services and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amount to US$306m (2022: US$132m).

(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 2023. 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 2023 US$'m	2022 US$'m
Minimum lease payments:		
Payable in year one	1	5
Payable in year two	–	3
Payable in year three	–	2
Payable in year four	–	2
Payable in year five	–	2
Payable after five years	–	3
	1	17

(d) Litigation claims

Taxation matters

As a global technology investor, the group's portfolio of businesses is well diversified by sector and geography. The group operates on a decentralised basis in numerous countries. Businesses are based in the countries where their operations, their users and consumers are. As a result, the group's businesses pay taxes locally, in the jurisdictions where they operate and where the group's products and services are consumed. Where relevant and appropriate, the group seeks advice and works with its advisers to identify and quantify contingent tax exposures. Our current assessment of possible tax exposures, including interest and potential penalties, amounts to approximately US$191m (2022: US$nil).

(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$466m (2022: US$318m). Refer to note 30 for further details.

44. Subsequent events

Events after the reporting period

As part of the share repurchase programme announced in June 2022, Prosus acquired 27 741 167 Prosus ordinary shares N for US$2.02bn and Naspers acquired 5 480 549 Naspers N ordinary shares for US$940m between April and 22 June 2023. Furthermore, Naspers disposed of 10 591 976 Prosus ordinary shares N for US$766m between April and 22 June 2023. The group will account for this transaction in the same manner that it was accounted for in the year ended 31 March 2023.

The group sold 46 789 700 shares of Tencent Holdings Limited (Tencent) between April and 22 June 2023 yielding US$2.05bn in proceeds. An accurate estimate for the gain on disposal of these shares cannot be made until the corresponding equity-accounted results for the period have been finalised.

In June 2023, the group received the requisite approval from the South African Reserve Bank for a proposed transaction in terms of which the crossholding between Naspers and Prosus will be removed. The implementation of the proposed transaction will enable the continuation of the share repurchase programme at the Naspers level. The proposed transaction is also intended to remove the complexity created by the crossholding between Naspers and Prosus while keeping the Naspers and Prosus free-float effective economic interests the same as they were prior to its implementation. This will be achieved through aligning the legal ownership in Prosus with the current respective free-float effective economic interests. The implementation of the proposed transaction is subject to the requisite regulatory and Naspers and Prosus shareholder and final board approvals being obtained.

Company statement of financial position

as at 31 March 2023 (before appropriation of results)

	Notes	31 March 2023 US$'m	2022 US$'m
Assets			
Non-current assets		144 009	153 420
Investments in subsidiaries	3	141 188	150 306
Investments at fair value through other comprehensive income	4	206	385
Amounts due from group companies	5	2 615	2 727
Derivative financial instruments	18	–	2
Current assets		14 806	12 294
Amounts due from group companies	5	1	8
Derivative financial instruments	18	5	27
Other receivables	6	45	17
Short-term investments	7	6 709	3 924
Cash and cash equivalents	8	8 046	8 318
Total assets		158 815	165 714
Equity and liabilities			
Shareholders' equity		143 290	150 122
Share capital	9, 10	170	177
Share premium	9, 10	131 934	142 687
Statutory reserve		138	138
Retained earnings		6 848	1 085
Undistributed results		4 200	6 035
Non-current liabilities		15 253	15 492
Long-term liabilities	11	15 253	15 368
Current liabilities		272	224
Current portion of long-term liabilities[1]	11	124	124
Amounts due to group companies	5	6	77
Accrued expenses and other current liabilities[1]	12	82	11
Taxation payable		59	–
Derivative financial instruments	18	1	12
Total equity and liabilities		158 815	165 714

1 Accrued interest expense previously aggregated into 'Accrued expenses and other current liabilities' is now presented in 'Current portion of long-term debt' to present the interest component with the interest bearing liabilities.

The accompanying notes are an integral part of these company financial statements.

Company statement of comprehensive income

for the year ended 31 March 2023

	Notes	31 March 2023 US$'m	2022 US$'m
Selling, general and administration expenses	13	**(5)**	(12)
Dividend income	14	**4 226**	6 472
Operating profit		**4 221**	6 460
Interest income	15	**454**	35
Interest expense	15	**(497)**	(353)
Other finance income/(cost) – net	15	**22**	(31)
Profit before taxation		**4 200**	6 111
Taxation	16	**–**	(76)
Profit for the year		**4 200**	6 035
Other comprehensive loss (OCI)		**(182)**	(674)
Net fair value loss on financial assets at fair value through OCI[1]	4	**(179)**	(700)
Net movement in hedging reserve[2]		**(3)**	26
Total comprehensive income for the year		**4 018**	5 361

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 2023

	Share capital US$'m	Share premium US$'m	Treasury shares[1] US$'m	Statutory reserve[2] US$'m	Retained earnings US$'m	Undistributed results US$'m	Total US$'m
Balance at 1 April 2022	**177**	**149 098**	**(6 411)**	**138**	**1 085**	**6 035**	**150 122**
Income for the year	**–**	**–**	**–**	**–**	**(182)**	**4 200**	**4 018**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**4 200**	**4 200**
Other comprehensive loss[3]	**–**	**–**	**–**	**–**	**(182)**	**–**	**(182)**
Appropriation of result	**–**	**–**	**–**	**–**	**6 035**	**(6 035)**	**–**
Share capital movements[4]	**98**	**(98)**	**–**	**–**	**–**	**–**	**–**
Annual distribution paid to shareholders[4]	**(102)**	**–**	**–**	**–**	**(89)**	**–**	**(191)**
Repurchase of own shares[5]	**–**	**–**	**(10 043)**	**–**	**–**	**–**	**(10 043)**
Cancellation of shares[6]	**(4)**	**(6 407)**	**6 411**	**–**	**–**	**–**	**–**
Capital restructure as a result of the share repurchase programme[7]	**–**	**(616)**	**–**	**–**	**–**	**–**	**(616)**
Currency translation of share capital	**1**	**–**	**–**	**–**	**(1)**	**–**	**–**
Balance at 31 March 2023	**170**	**141 977**	**(10 043)**	**138**	**6 848**	**4 200**	**143 290**

1 Treasury shares is a component of share premium that is presented separately within the statement of changes in equity.
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 Relates predominantly to the company's investment at fair value through other comprehensive income. Refer to note 4.
4 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 2022 financial year in the form of capital repayment. Annual distribution paid to shareholders relate to the actual capital and dividend payments made to shareholders in the current year. Refer to note 9.
5 Relates to repurchase of own shares as per the share repurchase programme. Refer to note 9.
6 Relates to the cancellation of N shares repurchased per the share repurchase programme. Refer to note 9.
7 Relates to the consideration paid for Naspers Limited shares that represents a capital restructure as a result of the cross-holding agreement. Refer to note 9.

The accompanying notes are an integral part of these company financial statements.

	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	Undistributed results US$'m	Total US$'m
Balance at 1 April 2021	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 Treasury shares is a component of share premium that is presented separately within the statement of changes in equity.
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 relate 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.
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.

The accompanying notes are an integral part of these company financial statements.

Company statement of cash flows

for the year ended 31 March 2023

	Notes	31 March 2023 US$'m	2022 US$'m
Cash flows from operating activities			
Cash generated from operations	17	**4 206**	6 298
Interest income received		**268**	35
Interest expense paid		**(480)**	(300)
Net cash generated from operating activities		**3 994**	6 033
Cash flows from investing activities			
Loans advanced to group companies		**(4 395)**	(7 920)
Loans repaid by group companies		**3 009**	741
Acquisition of Naspers shares	4	**–**	(1 287)
Acquisition of short-term investments	7	**(2 700)**	(2 711)
Capital repayment received from MIH Internet Holdings B.V.	3	**10 618**	8 708
Other investing activities		**(10)**	–
Net cash generated from/(utilised in) investing activities		**6 522**	(2 469)
Cash flows from financing activities			
Proceeds from issue of share capital	9	**–**	66
Proceeds from long-term loans raised	11	**–**	9 211
Repayments of long-term loans	11	**–**	(1 578)
Dividends paid to shareholders	9	**(89)**	(104)
Capital repayments to shareholders	9	**(102)**	(134)
Repurchase of own shares	9	**(9 897)**	(4 995)
Acquisition of Naspers shares resulting in a capital restructure	9	**(615)**	–
Other financing activities		**(51)**	(97)
Net cash (utilised in)/generated from financing activities		**(10 754)**	2 369
Net (decrease)/increase in cash and cash equivalents		**(238)**	5 933
Foreign exchange translation adjustments on cash and cash equivalents		**(34)**	48
Cash and cash equivalents at the beginning of the year		**8 318**	2 337
Cash and cash equivalents at the end of the year	8	**8 046**	8 318

The accompanying notes are an integral part of these company financial statements.

Notes to the company financial statements

for the year ended 31 March 2023

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 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.

Dividend income

Dividend income is recognised when declared by the company's subsidiaries and the company has a right to payment. Dividend income includes amounts declared from proceeds of sale of investments received as a dividend in specie by the company's subsidiary. Dividend income is recognised in the income statement unless the dividend is a distribution that clearly represents a recovery of the cost of an investment that is disposed. 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 the 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. 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 5 in the consolidated financial statements), determining whether a distribution from the company's subsidiary is a capital repayment or dividend income, 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 repurchase programme

In June 2022, the group announced the beginning of an open-ended, repurchase programme of Prosus ordinary shares N and Naspers N ordinary shares.

Refer to note 5 of the consolidated financial statements for the accounting treatment for the above transaction.

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 2023 %	Effective percentage interest 2022 %	Direct investment in shares 2023 US$'m	Direct investment in shares 2022 US$'m	Nature of business	Country of incorporation
Unlisted companies							
MIH Internet Holdings B.V.	US$	**100.0**	100.0	**141 188**	150 306	Investment holding	The Netherlands

Below is a summary of the movements in the company's investments in subsidiaries:

	31 March 2023 US$'m	31 March 2022 US$'m
Carrying amount as at 1 April	**150 306**	153 514
Movements during the year	**(9 118)**	(3 208)
Capital repayments	**(10 618)**	(8 708)
Loan capitalisations	**1 500**	5 500
Carrying amount as at 31 March	**141 188**	150 306

Changes in investments in subsidiaries for the year ended 31 March 2023

The company's significant corporate transactions related to its investments in subsidiaries for the year ended 31 March 2023 are as follows:

Capital repayments

During the current year MIH Internet Holdings B.V. sold Tencent shares for US$10.6bn as part of an orderly, on-market sale to fund the share repurchase programme. These proceeds represent a recovery of the cost of the investment and were distributed as a capital repayment by MIH Internet Holdings B.V. The company recognised this capital repayment against the cost of its investment in MIH Internet Holdings B.V.

Loan capitalisations

During the current year the company converted US$1.50bn 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.

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. A decline in the market capitalisation of the company's indirect listed investments and the increase in the discount rates used to determine the value in use of the unlisted investments are considered impairment indicators. In addition, the carrying amount of the investment is higher than the market capitalisation of the company. These impairment indicators resulted in the need to test the company's investment for impairment. Accordingly, the company performed an impairment assessment of its investment in subsidiary at the level of MIH Internet Holdings B.V.

The recoverable amount of MIH Internet Holdings B.V. is the sum-of-the-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 11.5% to 28% (2022: 9% to 25%).
» The terminal growth rates considered the steady growth rates that would appropriately extrapolate cash flows beyond the forecasted periods. Terminal growth rates ranged between 2% to 7.5% (2022: 2% to 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. exceeds the carrying amount of US$141.2bn. 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 ranges between 6.9% to 35.6% (2022: 6% to 60%).

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$97.9bn as at 31 March 2023 (2022: US$76.8bn) shows a discount to the carrying amount of the company 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 2023 was approximately US$132.6bn (2022: 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.

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 prior year MIH TC Holdings Ltd (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$14.6n as a dividend 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 the cost of the investment in Tencent.

3. Investments in subsidiaries continued

Changes in investments in subsidiaries for the year ended 31 March 2022 continued

Loan capitalisations

During the previous 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. A 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.

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 exceeded the carrying amount of US$150.3bn. Accordingly, there was no impairment loss 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 impairments that would have to be recognised.

4. Investments at fair value through other comprehensive income

	Fair value 31 March 2023 US$'m	2022 US$'m
Residual interest in the Naspers Limited group	**206**	385
Total investments at fair value through other comprehensive income	**206**	385

Prosus holds a total of 217 552 704 Naspers N ordinary shares. These shares were acquired as part of share repurchase programmes (announced in October 2020 and June 2022) and the voluntary share exchange transaction in August 2021.

Subsequent to the above transactions, as at 31 March 2023, Prosus holds a 52.5% (2022: 49.5%) fully diluted interest, representing a 52.7% (2022: 49.9%) economic interest in Naspers.

Since the completion of the voluntary share exchange transaction in August 2021, Prosus' interest in Naspers is accounted for, taking into consideration the cross-holding agreement between Prosus and Naspers that became effective simultaneously with the closing of the transaction.

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). Based on the substance of this cross-holding agreement, the portion of Prosus' interest in Naspers attributable to the residual interest in the Naspers group is recognised as a financial asset at fair value through other comprehensive income (FVOCI).

In June 2022, the company announced the beginning of an open-ended, repurchase programme of Prosus ordinary shares N and Naspers N ordinary shares. As part of the repurchase programme, Prosus purchased an additional 4 152 285 Naspers N ordinary shares for a total consideration of US$624.5m during the current year.

The accounting for these repurchased shares takes into consideration the existing cross-holding agreement.

Accordingly, the consideration paid for Naspers N ordinary shares representing the increase in Prosus' residual interest in Naspers was recognised as a FVOCI investment with the remaining portion representing the value of Prosus' underlying investments being recognised in equity. The group recognised US$10.1m of the consideration as a FVOCI investment and the remaining US$614.5m in 'Share premium' in equity.

At 31 March 2023, the residual interest in the Naspers group amounted to US$206m (2022: US$385m) subsequent to the revaluation of the residual interest. The group recognised a fair value loss of US$179m as a result of this revaluation.

5. Related party transactions and balances

Amounts due from group companies

	31 March 2023 US$'m	31 March 2022 US$'m
MIH Internet Holdings B.V.	**2 615**	2 727
MIH Payments Holdings B.V.	**–**	8
PayU S.A.	**1**	–
Total amounts due from group companies	**2 616**	2 735
Less: Non-current portion of amounts owing from group companies	**(2 615)**	(2 727)
Current portion of amounts due from group companies	**1**	8

Amounts due to group companies

	31 March 2023 US$'m	31 March 2022 US$'m
iFood Holdings B.V.	**5**	3
Movile International Holdings B.V.	**–**	56
MIH Internet Holdings B.V.	**1**	–
OLX Global B.V.	**–**	18
Total amounts due to group companies	**6**	77

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 3-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 2028.

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 2023 and 2022, 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 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. of US$2.6bn is unsecured and denominated in euro (€2.3bn) and US dollar (US$147m). 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 2028.

The euro-denominated amount was interest-bearing at 3-months Euribor plus a 1.75 percentage point mark-up (with a minimum interest rate of 1.75 percentage point). 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 2028. 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$4.4bn, received a repayment of US$3.0bn and capitalised US$1.5bn (refer to note 3) of the loan balance. The funding was provided for future corporate transactions and other general corporate purposes.

Dividend distribution

At the prior year annual general meeting, the shareholders approved the proposed capital distribution of 14 euro cents per listed ordinary share N and the dividend distribution of 1.118 euro cents per ordinary share A1. Holders of ordinary shares N could elect to receive a dividend distribution instead of a capital distribution. 67 034 (2021: 96 768) ordinary shares N were unclaimed as of 31 March 2022. The dividend distribution included US$81.6m (2021: US$104.2m) paid to Naspers (refer to note 9).

Directors' remuneration

Refer to note 42 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 2023 US$'m	31 March 2022 US$'m
Prepaid expenses	**8**	15
Other	**37**	2
	45	17

7. Short-term investments

The carrying values of short-term investments as at 31 March are shown below.

	Weighted average interest rate	31 March 2023 US$'m	31 March 2022 US$'m
Deposits and money market investments	4.90%	**6 585**	3 921
Accrued interest income		**124**	3
		6 709	3 924

The deposits and money market investments of US$6.59bn (2022: US$3.92bn) 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 2023 and 31 March 2022.

All short-term investments are held in the same currency as the company's functional currency. 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 of short-term investments.

8. Cash and cash equivalents

	31 March 2023 US$'m	2022 US$'m
Cash at bank and on hand	**8 046**	8 318

Included in cash at bank and on hand is an amount of US$447m (2022: US$928m) which represents money market funds held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies.

9. Share capital and premium

	31 March 2023 US$'m	2022 US$'m
Authorised		
5 000 000 000 ordinary shares N of €0.05 each (2022: 5 000 000 000)		
10 000 000 ordinary shares A1 of €0.05 each (2022: 10 000 000)		
10 000 ordinary shares A2 of €50.00 each (2022: 10 000)		
3 000 000 000 ordinary shares B of €0.05 each (2022: 3 000 000 000)		
Issued and fully paid		
2 003 817 745 ordinary shares N (2022: 2 073 643 605)	**108**	114
4 456 650 ordinary shares A1 (2022: 4 456 650)	**1**	1
1 128 507 756 ordinary shares B (2022: 1 128 507 756)	**61**	62
Share capital	**170**	177
Share premium	**141 977**	149 098
Treasury shares	**(10 043)**	(6 411)
Share capital and premium	**132 104**	142 864

Equity compensation plans administered by Naspers group share trusts hold 5 976 416 (2022: 4 543 614) of the ordinary shares N.

Voluntary share exchange transaction

In August 2021, Prosus completed a voluntary share exchange transaction with Naspers shareholders. This offered Naspers shareholders the opportunity to tender their existing Naspers N ordinary shares for newly issued Prosus ordinary shares N.

Since the completion of the voluntary share exchange transaction, Prosus' interest in Naspers is accounted for based on the substance of the transaction, taking into consideration the cross-holding agreement between Prosus and Naspers that became effective simultaneously with the closing of the transaction.

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).

Based on the substance of this cross-holding agreement, the portion of Prosus' interest in Naspers attributable to the residual interest in the Naspers group is recognised as a financial asset at fair value through other comprehensive income (FVOCI). The portion of the interest in Naspers that relates to Prosus' underlying investments is accounted for as a shareholder distribution. This is recognised in equity in the 'Share premium'. This portion of the transaction is therefore treated as a transaction with shareholders in contemplation of a capital restructure.

As at 31 March 2023, Prosus holds a 52.5% (2022: 49.5%) fully diluted interest, representing a 52.7% (2022: 49.9%) economic interest in Naspers.

Share repurchase programme

Purchase of Naspers N ordinary shares

As part of the repurchase programme, during the current year, Prosus purchased 4 152 285 Naspers N ordinary shares for a total consideration of US$626m.

The Naspers N ordinary shares acquired by the group are subject to the cross-holding agreement. The consideration paid for Naspers N ordinary shares representing the increase in Prosus residual interest in Naspers was recognised as a FVOCI investment with the remaining portion representing the value of Prosus' underlying investments being recognised in equity.

In line with the cross-holding arrangement between Prosus and Naspers the group recognised US$10m of the consideration as a FVOCI investment and the remaining US$616m in 'Share premium' in equity.

Repurchase of Prosus ordinary shares N

As part of the repurchase programme, Prosus repurchased 152 797 117 Prosus ordinary shares N for a total consideration of US$10.04bn, of which US$9.90bn was paid in cash. The total consideration includes costs and related taxes. The Prosus ordinary shares N acquired by the group are classified as treasury shares. These are recognised in 'Treasury shares' on the statement of changes in equity and are a component of share premium.

Refer to note 5 of the consolidated financial statements for the accounting treatment for the open-ended share repurchase programme.

Treasury shares

At 31 March 2023, US$10.04bn (2022: US$6.41bn) was recognised as treasury shares. The company holds a total of 152 797 117 ordinary shares N (2022: 69 825 860) of the gross number of ordinary shares N in issue at 31 March 2023 as treasury shares. Treasury shares are shown separately in the statement of changes in equity. This provides more relevant information about the treasury shares held by Prosus subsequent to the share repurchase program. The treasury shares are a component of share premium.

During the current year, the group cancelled 69 825 860 ordinary shares N. The company will hold the remaining treasury shares until they are cancelled in due course, so as to reduce its issued share capital.

	31 March 2023 Number of shares	2022 Number of shares
Movement in ordinary shares in issue during the year		
Ordinary shares in issue at 1 April	**3 206 608 011**	1 628 163 888
Cancellation of ordinary shares N	**(69 825 860)**	–
Ordinary shares N issued to Naspers shareholders (share exchange)	**–**	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	**3 136 782 151**	3 206 608 011
Movement in ordinary shares N held as treasury shares during the year		
Shares held as treasury shares at 1 April	**69 825 860**	11 874 493
Cancellation of ordinary shares N	**(69 825 860)**	–
Shares acquired under the share repurchase programme	**152 797 117**	57 951 367
Shares held as treasury shares at 31 March	**152 797 117**	69 825 860

9. Share capital and premium continued

	31 March	
	2023 US$'m	2022 US$'m
Share premium		
Balance at 1 April	**142 687**	150 624
Share capital increase[1]	**(963)**	(326)
Share capital decrease[1]	**865**	198
Repurchase of own shares[2]	**(10 043)**	(4 995)
Issue of shares as part of the share exchange transaction	**–**	38 490
Impact of the share exchange transaction (capital restructure)	**–**	(41 304)
Cancellation of shares	**4**	-
Acquisition of Naspers shares representing a capital restructure	**(616)**	-
Balance at 31 March	**131 934**	142 687

1 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 ordinary share N, by increasing the nominal value of an ordinary share N 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 ordinary share N from 19 euro cents to 5 euro cents. On 26 September 2022, the company amended its articles of association that required it to make a capital repayment to shareholders of 14 euro cents per ordinary share N. Subsequently, the nominal value of an ordinary share N was increased from 5 euro cents to 55 euro cents. After the distribution, the company amended its articles of association by decreasing the nominal value of an ordinary share N from 55 euro cents to 5 euro cents. Refer to 'Distribution to shareholders' below for more information.

2 Relates to the company's share repurchase programme described above.

Distribution to shareholders

At the annual general meeting on 24 August 2022, the shareholders approved the proposed capital distribution of 14 euro cents per listed ordinary share N, a dividend distribution of 1.118 euro cents per ordinary share A1 and a dividend distribution of 0.000014 euro cents per ordinary share B. Holders of ordinary shares N could elect to receive a dividend distribution instead of a capital distribution. On 27 September 2022 the dividend distribution/capital repayment was paid.

Voting and dividend rights

The company's issued share capital at 31 March 2023 consists of 4 456 650 (2022: 4 456 650) ordinary shares A1, 1 128 507 756 (2022: 1 128 507 756) ordinary shares B and 2 003 817 745 (2022: 2 073 643 605) 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 ordinary shares A1 and 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 N shareholders 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	
	2023 Equity US$'m	**2023 Profit/(loss) US$'m**	2022 Equity US$'m	2022 Profit/(loss) US$'m
Consolidated equity attributable to owners of the group	**44 593**	**10 112**	50 421	18 733
Reconciling items to consolidated equity attributable to owners of the company				
Share premium	**102 961**	**–**	110 085	–
Results from consolidation of subsidiaries, equity-accounted investments and other movements	**(50 020)**	**(5 912)**	(50 941)	(12 698)
Other comprehensive income	**1 929**	**–**	(65)	–
Foreign currency translation reserve	**1 990**	**–**	358	–
Share-based compensation reserve	**(3 844)**	**–**	(3 223)	–
Business combination reserve	**45 681**	**–**	43 487	–
Company equity attributable to owners	**143 290**	**4 200**	150 122	6 035

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 share exchange transaction; and
» the purchase of Naspers Limited shares as part of the share repurchase programme.

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' 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 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.

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'.

The purchase of Naspers shares

During the year, as part of the share repurchase programme, the company purchased 4 152 285 Naspers N ordinary shares for a total consideration of US$626m. The accounting for these shares purchased takes into consideration the existing cross-holding agreement that was effective from the date of the share exchange transaction. The portion of this consideration paid that represents a capital restructure amounting to US$615m was recognised as a decrease in share premium. In the consolidated financial statements, the capital restructure was recognised as a decrease in the 'existing business combination reserve'.

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10. Reconciliation between consolidated and company equity continued

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$4.2bn (2022: net profit US$6.0bn) is lower compared with the group's total profit for the year of US$10.1bn (2022: US$18.7bn) in the consolidated financial statements. This is due to the consolidated profits from subsidiaries and the equity-accounted earnings from associates and joint ventures. In addition, the company recognises dividend income in the income statement from distributions of the Tencent dividend and the proceeds from the sale of JD.com shares. The Tencent dividend is recognised against the carrying value of the investment in the group financial statements and the sale of the JD.com shares is recognised through other comprehensive income.

Reconciling item: Other comprehensive income

The consolidated financial statements' 'other comprehensive income' include 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 investment's share of other comprehensive income and changes in net asset value. The company's gains or losses in other comprehensive income relates primarily to the residual interest in Naspers. Refer to note 4.

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

	Long-term liabilities	Current portion	Total liabilities	Long-term liabilities	Current portion	Total liabilities
	31 March					
	2023 US$'m			2022 US$'m		
Interest-bearing: Loans and other liabilities	15 255	124	15 379	15 368	124	15 492
Total liabilities	15 255	124	15 379	15 368	124	15 492

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 2023 US$'m	2022 US$'m
Unsecured[1]						
Publicly traded bond[2]	US$	2025	Semi-annual	5.50%	225	225
Publicly traded bond[2]	US$	2027	Semi-annual	4.85%	614	614
Publicly traded bond	US$	2030	Semi-annual	3.68%	1 250	1 250
Publicly traded bond[3]	EUR	2028	Annual	1.54%	921	941
Publicly traded bond[4]	EUR	2032	Annual	2.03%	813	830
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	1 850
Publicly traded bond[5]	EUR	2029	Annual	1.29%	1 084	1 107
Publicly traded bond[5]	EUR	2033	Annual	1.99%	921	941
Publicly traded bond	US$	2027	Semi-annual	3.26%	1 000	1 000
Publicly traded bond	US$	2032	Semi-annual	4.19%	1 000	1 000
Publicly traded bond	US$	2052	Semi-annual	4.99%	1 250	1 250
Publicly traded bond[6]	EUR	2026	Annual	1.21%	543	553
Publicly traded bond[6]	EUR	2030	Annual	2.09%	650	664
Publicly traded bond[6]	EUR	2034	Annual	2.78%	705	719
Total facilities					15 326	15 444
Unamortised loan costs					(87)	(93)
Premium on euro bonds[3, 4]					14	17
Accrued Interest					124	124
					15 377	15 492

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.
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, 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.
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

	Interest-bearing liabilities 2023 US$'m	Interest-bearing liabilities 2022 US$'m
Balance at 1 April	15 492	7 875
New bonds issued	–	9 263
Premium on issued long-term liabilities	(2)	(2)
Repayments of bonds	–	(1 361)
Foreign exchange translation	(116)	(285)
Interest accrued	469	331
Deferred issuing costs	(4)	(52)
Amortisation of issuing costs	9	10
Interest paid	(469)	(287)
Balance at 31 March	15 379	15 492
Less: Current portion	(124)	(124)
Non-current liabilities	15 255	15 368

12. Accrued expenses and other current liabilities

	31 March 2023 US$'m	2022 US$'m
Accrued expenses	–	3
Acquisition of Prosus shares[1]	78	–
Other	4	8
	82	11

1 *Relates to the share repurchase programme. Refer to note 9.*

13. Expenses by nature

Selling, general and administrative expenses include the following items:

	31 March 2023 US$'m	2022 US$'m
Other purchases and expenses	5	12
Total expenses	5	12

As at 31 March 2023, the company had no permanent employees (2022: nil).

Auditor's remuneration is disclosed in note 14 of the consolidated financial statements.

14. Dividend income

	31 March 2023 US$'m	2022 US$'m
Dividend received from MIH Internet Holdings B.V.[1]	4 226	6 472
Dividend income	4 226	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$565.5m (2022: US$570.7m) and the proceeds from the sale of its 4.21% investment in JD.com of US$3.7bn which was received as a dividend in specie from Tencent. The prior year includes a dividend declared from the profit on sale of 2% of the issued share capital of Tencent amount to US$6.4bn.*

15. Finance costs/income

	31 March 2023 US$'m	2022 US$'m
Interest income		
Loans and bank accounts	454	35
	454	35
Interest expense		
Loans and bank accounts	(497)	(353)
	(497)	(353)
Other finance income/(costs) – net		
Foreign exchange (losses)/gains on translation of assets and liabilities	(55)	190
Fair value gains/(losses) on derivatives and other financial instruments	77	(221)
Other finance income/(cost) – net	22	(31)
Finance costs – net	(21)	(349)

16. Taxation

	31 March 2023 US$'m	2022 US$'m
Current taxation	–	(76)
current year	–	(76)
Income tax credit per statement of comprehensive income	–	(76)
Reconciliation of taxation		
Profit before taxation	4 200	6 111
Taxation at statutory rate of 25.8% (2022: 25.00%)	(1 084)	(1 540)
Adjusted for:		
– non-deductible expenses[1]	(13)	(141)
– non-taxable income[1]	1 090	1 635
– unrecognised tax losses of the company	7	46
– income taxes from members within the fiscal unity	–	(76)
Income tax credit per statement of comprehensive income	–	(76)

1 *Non-deductible expenses relate primarily to the negative fair value remeasurement of derivative financial instruments. In the prior year these mainly concerned share-based compensation expenses. In the prior year the non-taxable income relates primarily to dividend income. The non-taxable income in the previous year primarily concerned a positive fair value adjustment of derivative financial instruments and dividend income.*

As at 31 March 2023, 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 2023 the fiscal unity did not have a corporate income tax liability and it has sufficient carry forward losses available to off-set (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 set-off from previous financial years, 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 25.8% (2022: 25.0% and 25.8%) 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 previous financial year the company reviewed and amended its settlement principles of corporate income tax positions with in the fiscal unity. The company will no longer seek to recover corporate income tax from entities within the corporate function. In the financial year 2021, 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 2021 financial year have been reversed in the prior financial year statement of comprehensive income of the company and MIH Internet Holdings B.V.

As of 31 March 2023, the company has tax losses carried forward, available for set-off against future profits of approximately US$4.3bn (2022: US$2.0bn) and unrecognised deferred tax assets on interest carried forward of US$169m.

This amount is based on the assessment received from the Dutch tax authorities for the years up to and including 2019/2020, the filed 2020/2021 corporate income tax return, the draft corporate income tax return 2021/2022 and management's best estimate of the 2022/2023 corporate income tax position.

As it is not considered probable that the company and/or the fiscal unity which it forms with its group subsidiaries will generate taxable income in the future, no deferred tax asset for carry-forward losses have been recognised.

17. Cash generated from operations

	31 March 2023 US$'m	31 March 2022 US$'m
Profit before taxation per statement of comprehensive income	**4 200**	6 111
Adjustments:		
Non-cash and other	**24**	289
Finance costs – net	**21**	291
Other	**3**	(2)
	4 224	6 400
Working capital	**(18)**	(102)
Cash movement in other receivables	**3**	(8)
Cash movement in trade payables and accruals	**(21)**	(94)
Cash generated from operations	**4 206**	6 298

18. Financial risk management

Foreign exchange risk

Refer to note 40 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.

In July 2021, the company issued US$1.85bn 3.061% notes due in 2031, €1.0bn 1.288% notes due in 2029 and €850m 1.985% notes due in 2033 (the bonds). The 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 were settled. The repayment of the swap amounted to US$20m in July 2021, representing the fair value of the portion settled at that date.

From 1 April 2022, the group designated €2.0bn of the euro bonds as a hedge of the net investment in Delivery Hero SE in the consolidated financial statements. In March 2023, the group fully settled the cross-currency interest rate resulting in a cash receipt of US$13.4m. Subsequent to the settlement, the group designated an additional €200m of the euro bond maturing in 2033 as a hedge of the net investment in Delivery Hero SE in the consolidated financial statements. The group therefore designated a total of €2.2bn of the euro bonds as a hedge of the net investment in Delivery Hero SE in the consolidated financial statements.

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 (2022: 10% increase) in the US 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 (2022: 10% increase) of the US dollar against the euro would result in an increase in net profit after tax of US$285m (2022: US$373m increase in net profit after tax). The weakening of the US dollar (increase in US dollar/euro rate) resulted in a US$24m decrease in net profit after tax for the year ended 31 March 2022 due to the cross-currency interest rate swap. The cross-currency interest rate swap was settled in the year ended 31 March 2023.

Credit risk

The company has made various loans to its subsidiaries. The maximum potential exposure to credit risk for the loan are 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 2023 and 31 March 2022 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$27.2m (2022: US$32.1m) for the period of the lease. The guarantee expires on 6 June 2029.

The maximum potential exposure to credit risk for the lease amounts to US$27.2m (2022: US$32.1m). 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.

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 2023					
Non-derivative financial liabilities					
Interest-bearing: long-term liabilities	**(15 379)**	**(22 168)**	**(475)**	**(4 189)**	**(17 504)**
Accrued expenses and other current liabilities	**(89)**	**(89)**	**(89)**	**–**	**–**
Derivative financial assets/(liabilities)					
Forward exchange contracts – inflow	**5**	**215**	**215**	**–**	**–**
Forward exchange contracts – outflow	**(1)**	**(211)**	**(211)**	**–**	**–**
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)	–	–
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)	–

Revolving credit facility

The group has an undrawn revolving credit facility (RCF) of US$2.5bn of which US$2.4bn matures in March 2028 and US$95m matures in March 2027 with the option of an extension of one year. 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% (currently 0.80%) before commitment and utilisation fees.

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.

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18. Financial risk management continued

The upfront facility and arrangement fees paid in respect of the RCF are amortised over the period of the facility. 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. Since the RCF has been fully repaid for a number of years and remain available at the balance sheet date, the facility and arrangement fees have been included in the prepayments and other receivables.

	31 March 2023 US$'m	2022 US$'m
Facility arrangement fees		
Fees related to revolving credit facility	64	62
Accumulated amortisation of fees	(56)	(50)
	8	12

Interest rate risk

Refer to note 40 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 (2022: increases by 100 basis points).

American and European interbank rates: increases by 100 basis points each (2022: increases 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 2023 would increase by US$nil (2022: US$12m).

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 2023	Carrying value US$'m	Net gains/ (losses) recog-nised in profit or loss US$'m	Impair-ment US$'m	Total interest income US$'m	Total interest expense US$'m
Assets					
Amounts due from group companies	2 616	(48)	–	51	–
Investments at fair value through other comprehensive income	206	–	–	–	–
Derivative financial instruments	5	–	–	–	–
Other receivables	45	–	–	–	–
Short-term investments	6 709	(42)	–	160	5
Cash and cash equivalents	8 046	(28)	–	243	7
Total	17 711	(118)	–	454	12
Liabilities					
Long-term liabilities	15 255	115	–	–	478
Amounts due to group companies	6	3	–	–	–
Derivative financial instruments	1	–	–	5	–
Amounts due to tax authorities	59	–	–	–	–
Accrued expenses and other current liabilities	211	(3)	–	–	–
Total	15 532	115	–	5	478

The carrying values, net gains or losses recognised in profit or loss, total interest income, total interest expense and impairment of each class of financial instrument are as follows:

31 March 2022	Carrying value US$'m	Net gains/ (losses) recog-nised in profit or loss US$'m	Impair-ment 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
Derivative financial instruments	77	5	–	–	–
Amounts due to group companies	12	–	–	7	–
Accrued expenses and other current liabilities	135	8	–	–	–
Total	15 592	81	–	7	362

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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 2023					
Publicly traded bonds	**15 377**	**12 009**	**–**	**12 009**	**–**
31 March 2022					
Publicly traded bonds	15 492	13 056	–	13 056	–

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 41 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 41 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 2023				
Asset/(liability)				
Financial assets at fair value through other comprehensive income[1]	**206**	**–**	**–**	**206**
Foreign exchange contracts	**5**	**–**	**5**	**–**
Cash and cash equivalents[2]	**447**	**–**	**447**	**–**
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	–

1 Relates to the fair value of the residual interest in the Naspers group. Refer to note 5 in the consolidated financial statements for details of the measurement.
2 Relates to short-term bank deposits which are money market funds held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies.

20. Subsequent events

Refer to note 44 of the consolidated financial statements for the subsequent events of the Prosus group.

21. Proposal for profit allocation

The board recommends that, in total, shareholders receive a distribution (in the form of a capital repayment for holders of ordinary shares N and a dividend for holders of ordinary shares B and ordinary shares A1) of approximately €175m, which currently represents an increase of approximately 7% for free-float shareholders. Holders of ordinary shares B and ordinary shares A1 will receive an amount per share equal to their economic entitlement as set out in the articles of association. Furthermore, the board recommends that those holders of ordinary shares N as at 3 November 2023 (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 the annual general meeting on 23 August 2023, elections to receive a dividend instead of a capital repayment will need to be made by holders of ordinary shares N by 20 November 2023. More information regarding the distribution will be published in the notice of annual general meeting.

Capital repayments and dividends will be payable to shareholders recorded in our books on the dividend record date and paid on 28 November 2023. Capital repayments will be paid from qualifying share capital for Dutch tax purposes. No dividend withholding tax will be withheld on the amounts of capital reductions paid to shareholders. However, if holders of ordinary shares N rather elect to receive a dividend from retained earnings, dividends will be subject to the Dutch dividend withholding tax rate of 15%.

Dividends payable to holders of ordinary shares N who elect to receive a dividend and who hold their listed ordinary shares N through the listing of the company on the JSE will, in addition to the 15% 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%, a rebate equal to the Dutch dividend tax paid in respect of the dividend (without right of recovery). Shareholders holding their listed ordinary shares N through the listing of the company on the JSE, unless exempt from paying South African 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% South African dividend tax.

Amsterdam
26 June 2023

Executive directors
Bob van Dijk
Basil Sgourdos

Non-executive directors
JP Bekker
S Dubey
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

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Independent auditor's report

To: The general meeting and the board of directors of Prosus N.V.

Report on the financial statements 2023

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 2023, 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 2023 of Prosus N.V., Amsterdam, the Netherlands. The financial statements comprise 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 2023;
» the following statements for the year ended 31 March 2023: the consolidated income statement, the consolidated and company statements of comprehensive income, changes in equity and cash flows; and
» the notes, comprising the significant accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Prosus N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

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 and technology investor that operates, invests in, and partners with internet businesses across the Americas, Africa, Central and Eastern Europe and Asia in sectors including online classifieds, food delivery, payments and fintech, education technology (Edtech), health, etail 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 2023 financial year was impacted by several significant transactions and events. Significant corporate activity included the open-ended share repurchase programme funded by the ongoing orderly on-market sale of Tencent shares (as described in notes 5 and 6 to the consolidated financial statements), the disposal of the Avito business (as described in notes 2 and 5 to the consolidated financial statements) and the decision to exit the OLX Autos business (as described in notes 2 and 5 to the consolidated financial statements). Continued uncertainties with respect to macroeconomic and geopolitical conditions, as well as inflation and interest rate increases, provided input to management's assessment of the value of its investments. This affected the determination of materiality, the scope of our group audit and our audit procedures as described in the section 'Materiality', 'The scope of our audit' and '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 to the consolidated financial statements and note 1 to 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:

» assessment of impairment 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.

The most significant investment is in Tencent Holdings Limited (Tencent). We considered the accounting for this investment also as a key audit matter.

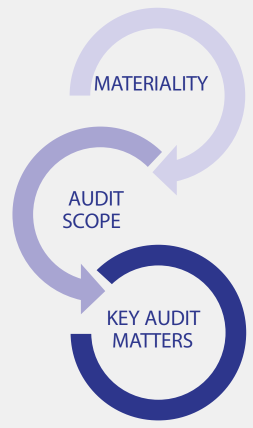
These key audit matters are set out in the section 'Key audit matters' of this report.

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 as key audit matters, were the accounting for corporate transactions, such as the disposal of Avito, the decision to exit the OLX Autos business, the acquisition of the remaining 33.3% stake in iFood from Just Eat Takeaway, the accounting for the open-ended share repurchase programme, the valuation of put option liabilities, the accuracy and/or occurrence of revenue recognition.

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 experts and specialists 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$446 million
» Overall company materiality: US$1 billion

Audit scope
» We conducted our procedures at nine components in six countries.
» Site visits were conducted to three countries Romania (Etail segment), Brazil (Movile group, including iFood) and India (PayU Payments and Credit businesses).
» Audit coverage: 98% of consolidated revenue, 95% of consolidated total assets and 99% of consolidated profit before tax.

Key audit matters
» Accounting for the investment in Tencent Holdings Limited.
» Assessment of impairment of goodwill and intangible assets arising from business combinations and of investments in associates and subsidiaries.
» Valuation of share-based compensation 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.

for the year ended 31 March 2023

	Consolidated financial statements	Company financial statements
Overall materiality	US$446 million (2022: US$505 million).	US$1 billion (2022: 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$3 million and US$287 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 board of directors and audit committee that we would report to them misstatements identified during our audit above US$22 million (2022: US$25 million) for the consolidated financial statements and US$50 million (2022: 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 to 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.

We subjected these components to full scope audits of their complete financial information.

To achieve appropriate coverage over the consolidated financial statements, as well as material line items in the financial statements, based on our assessment of significant risks and qualitative factors including our understanding of the developments within the group and the nature of components, we selected three additional components (the Payments and Fintech segment, Delivery Hero SE (Delivery Hero) 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	98%
Total assets	95%
Profit before tax	99%

* *The in scope percentages are the percentages of revenue, total assets and profit before tax covered by the component auditors' reports on the components of Prosus N.V., notwithstanding that the audits of the financial information of those components do not necessarily have all their subsidiaries in scope to support their full scope audit opinion to us.*

None of the remaining components represented more than 1% of total 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 were no significant risks of material misstatements 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. 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 group engagement team visited a number of components. During these visits we discussed the strategy and financial performance of the local businesses with the component teams and local management, as well as the audit plan and execution. In addition, we performed physical and remote review of selected working papers of the work performed by selected component teams.

	Site visit	Physical meeting with component auditors	Meeting with local and/or segment management	Review of selected working papers
Classifieds	No	Yes (the Netherlands)	Yes (the Netherlands)	Remote
Etail Segment	Yes (Romania)	Yes (Romania)	Yes (Romania and the Netherlands)	Remote and physical
Fintech	Yes (India)	Yes (India and the Netherlands)	Yes (India)	Remote
Movile group (including iFood)	Yes (Brazil)	Yes (Brazil and the Netherlands)	Yes (Brazil and the Netherlands)	Remote and physical
Tencent	No	Yes (Hong Kong)	No	Physical
Delivery Hero	No	No	No	No

The procedures over the Dutch corporate entities in scope were performed by us in the Netherlands.

The group engagement team performed a substantial part of the audit work on the equity-accounting, 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 performed at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Prosus N.V. and its environment and the components of the internal control system. This included the board of directors of Prosus N.V.'s risk assessment process, its process for responding to the risks of fraud and monitoring the internal control system and how the audit committee exercised oversight, as well as the outcomes of these processes.

We evaluated the design and relevant aspects of the internal control system and in particular the fraud risk assessment, as well as 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, among other things. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We conducted interviews with executive and non-executive board members, including the chair of the audit committee and risk committee, segment management and others, including internal audit including internal audit, the ethics and compliance function and legal affairs. As part of these interviews we obtained 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. This did not result in 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. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
Risk of fraud through management override of controls 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 could manifest itself in inappropriate journal entries, management bias in estimates and fraudulent significant transactions outside the normal course of business.	Where relevant to our audit, we have evaluated the design of the internal control measures that are intended to mitigate the risk of management override of controls and assessed the effectiveness of those measures in the processes of generating and processing journal entries and forming estimates. We also paid specific attention to the access safeguards, where relevant, in the IT systems and the possibility that these lead to violations of the segregation of duties. We performed procedures on journal entries, including consolidation and elimination entries, with the support of data analytics. We performed audit procedures related to significant estimates and assumptions made by management and we considered and discussed with management the risk of bias. We paid specific attention to non-routine transactions and areas of significant management estimate. 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, such as corporate transactions – including investments, divestments, the share repurchasing programme and related transaction fees. We did not identify specific indications of fraud or suspected fraud in respect of management override of controls.

Identified fraud risks	Our audit work and observations
Risk of fraud in revenue recognition We addressed the risk of fraud in revenue recognition and determined 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 to overstate revenue.	Where relevant to our audit, we performed procedures over this risk, including evaluation of the design, implementation and testing effectiveness 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 did not identify specific indications of fraud or suspicion of fraud in respect of revenue recognition.

We incorporated an element of unpredictability in our audit. We reviewed lawyers' letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance of laws and regulations. Based on our risk assessment and audit procedures performed, we did not identify any indications of fraud that resulted in material misstatements in the financial statements.

Audit approach going concern

As disclosed in note 2 to the consolidated financial statements, management prepared the financial statements on the assumption that Prosus N.V. is a going concern and that it will continue its operations as a going concern for at least 12 months from the date of preparation of the financial statements. Management 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 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 macroeconomic developments, 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;
» analysing whether the current and the required financing has been secured to enable the continuation of the entirety of Prosus N.V.'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 described the key audit matters and included a summary of the audit procedures we performed on those matters. Key audit matters are in line with the prior year except for the prior year key audit matters 'Accounting for the voluntary share exchange transaction' and 'Valuation of intangible assets arising as a result of acquisitions' that are not included in the current year as no such transactions occurred.

Key audit matter	Our audit work and observations
Accounting for the equity-accounted investment in Tencent Holdings Limited (refer to notes 3, 5, 6 and 9 to 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$29.8 billion. 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). In June 2022, the Group began executing an open-ended share repurchase programme aimed at increasing the Naspers and Prosus net asset value per share. The repurchase programme is funded by an orderly on-market sale of Tencent shares held by the Group. During the course of the financial year, the Group sold 2.79% of Tencent's issued share capital resulting in a gain on partial disposal of US$7.6 billion. 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. In November 2022, Tencent declared a special interim dividend in the form of shares in Meituan Inc. which was distributed on 24 March 2023. Management accounted for the dividend received from Tencent relating to Meituan Inc. as a reduction of the carrying value of the investment in associate and the recognition of a fair value through other comprehensive income investment at the fair value on the date of distribution amounting to US$4.5 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 2022 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 2023, 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 » Assessed the appropriateness of the accounting and reperformed the calculation underlying the gain on partial disposal of the investment in Tencent and the receipt of dividend relating to Meituan Inc. 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. We assessed the judgements applied by management in the accounting for Tencent to be reasonable.

Key audit matter	Our audit work and observations
Assessment of impairment 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 to the consolidated financial statements and note 3 to the company financial statements) The consolidated financial statements include material assets resulting from business combinations and investments in associates. Such assets include: » Goodwill (US$1.4 billion); » Intangible assets recognised in business combinations (US$0.4 billion); and » Investments in associates (US$35.9 billion) In accordance with IAS 36, 'Impairment of Assets', at each reporting date management 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 management's impairment tests performed, impairment charges of US$684 million (goodwill) and US$1.7 billion (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$143.8 billion (including the amounts due from group companies) as at 31 March 2023. The decline in the market capitalisation of the Company's indirect listed investments, including Tencent, increases in the discount rates used to determine the value in use of the unlisted investments as well as the fact that the carrying amount of the net assets of the Company exceeds the market capitalisation 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. As a result of the impairment test performed, no impairment was recognised in the company financial statements. These impairment assessments were considered as a key audit matter due to the significant assumptions, judgements and estimates 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, the (i) size and maturity of the underlying business, (ii) headroom between the recoverable amount and carrying amount, (iii) availability of external market data, and (iv) possible indicators of management bias. For investments in associates and subsidiaries, we assessed management's evaluation of the presence of impairment indicators for reasonableness. For significant listed investments, we independently assessed whether evidence of impairment existed by evaluating the performance of the associate's share price and by considering the impact of external market factors. We performed, among others, the following procedures over management's impairment tests: » 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 results 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 overall market volatility and inflationary increases 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;

Key audit matter	Our audit work and observations
	» 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. With the procedures performed above, we determined that the methodologies and assumptions used by management to assess the impairment of goodwill and intangible assets arising from business combinations and of investments in associates and subsidiaries were within a reasonable range of outcomes.

Key audit matter	Our audit work and observations
Valuation of share-based compensation schemes and share-based payments (refer to note 37 to 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\$187 million (negative) for cash-settled schemes and US\$118 million for equity-settled schemes. The total cash-settled liabilities amount to US\$713 million for the year ended 31 March 2023. The grant date fair value and measured 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 37 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, 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 » 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 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 chair of the audit committee. We evaluated whether the disclosures were in compliance with the disclosure requirements of IFRS 2. With the procedures performed above, we determined that the methodologies and assumptions used by management to determine the valuation of the share-based compensation schemes and share-based payments were within a reasonable range of outcomes.

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; and
» 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.

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 24 August 2021. Our appointment has been renewed annually by shareholders representing a total period of uninterrupted engagement appointment of nineteen years. Since the Company listed in September 2019, this is the fourth year that the Company is a public-interest entity.

European Single Electronic Format (ESEF)

Prosus N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML format, including the 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.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assuranceopdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

» Obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package.
» Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  – 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 have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  – 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.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company or its controlled entities, for the period to which our statutory audit relates, are disclosed in note 14 to the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors of Prosus N.V. and the audit committee for the financial statements

The board of directors of Prosus N.V. 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 of Prosus N.V. 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 of Prosus N.V. 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 of Prosus N.V. should prepare the financial statements using the going-concern basis of accounting unless the board of directors of Prosus N.V. either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors of Prosus N.V. should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

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 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, 26 June 2023

PricewaterhouseCoopers Accountants N.V.

Original has been signed by Ennèl van Eeden RA

Appendix to our auditor's report on the financial statements 2023 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 of Prosus N.V.;
» Concluding on the appropriateness of the board of directors of Prosus N.V.'s use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern;
» Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

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 Bis 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."

Romania

Highlights

2021

Mobile subscriptions
23 million*

Internet users
78%*

2022

Unemployment rate
5.5%

GDP
4.7%

Inflation
12%

2023

Population
>20 million

* Estimated.

Prosus offers

» Ecosystem of complementary businesses on top of vibrant eMAG Romania platform: From etail core, extended into fashion (Fashion Days); food delivery (Tazz); grocery (Freshful); and financial services (HeyBlu). Overarching Genius loyalty programme, underpinning Sameday delivery service.

» ESG:

- An easybox order generates up to 95% less CO_2 than delivery to a customer's home – over 50% of orders through easybox.
- Promoting circular economy: Buy 'second-chance' products, buyback voucher programme for used home appliances with free pick-up, repair service, sale of refurbished second-hand mobile phones destined for landfill.
- 42 companies have signed eMAG's environmental pledge (*angajament pentru mediu*) – the first initiative to unite the Romanian business community behind the common goal of limiting the rise in global temperatures.

Administration and corporate information

Prosus N.V.

Incorporated in the Netherlands
(Registration number: 34099856)
(Prosus or the group)
Euronext Amsterdam and
JSE share code: PRX
ISIN: NL 0013654783

Directors

JP Bekker (chair), B van Dijk (chief executive),
S Dubey, HJ du Toit, CL Enenstein, M Girotra, RCC Jafta,
AGZ Kemna, FLN Letele, D Meyer, R Oliveira de Lima,
SJZ Pacak, V Sgourdos, MR Sorour, JDT Stofberg, Y Xu

Company secretary

L Bagwandeen
Gustav Mahlerplein 5
Symphony Offices
1082 MS Amsterdam
The Netherlands

Registered office

Gustav Mahlerplein 5
Symphony Offices
1082 MS Amsterdam
The Netherlands
Tel: +31 20 299 9777
www.prosus.com

Independent auditor

PricewaterhouseCoopers Accountants N.V.
Thomas R. Malthusstraat 5
1066 JR Amsterdam
The Netherlands

Euronext listing agent

ING Bank N.V.
Bijlmerplein 888
1102 MG Amsterdam
The Netherlands

Euronext paying agent

ABN AMRO Bank N.V.
Corporate broking and issuer services
HQ 7212
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

JSE transfer secretary

Computershare Investor Services
Proprietary Limited
Rosebank Towers, 15 Bierman Avenue
Rosebank
Johannesburg 2196
South Africa
Tel: +27 (0) 86 110 0933

Cross-border settlement agent

Citibank, N.A. South Africa Branch
145 West Street
Sandown
Johannesburg 2196
South Africa

JSE sponsor

Investec Bank Limited
(Registration number: 1969/004763/06)
PO Box 785700
Sandton 2146
South Africa
Tel: +24 (0) 11 286 7326
Fax: +27 (0)11 286 9986

ADR programme

The Bank of New York Mellon maintains a
GlobalBuyDIRECT[SM] plan for Prosus N.V.
For additional information, please visit
The 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:
The Bank of New York Mellon, Shareholder
Relations Department – GlobalBuyDIRECT[SM] Church Street
Station, PO Box 11258
New York, NY 10286-1258
USA

Attorneys

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The Netherlands

Investor relations

Eoin Ryan
InvestorRelations@prosus.com
Tel: +1 347-210-4305

Analysis of shareholders and shareholders' diary

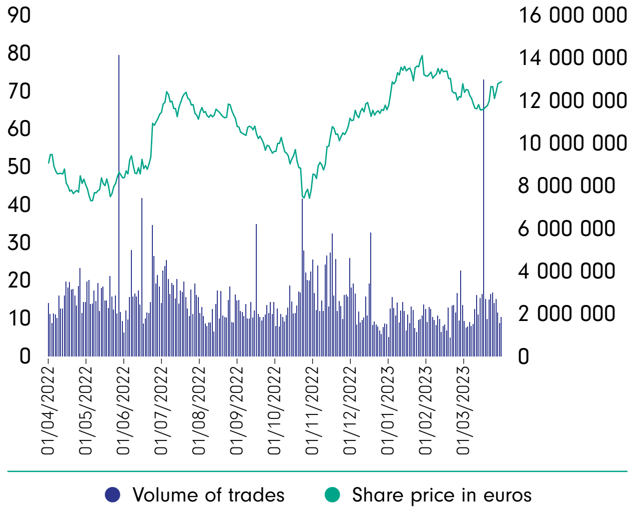
The following shareholders hold 5% and more of the N ordinary issued share capital of the company:

Name	% of ordinary shares N held	Number of ordinary shares N owned
Naspers Limited	56.74%	1 136 893 317

As a result of the crossholding between Prosus and Naspers, the economic interest attributable to Naspers is 43.54%.

More information can be found in the governance section on page 116.

Prosus share price and volume of trades



Shareholders' diary

Annual general meeting	August
Reports	
Interim for half-year to September	November
Announcement of annual results	June
Annual financial statements	June
Dividend	
Declaration	August
Record date	November
Payment	November
Financial year-end	March

Non-IFRS financial measures and alternative performance measures

A. Non-IFRS financial measures and alternative performance measures

A.1 Core headline earnings

Core headline earnings, a non-IFRS performance measure, represent headline earnings for the period, excluding certain non-operating items. Specifically, headline earnings are adjusted for the following items to derive core headline earnings: (i) equity-settled share-based payment expenses on transactions where there is no cash cost to 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 and unrealised currency translation differences, as these items obscure our underlying operating performance; (vi) once-off gains and losses (including acquisition-related costs) resulting from acquisitions and disposals of businesses as these items relate to changes in our composition and are not reflective of our underlying operating performance; and (vii) the amortisation of intangible assets recognised in business combinations and acquisitions. These adjustments are made to the earnings of businesses controlled by the group, as well as our share of earnings of associates and joint ventures, to the extent that the information is available.

Reconciliation of core headline earnings

	Year ended 31 March 2023 US$'m	2022 US$'m
Headline earnings from continuing operations (refer to note 6)	**628**	3 021
Adjusted for:		
– equity-settled share-based payment expenses	**1 449**	1 535
– remeasurement of cash-settled share-based incentive expenses	**(259)**	15
– amortisation of other intangible assets	**666**	695
– fair value adjustments and currency translation differences	**(88)**	(1 671)
– retention option expense	**23**	29
– transaction-related costs	**91**	46
Core headline earnings from continuing operations	**2 510**	3 670
Per share information for the year		
Core headline earnings per ordinary share N (US cents)	**185**	244
Diluted core headline earnings per ordinary share N (US cents)[1]	**176**	232

1 *The diluted core headline earnings per share include a decrease of US$116m (2022: US$170m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.*

A. Non-IFRS financial measures and alternative performance measures continued

A.1 Core headline earnings continued

Reconciliation of core headline earnings continued

	Year ended 31 March 2023 US$'m	2022 US$'m
Headline earnings from discontinued operations (refer to note 6)	**—**	55
Adjusted for:		
– remeasurement of cash-settled share-based incentive expenses	**(39)**	(20)
– amortisation of other intangible assets	**10**	52
– fair value adjustments and currency translation differences	**14**	(14)
– retention option expense	**—**	(15)
Core headline earnings from discontinued operations	**(15)**	58
Per share information for the year		
Core headline earnings per ordinary share N (US cents)	**(1)**	4
Diluted core headline earnings per ordinary share N (US cents)	**(1)**	4

Equity-accounted results

The group's equity-accounted investments contributed to the summary consolidated financial statements as follows:

	Year ended 31 March 2023 US$'m	2022 US$'m
Share of equity-accounted results	**5 174**	9 256
– sale of assets	**5**	—
– gains on acquisitions and disposals	**(5 873)**	(6 269)
– impairment of investments	**1 919**	1 092
Contribution to headline earnings from continuing operations	**1 225**	4 079
– amortisation of other intangible assets	**641**	680
– equity-settled share-based payment expenses	**1 440**	1 512
– fair value adjustments and currency translation differences	**(75)**	(1 761)
– acquisition-related cost	**62**	42
Contribution to core headline earnings from continuing operations	**3 293**	4 552
Tencent	**4 326**	5 413
VK (previously Mail.ru)	**—**	(51)
Delivery Hero	**(374)**	(409)
Other	**(659)**	(401)

The group applies an appropriate lag period of not more than three months in reporting the results of equity-accounted investments.

A. Non-IFRS financial measures and alternative performance measures continued

A.2 Growth in local currency, excluding acquisitions and disposals

The group applies certain adjustments to segmental revenue and trading profit reported in the summary 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, hyperinflation adjustments and changes in the composition of the group on its results. Such adjustments are referred to herein as 'growth in local currency, excluding acquisitions and disposals'. The group applies the following methodology in calculating growth in local currency, excluding acquisitions and disposals:

- Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted is calculated as the constant currency results, arrived at using the methodology outlined above, compared to the prior period's actual IFRS results. The relevant average exchange rates (relative to the US dollar) used for the group's most significant functional currencies, were:

	Year ended 31 March	
Currency (1FC = US$)	**2023**	2022
South African rand (ZAR)	**0.0583**	0.0670
Euro (EUR)	**1.0415**	1.1586
Chinese yuan renminbi (RMB)	**0.1453**	0.1562
Brazilian real (BRL)	**0.1943**	0.1891
Indian rupee (INR)	**0.0124**	0.0134
Polish zloty (PLN)	**0.2213**	0.2525
British pound sterling (GBP)	**1.2036**	1.3620
Turkish lira (YTL)	**0.0557**	0.0927
Romania Lei (RON)	**0.2114**	0.2346
Hungarian forint (HUF)	**0.0026**	0.0032

- Adjustments made for changes in the composition of the group relate to acquisitions, mergers and disposals of subsidiaries and equity-accounted investments, as well as to changes in the group's shareholding in its equity-accounted investments. For acquisitions, adjustments are made to remove the revenue and trading profit/(loss) of the acquired entity from the current reporting period and, in subsequent reporting periods, to ensure that the current reporting period and the comparative reporting period contain revenue and trading profit/(loss) information relating to the same number of months. For mergers, adjustments are made to include a portion of the prior period's revenue and trading profit/(loss) of the entity acquired as a result of a merger. For disposals, adjustments are made to remove the revenue and trading profit/(loss) of the disposed entity from the previous reporting period to the extent that there is no comparable revenue or trading profit/(loss) information in the current period and, in subsequent reporting periods, to ensure that the previous reporting period does not contain revenue and trading profit/(loss) information relating to the disposed business.

A. Non-IFRS financial measures and alternative performance measures continued

A.2 Growth in local currency, excluding acquisitions and disposals continued

The following significant changes in the composition of the group during the respective reporting periods have been adjusted for in arriving at the pro forma financial information:

For the year ended 31 March 2023

Transaction	Basis of accounting	Reportable segment	Acquisition/ Disposal
Dilution of the group's interest in Tencent	Associate	Social and internet platforms	Disposal
Loss of control of the group's interest in VK (Mail.ru)	Associate	Social and internet platforms	Disposal
Disposal of the group's interest in AasaanJobs	Subsidiary	Ecommerce	Disposal
Dilution and subsequent step down of the group's interest in Selency	Subsidiary/ Associate	Ecommerce	Disposal
Acquisition of the group's interest in Oda	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Flink	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Flip	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Delivery Solutions	Subsidiary	Ecommerce	Acquisition
Increase in the group's interest in Delivery Hero	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Eruditus together with the impact of change in revenue recognition	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in GoodHabitz	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Platzi	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Stack Overflow	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Skillsoft	Associate	Ecommerce	Acquisition
Dilution of the group's interest in Udemy together with the impact of change in revenue recognition	Associate	Ecommerce	Disposal
Increase in the group's interest in ElasticRun together with the impact of change in revenue recognition	Associate	Ecommerce	Acquisition
Increase in the group's interest in Meesho	Associate	Ecommerce	Acquisition
Increase in the group's interest in DeHaat	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in PharmEasy	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Aruna	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in 99 Minutos	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Alwans	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Facily	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Captain Fresh	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Sangvhi Beauty	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Bux	Associate	Ecommerce	Acquisition

A. Non-IFRS financial measures and alternative performance measures continued

A.2 Growth in local currency, excluding acquisitions and disposals continued

For the year ended 31 March 2023

Transaction	Basis of accounting	Reportable segment	Acquisition/ Disposal
Dilution of the group's interest in Swiggy	Associate	Ecommerce	Disposal
Dilution of the group's interest in Remitly	Associate	Ecommerce	Disposal
Dilution and lag period catch-up adjustment following the subsequent loss of significant influence of the group's interest in BYJU'S	Associate	Ecommerce	Disposal/ Acquisition
Disposal of the group's interest in PlayKids	Subsidiary	Ecommerce	Disposal
Disposal of the group's interest in Codecademy	Associate	Ecommerce	Disposal
Acquisition of the group's interest in ShareBite	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in A55	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Frexco	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Anota	Subsidiary	Ecommerce	Acquisition
Acquisition of the impact of the fair value adjustment on cash-settled schemes in Eruditus	Associate	Ecommerce	Acquisition
Acquisition of the impact of the hyper-inflation adjustment in Classifieds OLX Autos	Subsidiary	Ecommerce	Foreign currency adjustment

The net adjustment made for all acquisitions and disposals on continuing operations that took place during the period ended 31 March 2023 amounted to a negative adjustment of US$1 387m on revenue and a negative adjustment of US$482m on trading profit.

The adjustments to the amounts, reported in terms of IFRS, that have been made in arriving at the pro forma financial information are presented in the table below:

	Year ended 31 March							
	2022	2023	2023	2023	2023	2023	2023	2023
	A	B	C	D	E	F[2]	G[3]	H[4]
	IFRS 8[1] US$'m	Group composition disposal adjustment US$'m	Group composition acquisition adjustment US$'m	Foreign currency adjustment US$'m	Local currency growth US$'m	IFRS 8[1] US$'m	Local currency growth % change	IFRS 8 % change
Continuing operations								
Revenue								
Ecommerce	8 174	(197)	448	(923)	2 442	9 944	**31**	**22**
– Classifieds[5]	1 324	(18)	1	(276)	544	1 575	**42**	**19**
– Food Delivery	2 992	(58)	208	(238)	1 299	4 203	**44**	**40**
– Payments and Fintech	796	(6)	2	(144)	404	1 052	**51**	**32**
– Edtech	425	(72)	135	(6)	63	545	**18**	**28**
– Etail	2 259	(1)	21	(233)	(93)	1 953	**(4)**	**(14)**
– Other	378	(42)	81	(26)	225	616	**67**	**63**
Social and internet platforms	25 794	(1 638)	–	(1 649)	(238)	22 269	**(1)**	**(14)**
– Tencent	25 261	(1 105)	–	(1 649)	(238)	22 269	**(1)**	**(12)**
– VK[7]	533	(533)	–	–	–	–	**–**	**(100)**
Corporate segment	–	–	–	–	–	–	**–**	**–**
Economic interest from continuing operations	33 968	(1 835)	448	(2 572)	2 204	32 213	**7**	**(5)**
Discontinued operations[5, 6]	1 651	(279)	1	48	205	1 626	**15**	**(2)**
Group economic interest	35 619	(2 114)	449	(2 524)	2 409	33 839	**7**	**(5)**

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.
5 From 1 April 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation up until the date of disposal.
6 From 1 March 2023, following the group's decision to exit the OLX Autos business unit, its operations classified as held for sale and those that have been closed by 31 March 2023 were presented as a discontinued operation. The OLX Autos business unit is a separate major line of business both in terms of the distinct nature of the business and its contribution to the operational performance of the group.
7 During the year ended 31 March 2023, the group lost significant influence in VK and the group now accounts for its investment at fair value through other comprehensive income. In November 2022, the group signed an agreement with VK to renounce all VK shares and shareholder rights for no consideration.

A. Non-IFRS financial measures and alternative performance measures continued

A.2 Growth in local currency, excluding acquisitions and disposals continued

The adjustments to the amounts, reported in terms of IFRS, that have been made in arriving at the pro forma financial information are presented in the table below:

	Year ended 31 March							
	2022	2023	2023	2023	2023	2023	2023	2023
	A	B	C	D	E	F[2]	G[3]	H[4]
	IFRS 8[1] US$'m	Group composition disposal adjustment US$'m	Group composition acquisition adjustment US$'m	Foreign currency adjustment US$'m	Local currency growth US$'m	IFRS 8[1] US$'m	Local currency growth % change	IFRS 8 % change
Continuing operations								
Trading profit								
Ecommerce	(1 206)	41	(231)	50	(163)	(1 509)	**(14)**	**(25)**
– Classifieds[5]	(70)	(4)	–	(5)	(77)	(156)	**<(100)**	**<(100)**
– Food Delivery	(724)	23	(78)	48	82	(649)	**12**	**10**
– Payments and Fintech	(60)	–	(2)	(11)	(43)	(116)	**(72)**	**(93)**
– Edtech	(117)	16	(106)	4	(55)	(258)	**(54)**	**<(100)**
– Etail	(35)	–	(5)	5	(28)	(63)	**(80)**	**(80)**
– Other	(200)	6	(40)	9	(42)	(267)	**(22)**	**(34)**
Social and internet platforms	6 319	(292)	–	(381)	(561)	5 085	**(9)**	**(20)**
– Tencent	6 273	(246)	–	(381)	(561)	5 085	**(9)**	**(19)**
– VK[7]	46	(46)	–	–	–	–	**–**	**(100)**
Corporate segment	(167)	–	–	1	(7)	(173)	**(4)**	**(4)**
Economic interest from continuing operations	4 946	(251)	(231)	(330)	(731)	3403	**(16)**	**(31)**
Discontinued operations[5, 6]	95	(42)	24	40	(91)	26	**<(100)**	**(73)**
Group economic interest	5 041	(293)	(207)	(290)	(822)	3 429	**(17)**	**(32)**

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.
5 From 1 April 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation up until the date of disposal.
6 From 1 March 2022, following the group's decision to exit the OLX Autos business unit, its operations classified as held for sale and those that have been closed by 31 March 2023 were presented as a discontinued operation. The OLX Autos business unit is a separate major line of business both in terms of the distinct nature of the business and its contribution to the operational performance of the group.
7 During the year ended 31 March 2023, the group lost significant influence in VK and the group now accounts for its investment at fair value through other comprehensive income. In November 2022, the group signed an agreement with VK to renounce all VK shares and shareholder rights for no consideration.

Glossary

Term/Acronym	Description
ADR	American Depository Receipt
Advanced persistent threats	An exercise where a prolonged and targeted cyber-attack is carried out to gain access to a network and remain undetected for an extended period of time to identify and remediate existing weaknesses.
Advisory and assurance projects	Projects taken by the cyber-resilience team to advise and provide internal assurance to portfolio companies to enhance cyber-resilience in the group.
AFM	Netherlands Authority for the Financial Markets *(Stichting Autoriteit Financiële Markten)*
AGM	Annual general meeting
Agtech	Agriculture technology
AI	Artificial intelligence
AI engineers	An employee that focuses on developing the tools, systems, and processes that enable artificial intelligence to be applied in the real world.
AI model production	A process of implementing an AI model into software in the group. This is measured by the number of models placed into production in the group.
Alternative performance measures (APMs)	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.
Associate	An entity over which we have significant influence, being the power to participate in the financial policy decisions of the entity through our influence on the board of directors. Typically, an entity in which we have an interest of 20% to 50%.
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)
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
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.

Term/Acronym	Description
Corporate	Corporate entities which have offices include the Netherlands, Unites States (Ventures), India, United Kingdom and Hong Kong offices, and corporate employees shall mean people employed at these offices who are employed by the corporate entities.
Covid-19	Coronavirus disease
CSRD	Corporate Sustainability Reporting Directive (Europe)
Data privacy roles	Employees in the group who champion data privacy throughout the group.
Data scientist	Employees who are responsible for collecting, analysing and interpreting data to help drive decision-making in an organisation.
DAU	Daily active users
Deep-tech	Technology that is based on tangible engineering innovation or scientific advances and discoveries.
Dmart	Small Delivery Hero-owned warehouse
D-RECs	Renewable-energy credits (electronic records that verify the source of electricity used).
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, taxes, depreciation and amortisation
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
Employee	Persons employed by the group on a permanent or part-time basis, specifically excluding contract workers, as at 31 March 2023 determined in accordance with IFRS-EU.
Employee engagement survey	The engagement survey responded to by corporate employees .
Energy consumption	The total amount of energy consumed for a given process and measured in kWh.
ESG	Environmental, social and governance

Glossary continued

Term/Acronym	Description
Ethics and compliance officers	Employees in the group with responsibility for ethics and compliance, in a dedicated ethics and compliance role or alongside other responsibilities.
EU	European Union
EU AI-HLEG	EU's independent high-level expert group on artificial intelligence.
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	General Data Protection Regulation (Europe)
Generative AI (GenAI)	Systems that can generate new content – or manipulate existing content – based on text instructions.
GHG	Greenhouse gas
GMV	Gross merchandise value
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 business-to-consumer (B2C) platform.
Group	Prosus and its subsidiaries.
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.

Term/Acronym	Description
Headcount	The number of employees, specifically excluding contract workers, in service as at 31 March 2023.
Headline earnings	Headline earnings represent 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
IAPP	International Association of Privacy Professionals
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IMF	International Monetary Fund
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.
Investment or investee	An entity over which we don't have significant influence, being the power to participate in the financial and operating policy decisions of the entity. Generally an entity in which we have an interest of less than 20%.
IP	Intellectual property
IPO	Initial public offering
IR	Investor relations
IRR	Internal rate of return
ISE	Irish Stock Exchange
ISP	Internet service provider
JSE	JSE Limited (Johannesburg stock exchange)
JV	Joint venture
K–12	Kindergarten to grade 12
KPI	Key performance indicator
kWh	Kilowatt per hour

Term/Acronym	Description
LatAm	Latin America
LGPD	General Personal Data Protection Law (Brazil)
LIFE	Leadership in the food-delivery ecosystem
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
Monthly active learners	Total number of employees who participated in a learning module on MyAcademy.
MyAcademy	MyAcademy is the learning platform offered to employees.
N	Naira – Nigerian currency
NASDAQ	American stock market
Naspers	Naspers Limited
NGO	Non-governmental organisation
NPS	Net promoter score
OECD	Organisation for Economic Co-operation and Development (Brazil)
Omnichannel	A cross-channel content strategy that organisations use to improve their user experience.
Opex	Operating expenditure
OTT	Over-the-top
1p	First party – in the context of food delivery, a capital-intensive own-delivery model.
3p	Third party – in the context of food delivery, a capital-light marketplace model where meals are delivered by restaurants.
P2P	Peer-to-peer
Pentests	A simulated cyber-attack against systems used in the portfolio companies to check for exploitable vulnerabilities.
PLN	Polish zloty
PlusOne	A digital assistant chatbot that runs in the groupwide Slack channels.
POPIA	Protection of Personal Information Act (South Africa)
Portfolio companies	Subsidiaries, excluding corporate.
Prosus	Prosus N.V.
Prosus AI community	The community of persons interested in and exploring AI in the portfolio companies.
Prosus FLIGHT	Funding and Learning Initiative for Girls in Higher Education and Skills Training
PSP	Payment service provider
PwC	PricewaterhouseCoopers Accountants N.V.

Term/Acronym	Description
RCF	Revolving credit facility
Red team exercises	An exercise, reflecting real-world conditions, to compromise organisational missions and/or business processes to provide an assessment of the security capability of the system used by the portfolio company.
RMB	Chinese expenditure
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
Scope 1 emissions	Scope 1 emissions are direct GHG emissions that arise from sources which organisations own or control. In order to determine control, the group will recognise emissions from owned and controlled assets as direct emissions.
Scope 2 emissions	Scope 2 emissions are indirect GHG emissions that organisations report from the generation of purchased electricity that is consumed for operations owned or controlled. The group will account for electricity purchased for both owned and rented buildings under scope 2.
Scope 3 emissions	Category 1 This category includes all upstream emissions from production of products purchased or acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products). Category 6 This category includes GHG emissions from the transportation of employees for business-related activities through air travel. Business travel includes only corporate office data and excludes all subsidiaries.
SDG	United Nation's Sustainable Development Goal
Senior management	Employees in the Netherlands with executive responsibilities.
SICA	Prosus Social Impact Challenge for Accessibility
SME	Small and medium-sized enterprise
SMME(s)	Small, medium and macroenterprise(s)
SO(s)	Share option(s)
Speak up policy	Policy that encourages and provides channels for individuals to report actual, or potential, breaches of the code of ethics, and other group policies or laws and regulations.
STI	Short-term incentive
Subsidiary	An entity that we control evidenced by: 1. owning more than one half of the voting rights; 2. the right to govern the financial and operating policies of the entity under a statute or an agreement; 3. the right to appoint or remove the majority of the members of the board of directors; or 4. the right to cast the majority of votes at a meeting of the board of directors.
Supply chain	The network of all the individuals, organisations, resources, activities and technology involved in the creation and sale of products and services.

Term/Acronym	Description
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).
TSR	Total shareholder return
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UNEP	United Nations Environment Programme
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