



prosus

## **Summarised consolidated financial statements**

for the year ended 31 March 2020

*including notice of virtual annual general  
meeting and power of attorney*



Mumbai, India



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## Chair's letter

### Dear Madam/Sir

I am pleased to enclose the notice of the virtual annual general meeting of Prosus N.V. (the company or Prosus), which will be held at 14:00 (Central European time) on Tuesday 18 August 2020. Formally, the virtual meeting will be held at ABN AMRO, Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands.

In accordance with the Temporary Act Covid-19 Justice and Safety, shareholders can only attend the meeting virtually via the internet at [www.abnamro.com/evoting](http://www.abnamro.com/evoting) and if they wish, vote in real time online. The meeting can also be followed on the Prosus website [www.prosus.com/investors](http://www.prosus.com/investors).

At the virtual annual general meeting, our chief executive, Bob van Dijk, will update you on the progress of the business in FY20. Subsequently, introductions will be given on other items on the agenda. Following these presentations, we will have a full Q&A session on all matters tabled before we conduct the formal business of the virtual meeting (the voting on all tabled voting items).

In accordance with the board rotation plan, Don Eriksson, Mark Sorour, Emilie Choi, Manisha Girotra and Rachel Jafta are offering themselves for re-election.

The end of FY20 marked the retirement of Fred Phaswana as a director and lead independent director of Prosus (and Naspers). I would like to thank Fred again on behalf of the board for his contribution to the Naspers and Prosus groups. Fred has been a director in the Naspers group for over 15 years and played a key role in transforming Naspers, and subsequently Prosus, into one of the top 10 global consumer internet companies by market capitalisation.

As announced on 29 April 2020, the board decided to nominate Ms Ying Xu for appointment as a non-executive director of Prosus.

Full explanations of all proposed resolutions are set out in the explanatory notes to this notice. The board believes that all the proposals to be put to you at the virtual annual general meeting are in the best interests of Prosus and all shareholders. Accordingly, the directors unanimously recommend that you vote in favour of the resolutions, as they intend to do themselves in respect of their own shares.

The virtual annual general meeting is an important opportunity for all shareholders to express their views by asking questions on the above matters and on any other topic relevant to our business and the resolutions.

If you would like to be assured of the fullest possible response to a question asked in the virtual annual general meeting, it would be helpful if you could submit your questions in advance of the virtual annual general meeting but ultimately on 15 August 2020, at 14:00 CET. Further questions may be posed during the virtual meeting by those shareholders who submitted questions timeously in advance. Of course, you are also invited to write to me at any time should you wish at [investorrelations@prosus.com](mailto:investorrelations@prosus.com). Alternatively, you may find the answer to your question on our website at [www.prosus.com](http://www.prosus.com).

Enclosed with this letter you will find the notice of the virtual annual general meeting being convened, together with the agenda and the explanatory notes. A voting instruction form has been sent to those of you who are registered in Prosus's register of shareholders. Our FY20 year-end documents are available on our website at [www.prosus.com/investors](http://www.prosus.com/investors).

If you would like to electronically grant a proxy with voting instructions to Joyce Leemrijse, civil law notary with Allen & Overy LLP in Amsterdam, you will have to do so no later than 17:30 (CET) on Tuesday 11 August 2020. Please refer to the information provided on page 54 of the notice. All your votes are important to us and I would urge you to cast your vote.

You may also cast your own vote electronically in real time during the virtual annual general meeting. The requirements are set out in the notice.

The results of the virtual annual general meeting will be announced in the meeting, and subsequently via a press release and on the Prosus website [www.prosus.com/news](http://www.prosus.com/news) as soon as possible following the conclusion of the virtual meeting.

The virtual meeting will be broadcast on the Prosus website ([www.prosus.com](http://www.prosus.com)).

I look forward to engaging with you virtually on 18 August 2020.

In accordance with the Dutch Corporate Governance Code, the draft report of the virtual annual general meeting will be made available to shareholders on [www.prosus.com](http://www.prosus.com) no later than three months after the end of the meeting.

Yours sincerely



**Koos Bekker**  
Chair

## Commentary

The past financial year has seen the Prosus group transform as we executed several significant strategic initiatives, which we believe will unlock value over time. Operationally, the group ended the year in a position of strength, with accelerating revenue growth in its ecommerce (online commerce) portfolio, improved profitability and substantial net cash position with sufficient liquidity. Underpinning these results, Tencent continued to report resilience in an uncertain macro-environment.

Most recently, the onset of a global pandemic has had a marked impact on the daily lives of people globally and the economy at large. While the impact is likely to persist for some time, we are confident to weather the storm. The group's focus is on safety, plus leveraging its financial flexibility to continue building a business that grows strongly, generates high rates of return and provides employment for thousands over the long term.

After many years of stock-price outperformance, Naspers now represents an outsized position on the JSE Limited's shareholder weighted index (SWIX). To extend the Naspers shareholder base and reduce that outsized position, on 11 September 2019, Naspers listed its international internet assets on Euronext Amsterdam as Prosus N.V. Prosus includes all Naspers's operations and investments outside South Africa in online classifieds, food delivery, payments and fintech (financial technology), retail (online retail), travel, education, and social and internet platforms. As Europe's most valuable consumer internet company, Prosus gives global internet investors direct access to our portfolio of international internet assets, as well as exposure to China, India and other high-growth markets. Prosus also has a secondary listing on the JSE Limited (JSE) in South Africa. At the date of listing, Prosus was 73.84% owned by Naspers, with a free float of 26.16%. In January 2020, to fulfil an obligation to the South African Reserve Bank to repatriate US\$1.5bn to South Africa, Naspers sold 22 million shares in Prosus, representing 1.35% of the issued

Prosus N ordinary shares, to institutional investors for gross proceeds of €1.5bn (US\$1.64bn). Following the disposal, Prosus was 72.49% owned by Naspers with a free float of 27.51%. Naspers has no intention to sell additional shares of Prosus.

In ecommerce, all key segments made progress against financial and strategic objectives. The classifieds as well as payments and fintech segments have now reached profitability at their core and continue to grow profits, while investing to drive growth. Classifieds is expanding considerably faster than many of its peers. Food Delivery was the most significant investment area, as we grow the market and our position in it by investing in technology. We are also focusing on building first-party delivery capabilities, and city and restaurant reach. To date, this investment has driven order and revenue growth in our Food Delivery operations ahead of global peers. We believe Food Delivery fits our strategy, as it addresses a major consumer need that can be fundamentally transformed by technology. The progress of our core ecommerce segments, which are scaling well, builds confidence in our ability of identifying opportunities to create value.

Tencent delivered a solid financial performance, particularly in fintech and business services. Its expanding ecosystem drives strong user engagement, ahead of local and international peers. This positions Tencent to offer new products and services to users. We continue to benefit from the close relationship and partnerships we have established in some of our markets.

We ended the financial year facing the global Covid-19 pandemic, with many of our markets locking down in March 2020. Our priority was the wellbeing of our 20 000 people and the communities we serve around the world. As a global company operating in numerous local markets, we take our responsibility seriously. We are helping our people and communities navigate

## Commentary (continued)

this crisis. We donated INR100crore (US\$13.1m) to the Indian government's response to the crisis via the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund. In addition, at local level, many of our companies have made meaningful contributions. Across the group, we continue to identify ways in which our technological expertise, global networks and resources can be used to support the fight against this virus.

We will continue to respond quickly to the evolving situation to safeguard our people, maintain our ability to serve our customers and protect our businesses. While we believe each of our segments will continue to benefit from secular growth trends, the global pandemic has affected operations and we need to draw attention to its potential impacts on 2021's financial year. That said, we believe the fundamentals of our businesses remain strong. We have sufficient liquidity to run the company and the ability to invest in opportunities that may arise during this period.

Given the wide geographical span of our operations and significant investments in ecommerce in particular, reported earnings are materially impacted by foreign exchange movements and the effects of acquisitions and disposals. Where relevant in this report, adjustments have been made for the effects of foreign currencies and acquisitions and disposals. These adjustments (pro forma financial information) are quoted in brackets after the equivalent metrics reported under International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRS-EU). A reconciliation of pro forma financial information to the equivalent IFRS-EU metrics is provided elsewhere in these summarised consolidated financial statements.

### Financial review

Group revenue, measured on an economic-interest basis, was US\$21.5bn, reflecting growth of 17% (23%) from continuing operations. Measured

similarly, and including the stepped-up investment in Food Delivery, group trading profit grew 12% (16%) year on year to US\$3.8bn. Tencent grew revenues by a healthy 16% (21%) year on year. Driven by classifieds, eetail, and payments and fintech, the ecommerce business posted strong performance. Overall, revenue growth in ecommerce, adjusted for acquisitions and disposals, grew 33% in local currency, a 7% acceleration year on year. This was led by the Food Delivery segment, which grew orders 102% and revenues by 99% (105%), and strong growth in Classifieds, up 49% (37%). Tencent's profitability improved 17% (22%). Trading losses in ecommerce rose to US\$918m, reflecting our investment in Food Delivery to grow markets and sustain our leading positions. Excluding the increased investments in Food Delivery, and Payments and Fintech as well as acquisitions and disposals, ecommerce trading losses reduced by 28% or US\$78m in local currency.

Core headline earnings from continuing operations were US\$3.4bn - up 9% (13%). Improving profitability in Tencent and the more established ecommerce businesses were partially offset by the additional investment in the Food Delivery business.

Across the group, we invested US\$1.3bn to expand our ecosystem and reach. Notably: through PayU, an investment of US\$66m in Wibmo to expand our Indian footprint in payment security, mobile payment solutions and processing services; an investment of US\$163m in PaySense broadens our ecosystem in India as we now start to offer consumer credit; an investment of US\$199m in Iyzico, a leading payment service provider in Turkey, and US\$48m in Red Dot Payment (Red Dot), providing payment solutions in Singapore and expanding across Southeast Asia. In Classifieds, we acquired a controlling stake in Frontier Car Group for US\$320m and the contribution of certain subsidiaries, expanding our transactions business. Ventures invested US\$81m in Meesho Inc., a leading social commerce online marketplace in

India, continuing our successful track record of identifying Indian opportunities with the potential to become large businesses. We are also increasing our exposure to the edtech (educational technology) businesses by investing a further US\$25m and US\$44m in our education associates Brainly and Udemy respectively. In the Food Delivery business, we invested a further US\$100m in our associate Swiggy.

At year-end, we had a solid net cash position of US\$4.5bn, comprising US\$8.0bn of cash and cash equivalents (including short-term cash investments), net of US\$3.5bn of interest-bearing debt (excluding capitalised lease liabilities). We also have an undrawn US\$2.5bn revolving credit facility. Overall, we recorded net interest expense of US\$22m for the year. In December 2019, we established a US\$6bn global medium-term note programme. In terms of this programme, we may periodically issue notes denominated in any currency, with a maximum outstanding aggregate nominal amount of US\$6bn. The notes trade on the Euronext Dublin stock exchange. Under the programme, in January 2020, we successfully issued US\$1.250bn 3.68% notes due in 2030. The purpose of this offering was to raise proceeds to redeem the US\$1.0bn 6.00% notes due in July 2020. The principal and interest accrued to the maturity date of these notes were repaid in February 2020. The group has no debt maturities due until 2025.

Consolidated free cash outflow was US\$338m, compared to the prior-year outflow of US\$102m from continuing operations (excluding the Video Entertainment segment). This change reflects increased investment in the Food Delivery business, as well as negative working-capital effects related primarily to merchant cash timing differences of US\$28m and transaction costs of unbundling MultiChoice Group and listing Prosus of around US\$85m. Dividend income received from Tencent increased US\$35m to US\$377m. Cash extractions from our profitable Classifieds businesses continued

to grow, increasing US\$70m to US\$305m. The pandemic may have a short-term impact on that trajectory but, the positive trend is expected to return.

We adopted the new accounting standard IFRS 16 *Leases* on a prospective basis. Accordingly, comparative information has not been restated. Refer to note 2 for further details.

The company's external auditor has not reviewed or reported on forecasts included in these summarised consolidated financial statements.

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

### Segmental review

#### Internet

Internet revenues were US\$21.5bn, up 17% (23%). Internet trading profit rose 12% (16%), even as we increased investment across the portfolio and particularly in Food Delivery, as many ecommerce units improved their profitability. Tencent delivered a solid performance.

#### Ecommerce

Overall, ecommerce revenue increased 19% (33%) to US\$4.3bn, a 7% acceleration year on year. This was led by contributions from Classifieds, Payments and Fintech, Food Delivery and Etail.

Trading losses rose to US\$918m after increased investment to capture the online food-delivery opportunity and additional investments in payments and fintech to expand its footprint and build its credit offering. Excluding these and acquisitions and disposals, ecommerce trading losses reduced by 28% or US\$78m in local currency, excluding acquisitions and disposals. Our investments in the Food Delivery business have already started delivering meaningful scale, evidenced by

continued strong growth in orders and revenue. Classifieds continued to invest in convenient transactions, resulting in increased trading losses in that business as it scales. However, overall profitability in Classifieds improved year on year due primarily to continued revenue growth and strong margins at Avito, Central and Eastern Europe, and reduced losses in letgo. Overall, Classifieds trading profit increased 1 100% in local currency, excluding acquisitions and disposals. Etail reported narrowing trading losses. Growth in PayU's core payment service provider (PSP) businesses reduced the trading profit margin from 2% last year to 1% this year.

Revenues from our profitable ecommerce businesses totalled US\$2.3bn, with trading profits of US\$402m. Compared to US\$2.0bn and US\$407m last year, this reflects growth in local currency of 18% and 12% respectively.

### Classifieds

Building on the momentum from the previous financial year when the core business became profitable, Classifieds delivered healthy results while expanding its business model. This is one of the fastest growing classifieds businesses globally, with accelerating revenue growth of 49% (37%) to US\$1.3bn. Its businesses generated trading profits of US\$34m, driven by strong revenue growth in listings and margin improvement.

Convenient transactions revenue was US\$393m, compared to US\$103m in the prior year, growing 282% (164%) and contributing 31% of overall Classifieds revenue for the year. We are investing to improve the value proposition for our customers by deepening our relationships with partners and the breadth of our offering in autos. Larger markets in Russia and Europe drive growth, with strength in autos and real estate verticals, where leading market positions combine with operational execution to drive monetisation and successful financial outcomes. In Russia, Avito has maintained

good momentum, recording revenues of RUB25.7bn, or year-on-year growth of 22%. Avito delivered a trading profit margin of 51%, with autos and real estate revenue growing 38% and 21% year on year, respectively. Poland remains the cornerstone, growing revenues 16% (21%) to US\$185m and recording a trading profit margin of 58%. Autos, real estate and business services all performed above expectations.

In the convenient transactions business, CashMyCar in India grew revenue 229% in local currency to US\$78m, by expanding to over 70 inspection centres and more than 21 000 transactions at the end of the period.

OLX Brazil, our joint venture with Adevinata, improved its financial performance with year-on-year revenue growth of 10% (20%), due to vertical strength.

Competition in general classifieds increased steadily. In 2020, we expanded our ecosystem and offering, while anchoring our competitive advantage where possible. This has allowed us to enhance our localised footprint.

In December 2019, Classifieds increased its shareholding to a majority in Frontier Car Group, enabling synergies and a presence in 10 developing countries globally, with more than 450 inspection centres and over 89 000 transactions for the financial year. In Russia, the acquisition of MaxPoster in January 2020 (focused on providing business solutions to car dealers) deepens product offerings across the autos category.

On 3 March 2020, OLX Brazil reached an agreement to acquire Grupo Zap, which includes two leading Brazilian real estate verticals: Zap and VivaReal. The transaction is subject to approval by the Brazilian competition authorities and is expected to close in the second half of 2020. This investment will be financed equally by the joint venture partners.

## Commentary (continued)

On 26 March 2020, we announced the merger of our letgo US business with OfferUp, a deal that combines two of the leading classifieds brands in the US with complementary footprints. This will give the business a solid foundation in a highly competitive market, this transaction received regulatory approval and is expected to close 1 July 2020.

On 26 April 2020, we completed the merger of our subsidiary Dubizzle Limited (BVI), the leading classifieds platform for users in the United Arab Emirates (UAE), with Emerging Markets Property Group (EMPG). EMPG owns and operates bespoke classifieds portals in emerging markets across the world, including Bayut in Dubai, Zameen in Pakistan and Mubawab in Morocco, North Africa. The group also contributed cash of some US\$75m. Following the transaction, the group will hold a 39% interest in EMPG, and account for this interest as an investment in associate.

In mid-March 2020, many of the markets in which we operate entered lockdown. In Classifieds we have seen a decline in traffic in marketplaces but have taken steps to assist customers and partners. In the short term, we expect to record some impact on revenue and profitability.

### Food Delivery

This sector is evolving rapidly, moving from a marketplace model (third-party or 3P) to implementing an own-delivery model (first-party or 1P). This is increasing the size of the market and corresponding opportunity. We are at the forefront of this transformation and investing heavily in food delivery to grow both the size of the market and our position. We invest in product and technology innovation, including logistics, convenience and grocery delivery, cloud kitchens and private brands. We are also investing in technology, which is significantly improving consumer targeting to optimise customer acquisition and marketing costs while improving 1P economics by smartly routing

delivery representatives to points of highest demand density. We anticipate further opportunity in this market which will be disrupted by technology. Our investment in the Food Delivery business has meaningful scale, as evidenced by continued growth in orders and revenue.

In the current year, this segment grew rapidly and is now one of the fastest-growing platforms globally, producing cumulative annualised gross merchandise value (GMV) growth of 76% year on year. Segment revenue increased 99% (105%), with strong contributions from our entire portfolio. Trading losses rose to US\$624m from US\$171m, reflecting continued investments in growth by the respective businesses.

In Latin America, iFood posted revenue growth of 94% (113%), as a result of product innovation and the growth of its logistics business. iFood remains the clear leader in Brazil and holds competitive positions in Mexico and Colombia. In March 2020, iFood Brazil supported a network of 160 000 active restaurants and processed 31 million orders, compared to 17 million last year. iFood Brazil has ramped up its own-delivery business, and 1P orders now exceed 30% of orders and the total volume of the nearest 1P competitor. In April 2020, we announced that iFood would join forces with Delivery Hero in Colombia. iFood will retain a 51% share and operate the combined business, Domicilios.com.

In India, Swiggy's revenue grew 182% year on year, driven by expansion into new cities. Swiggy now operates in over 520 cities and supports more than 160 000 restaurant partners, up from 85 000 a year ago. We invested an additional US\$100m in Swiggy in February 2020 to support its business growth, increasing our already substantial commitment in India.

For the year ended 31 December 2019, Delivery Hero reported segmental revenue growth of 109%



and order volume growth of 80%. GMV grew 66% year on year in constant currency to €7.4bn, primarily due to faster delivery times, efficiencies in customer acquisition and increased order frequency following investments to improve product and technology. Delivery Hero engaged in M&A and portfolio consolidation during the year, like the acquisition of shares in South Korean Woowa Brothers Corp., and the incorporation of a joint venture to consolidate their footprint in the region. Delivery Hero has also restructured its German operations, disposing of its food-delivery business to Takeaway.com N.V. for cash and an equity stake in Takeaway. More information on Delivery Hero's results is available at <https://ir.deliveryhero.com>.

The lockdown state in many of our markets affected the Food Delivery business. While our platforms are recording increased demand, we have not always been able to meet demand due to supply issues as restaurants closed. In India, Swiggy has been permitted to continue operating during the lockdown, but this was not implemented uniformly across the country and Swiggy's services have been halted in some regions. It is engaging with national and regional authorities in India. In Brazil, iFood's efforts to assist its restaurant and food-delivery partners have mitigated some supply issues and order volume is holding up well. In the longer term, we believe the current environment may drive a structural shift in global consumption patterns in favour of food delivery.

### Payments and Fintech

PayU's revenue grew 19% (21%) year on year, on the back of 26% (29%) higher volumes processed. Processed volumes reached US\$37.9bn, driven by 30% growth in the number of transactions processed. The Payments and Fintech business's trading loss margin increased from 12% last year to 16%. This reflected improvement in profitability in the core PSP business, offset by investment to build a credit offering, primarily in India, and expanding

our footprint in Southeast Asia with the Red Dot acquisition.

The payments business in India remains the growth engine, with volumes growing 30% (32%). In 2020, India's processed volumes were US\$19.4bn, 51% of the total volume processed by PayU. Structural shifts to digital payments in the country, our ability to increase conversion rates for enterprise merchants, and our ability to enter new segments such as billing and small/medium-sized businesses, have been the main drivers of this growth at market rates.

In July 2019, we acquired Wibmo (a payment security leader) and also created closer partnerships with leading banks to reduce transaction failures and further strengthen our relationship with merchants.

In line with PayU's mission to build a world without financial borders, we have been pioneering credit for underbanked people in India. We started building an inhouse credit business two years ago and organically scaled this to over US\$10m monthly issuances. We recently acquired a majority stake of 79.2% in PaySense for US\$163m. PayU is setting the ambitious goal of building a strong credit franchise in India. While we believe the expansion of our credit business over time offers significant potential, it is important that we build the loan book methodically, with acceptable loss rates. We have temporarily paused due to the global pandemic.

In mid-March 2020, our Payments and Fintech business began to be impacted by lockdowns in markets in which we operate. It is still too early to estimate the full impact although we have seen a significant initial drop in transaction volumes in payments. India represents over 50% of the Payments and Fintech business's transaction volumes. In time, this business is expected to benefit from large sectoral trends, including more customers transacting online and more online

## Commentary (continued)

transactions being executed through alternative forms of payment (other than cash). Our European businesses appear resilient and continued to grow during the pandemic, although that could change if the broader economic environment deteriorates further.

In December 2019, we completed the acquisition of a 90% interest in lyzico for around US\$199m to consolidate our position in Turkey's high-growth ecommerce market. Turkey is now our second-largest market in the Europe, Middle East and Africa region. On integration, PayU will be able to leverage existing relationships with global merchants and lyzico's product capabilities to drive incremental cross-border volume.

We also added the South Asia market to our footprint by acquiring a majority in Red Dot, based in Singapore. Southeast Asia is an attractive base to enter one of the most dynamic markets globally, with ecommerce growth (62% CAGR 2015-19) and a high share of alternative payment methods (70% of ecommerce). This transaction gives us access to local payment-processing capabilities, supporting our merchants' expectations, and provides unique payment solutions particularly for the hotel and hospitality segment. We have integrated Red Dot into our global hub to offer all existing merchants access to the Southeast Asia market.

### Etail

The Etail segment accelerated revenue growth to 16% year on year, measured in local currency and adjusted for the disposal of Flipkart. On the same basis, the segment also improved profitability, reducing its trading losses by economies of scale such as higher gross margins and fixed cost control.

eMAG, our leading business-to-consumer (B2C) platform in Central and Eastern Europe, continued to outpace market growth and improve its economics over the review period. Organic revenue growth reached 16% and trading profit increased

35%. eMAG's core market, Romania, realised 17% GMV growth in local currency. Performance was particularly strong across the 3P marketplace, which grew 26% in local currency. In Hungary, eMAG's second-largest market, the business delivered GMV growth of 25% in local currency. Both the retail and marketplace businesses contributed meaningfully to eMAG Hungary's results.

eMAG's main market, Romania, entered lockdown on 26 March 2020, but the business is holding up well. It recorded a boost in the early stages of the lockdown as customers shifted to online purchasing. While the rate of growth is likely to subside over time, we believe the pandemic may prove an accelerator in the structural shift to ecommerce.

In October 2019, the Hungarian competition authority approved the merger of eMAG Hungary with eDigital, two leading online retailers. This combination expands eMAG's product offering to consumers and brings in the experienced and talented eDigital founders, who will lead the merged business.

### Travel

In April 2019, we announced the exchange of our 43% interest in MakeMyTrip, our equity-accounted online travel investment in India, for a 5.6% interest in Trip.com Group Limited (formerly Ctrip.com International Limited) (Trip.com). The transaction closed at the end of August 2019, resulting in a gain of US\$599m. Our share of MakeMyTrip's reported revenues was US\$146m, up 8% (measured in local currency, adjusted for acquisitions and disposals).

We include eight months of results for MakeMyTrip in our segmental results, representing our share of its earnings for the period up to disposal and a catch-up of the lag period applied in reporting its results. On a similar basis, trading losses in the

## Commentary (continued)

Travel segment (measured in local currency, adjusted for acquisitions and disposals) increased 21% year on year. After the Trip.com transaction, our Travel segment will cease to exist and will not be reported on after this financial year. The investment in Trip.com is accounted for at fair value through other comprehensive income. More information on MakeMyTrip's results is available at <http://investors.makemytrip.com>.

### Tencent

For the year ended 31 December 2019, Tencent's revenue of RMB377bn was up 21% year on year. Non-GAAP profit attributable to shareholders (Tencent's measure of normalised performance) grew 22% to RMB94bn.

Revenues from value-added services increased 13% to RMB200bn, with online games revenues growing 10% to RMB115bn and social networks revenues rising 17% to RMB85bn. Revenues from fintech and business services increased 39% to RMB101bn, and revenues from the online advertising business rose 18% to RMB68bn.

Tencent continued to lead in China, with nine of the top 20 mobile apps. Combined monthly active users (MAU) of Weixin and WeChat increased 6% to 1.16 billion. The Weixin mini program ecosystem became increasingly vibrant, with an annual transaction volume of over RMB800bn. With enhanced chat and friend recommendation features, as well as entertainment use cases via mini programs, QQ's popularity with the younger generation continues to increase. However, QQ smart devices' MAU declined 7.5% year on year to 647 million as Tencent proactively cleaned up spamming and bot accounts.

China's online games market recovered after in-game monetisation licence approvals resumed in December 2018. Tencent extended its leadership. It has also made breakthroughs in self-developed games for international markets, with five of the top

10 international mobile games. Tencent's international revenue rose to 23% of total online games revenue in the fourth quarter of 2019.

Tencent currently operates the largest mobile payment platform in China by daily active users (DAU) and transaction volumes. Daily commercial payment transactions exceeded 1 billion as Tencent deepened penetration among offline merchants. In cloud, Tencent has over 1 million paying customers and outgrows peers with increasing scale and higher operating efficiency.

Despite the challenging economic environment, Tencent achieved robust advertising revenue growth by progressively realising the potential of Weixin Moments and expanding its mobile ad network. Tencent video subscriptions exceeded 100 million. Music subscription accelerated as it benefited from the pay-for-streaming model.

Tencent continues to grow off a very large base in a market that appears to be emerging well from the impact of Covid-19. It has been working relentlessly to mitigate the impacts of the pandemic. Tencent has steered its engineering scale and product suite to help the government and businesses navigate and recover from the impacts of Covid-19. This has benefited millions of enterprises that used WeChat for Work to resume operations in the wake of the outbreak. Over 300 million Weixin users have used Tencent Health as an access point for real-time pandemic data, online consultations and self-diagnosis services powered by artificial intelligence (AI). Through Tencent Medipedia, users can access professional medical information. Tencent has also provided medical AI imaging capabilities to assist the diagnosis of Covid-19. Its operational performance has remained resilient through the crisis, underpinning the value of its diverse portfolio and broad ecosystem.

## Commentary (continued)

More information on Tencent's results is available at [www.tencent.com/en-us/ir](http://www.tencent.com/en-us/ir).

### Mail.ru

For the year ended 31 December 2019, Mail.ru's revenues grew 22% to RUB87.1bn. Non-GAAP EBITDA (Mail.ru's measure of normalised performance) grew 10% to RUB29.8bn. Advertising revenue rose 23% to RUB36.5bn. This was driven by user and user engagement growth, increased inventory of video advertisements and contextual targeting advertisements, and technology advancements in its advertising platforms.

Online games revenue grew 20% to RUB28bn. International revenues accounted for 68% of online games revenue.

Mail.ru is leveraging its leadership in the social and communications segment to build social ecommerce and online-to-offline (O2O) verticals that complement its user experience. A transformational AliExpress Russia joint venture between Mail.ru, Alibaba, MegaFon and Russian Direct Investment Fund was launched. This integrates Mail.ru's cross-border ecommerce platform, Pandao, with Alibaba's AliExpress and Tmall services in Russia. In December 2019, Sberbank and Mail.ru formed a Russian O2O services platform joint venture, focusing on food technology and mobility. Mail.ru contributed its food-delivery business, Delivery Club, and a 29.67% stake in Citymobil, Russia's second-largest taxi application, to the new entity.

As a long-term investor in Russian digital businesses, we continue to monitor proposed legislation that would potentially limit foreign ownership of businesses in Russia that are defined as significant information resources. As a long-standing participant in the country, we have stayed the course through various business cycles, up and down. We remain confident of a continued

favourable disposition to our investment in the country.

More information on Mail.ru's results is available at <https://corp.mail.ru/en/investors/>.

### Prospects

We anticipate a time when Covid-19 will no longer have the impact on the global economy it has today. We hope to emerge from the global pandemic stronger.

Until then, we face these challenges from a position of relative financial strength. We closed our financial year on 31 March 2020 with US\$4.5bn in net cash and a US\$2.5bn undrawn revolving credit facility; with accelerating growth in our ecommerce portfolio; and improved profitability. We believe we have sufficient liquidity to run the company, while investing in opportunities that may arise during this period.

Our focus will remain on driving profitability in our more-established ecommerce segments, such as the classified markets and PSP business in the payment and fintech segment. We will invest substantially in food delivery, as well as the convenient transaction model in classifieds and credit in payments. Our strong balance sheet provides a basis for driving growth and unlocks new opportunities. We will also improve the competitiveness of our platforms by investing in tech and product, and reinforcing our AI capabilities.

All our operations have business continuity plans in place. We are assessing potential impacts and supporting our businesses. The challenges of Covid-19 will vary by sector and geography, but we have the teams, the resources and the experience required to navigate them.

### Risks

Our risk management and compliance processes provide the board with periodic and holistic

## Commentary (continued)

overviews and understanding of key risks and their management. Businesses are required to apply a methodical approach to governing risks and opportunities, so that risks and opportunities are governed as intended and desired outcomes are achieved. The principal risks faced by the group are categorised as financial capital, human capital, manufactured capital, intellectual capital, social and relationship capital, and natural capital. Specific risks and uncertainties appear in the annual report under the section Managing risks and opportunities, which will be available on the Prosus website on 29 June 2020. The annual report describes these risk categories and individual risks (including measures in response to those risks) that could have a material adverse effect on Prosus's financial position and results. In addition, the annual report, under the section Responding to Covid-19, sets out our response to the pandemic that affected the latter part of the year ended 31 March 2020 and has been identified as a new risk affecting the group.

Additional risks not known to Prosus, or currently believed not to be material, could later turn out to have a material impact on our business, objectives, revenues, income, assets, liquidity or capital resources.

### Directorate

The directorate of the company substantially mirrors that of its holding company, Naspers Limited. The board of directors is a one-tier structure, comprising both executive and non-executive directors.

The executive directors, Bob van Dijk (chief executive) and Basil Sgourdos (chief financial officer), were appointed from 16 May 2019. The non-executive directors, namely Koos Bekker (chair), Emilie Choi, Hendrik du Toit, Craig Enenstein, Don Eriksson, Rachel Jafta, Nolo Letele, Debra Meyer, Roberto Oliveira de Lima, Steve Pacak, Fred Phaswana (lead independent director),

Mark Sorour, Cobus Stofberg and Ben van der Ross were appointed from 14 August 2019.

From 31 March 2020, our non-executive director and lead independent director, Fred Phaswana retired from the board. Fred Phaswana served on the Prosus board and acted as lead independent director since August 2019. He was a director of Naspers Limited and various group structures. He was also a member of the Prosus human resources and remuneration, and nomination committees. The board thanks him for his superb commitment to the Naspers group over many years – his unique contributions were highly valued and will be missed. From 1 April 2020, Hendrik du Toit, an independent non-executive director, was appointed lead independent director.

In addition, from 24 April 2020, Ben van der Ross, independent non-executive director, stepped down from the audit and risk committees and was appointed to the social, ethics and sustainability committee. The board thanks him for his valuable contribution over many years to the audit and risk committees.

The appointment of Manisha Girotra as an independent non-executive director was confirmed on 1 October 2019. Ms Girotra also serves as a member of the audit committee.

As announced on 29 April 2020, the board will nominate Ying Xu for appointment as an independent non-executive director of Prosus at the upcoming annual general meeting.

### Dividend number 1

(All figures in euro cents unless stated otherwise.)

The board recommends that shareholders are entitled to a gross payment, in the form of a capital repayment, of 11 euro cents per listed N ordinary share. Holders of A1 ordinary shares will receive a dividend distribution of 0.602 euro cent per share. Furthermore, the board recommends that holders of

N ordinary shares as at 23 October 2020 (the dividend record date) who do not wish to receive a capital repayment can make a choice to receive a dividend instead. A choice for one option implies an opt-out of the other option. If confirmed by shareholders at the virtual annual general meeting on 18 August 2020, elections to receive a dividend instead of a capital repayment will need to be made by holders of N ordinary shares by 9 November 2020. Capital repayments and dividends will be payable to shareholders recorded in the books on the dividend record date and paid on 17 November 2020.

Capital repayments will be paid from share capital for Dutch tax purposes. No dividend tax will be withheld on the amounts of capital reductions paid to shareholders.

Shareholders electing to receive a dividend will receive a dividend declared from retained earnings. Dividends will be subject to the Dutch dividend tax rate of 15%, to those shareholders not exempt from dividend withholding tax and to those shareholders who are not entitled to a reduced dividend withholding tax rate.

Dividends payable to shareholders who elect to receive a dividend and who hold their listed N ordinary share through the listing of the company on the JSE will, in addition to the Dutch dividend withholding tax, be subject to South African dividend tax at a rate of up to 20%. The amount of additional South African dividend tax payable will be calculated by deducting from the 20% South African dividend tax otherwise due, a rebate equal to the Dutch dividends tax paid in respect of the dividend (without any right of recovery). Those shareholders, unless exempt from paying dividend tax or entitled to a reduced withholding tax rate in terms of an applicable tax treaty, will be subject to a maximum of 20% total dividend tax.

The issued ordinary share capital as at 29 June 2020 was 1 624 652 070 N ordinary shares and 3 511 818 A1 ordinary shares.

### Independent audit

The summarised consolidated financial statements have been derived from the consolidated financial statements included in our 2020 annual report. In accordance with Article 393 of Book 2 of the Dutch Civil Code, PricewaterhouseCoopers Accountants N.V. has issued an unqualified auditor's opinion on those financial statements. The summarised consolidated financial statements should be read in conjunction with the consolidated financial statements in the 2020 annual report published on 29 June 2020.

On behalf of the board



**Koos Bekker**

*Chair*

Amsterdam  
29 June 2020



**Bob van Dijk**

*Chief executive*

## Summarised consolidated income statement

	Notes	Year ended 31 March	
		2020 US\$m	2019 US\$m
<b>Continuing operations</b>			
<b>Revenue from contracts with customers</b>	6	<b>3 330</b>	2 655
Cost of providing services and sale of goods		<b>(2 177)</b>	(1 600)
Selling, general and administration expenses		<b>(1 762)</b>	(1 437)
Other gains/(losses) - net	8	<b>16</b>	(40)
<b>Operating loss</b>		<b>(593)</b>	(422)
Interest income	7	<b>201</b>	265
Interest expense	7	<b>(223)</b>	(200)
Other finance income - net	7	<b>114</b>	114
Share of equity-accounted results		<b>3 930</b>	3 409
Impairment of equity-accounted investments		<b>(21)</b>	(88)
Dilution losses on equity-accounted investments		<b>(52)</b>	(182)
Net gains on acquisitions and disposals	8	<b>434</b>	1 610
<b>Profit before taxation</b>	8	<b>3 790</b>	4 506
Taxation		<b>(75)</b>	(258)
<b>Profit from continuing operations</b>		<b>3 715</b>	4 248
Loss from discontinued operations	4	<b>-</b>	(738)
<b>Profit for the year</b>		<b>3 715</b>	3 510
<b>Attributable to:</b>			
Equity holders of the group		<b>3 824</b>	3 581
Non-controlling interests		<b>(109)</b>	(71)
		<b>3 715</b>	3 510
<b>Per share information related to continuing operations<sup>(1)</sup></b>			
Earnings per ordinary share (US cents)		<b>235</b>	265
Diluted earnings per ordinary share (US cents)		<b>231</b>	262
Headline earnings for the year (US\$m)	5	<b>2 795</b>	3 806
Headline earnings per ordinary share (US cents)		<b>172</b>	234
Diluted headline earnings per ordinary share (US cents)		<b>168</b>	232
Core headline earnings for the year (US\$m)	5	<b>3 357</b>	3 090
Core headline earnings per ordinary share (US cents)		<b>207</b>	190
Diluted core headline earnings per ordinary share (US cents)		<b>203</b>	188
Net number of ordinary shares issued ('000) <sup>(1)</sup>			
- weighted average for the year		<b>1 625 354</b>	1 625 354
- diluted weighted average		<b>1 625 354</b>	1 625 354

<sup>(1)</sup> Per share information for the comparative period is based on the net number of shares issued for the year ended 31 March 2020 to permit comparability. This is also applied as the actual change in shares issued represents a capitalisation without consideration (refer note 2).

## Summarised consolidated statement of comprehensive income

	Year ended 31 March	
	2020 US\$m	2019 US\$m
<b>Profit for the year</b>	<b>3 715</b>	3 510
<b>Total other comprehensive loss, net of tax, for the year<sup>(1)</sup></b>	<b>(1 406)</b>	(105)
Translation of foreign operations	(1 361)	(1 033)
Net fair-value (losses)/gains	(282)	9
Cash flow hedges	-	(2)
Share of other comprehensive income and reserves of equity-accounted investments	237	919
Tax on other comprehensive income	-	2
<b>Total comprehensive income for the year</b>	<b>2 309</b>	3 405
<b>Attributable to:</b>		
Equity holders of the group	2 455	3 521
Non-controlling interests	(146)	(116)
	<b>2 309</b>	3 405

<sup>(1)</sup> These components of other comprehensive income may subsequently be reclassified to profit or loss except for fair-value loss of US\$282.0m (2019: gains of US\$8.5m) relating to the group's financial assets at fair-value through other comprehensive income and fair-value gains of US\$78.7m (2019: US\$752.4m) from equity-accounted investments' financial assets at fair value through other comprehensive income and direct reserve movements.



## Summarised consolidated statement of financial position

		As at 31 March		As at 1 April
	Notes	2020 US\$'m	2019 US\$'m	2018 <sup>(1)</sup> US\$'m
<b>Assets</b>				
<b>Non-current assets</b>				
		<b>26 655</b>	23 021	20 721
Property, plant and equipment		377	143	622
Goodwill	9	2 169	2 035	2 198
Other intangible assets		844	794	979
Investments in associates		22 233	19 746	16 669
Investments in joint ventures		72	95	74
Other investments and loans		886	187	121
Other receivables		4	6	21
Derivative financial instruments		55	1	1
Deferred taxation		15	14	36
<b>Current assets</b>		<b>9 109</b>	9 970	12 011
Inventory		213	148	172
Programme and film rights		–	–	35
Trade receivables		111	135	315
Other receivables		529	499	526
Derivative financial instruments		–	–	8
Short-term investments		3 873	7 037	–
Cash and cash equivalents		4 181	2 135	10 955
		<b>8 907</b>	9 954	12 011
Assets classified as held for sale	11	202	16	–
<b>Total assets</b>		<b>35 764</b>	32 991	32 732
<b>Equity and liabilities</b>				
<b>Capital and reserves attributable to the group's equity holders</b>				
		<b>29 100</b>	27 250	23 875
Share capital and premium		606	599	2 032
Other reserves		(1 922)	(207)	(684)
Retained earnings		30 416	26 858	22 527
Non-controlling interests		214	132	21
<b>Total equity</b>		<b>29 314</b>	27 382	23 896
<b>Non-current liabilities</b>				
		<b>4 303</b>	4 034	5 395
Capitalised lease liabilities		184	5	435
Liabilities – interest-bearing		3 508	3 237	3 216
– non-interest-bearing		20	2	15
Other non-current liabilities		402	581	1 397
Derivative financial instruments		2	33	123
Deferred taxation		187	176	209
<b>Current liabilities</b>		<b>2 147</b>	1 575	3 441
Current portion of long-term debt		63	22	130
Trade payables		291	244	342
Accrued expenses and other current liabilities		1 697	1 296	2 965
Derivative financial instruments		38	3	3
Bank overdrafts		32	8	1
		<b>2 121</b>	1 573	3 441
Liabilities classified as held for sale	11	26	2	–
<b>Total equity and liabilities</b>		<b>35 764</b>	32 991	32 732

<sup>(1)</sup> A statement of financial position is presented as at 1 April 2018 on transition to IFRS-EU. Refer to note 2.

## Summarised consolidated statement of changes in equity

	Share capital and premium ordinary shares US\$m	Foreign currency translation reserve US\$m	Valuation reserve US\$m
<b>Balance at 1 April 2018</b>	2 032	(642)	727
Total comprehensive income for the year	-	(806)	353
Profit for the year	-	-	-
Total other comprehensive loss for the year	-	(806)	353
Distribution of MultiChoice Africa and Irdeto <sup>(1)</sup>	(1 433)	-	-
Share-based compensation movement <sup>(2)</sup>	-	-	-
Transactions with non-controlling shareholders <sup>(3)</sup>	-	-	-
Direct retained earnings and other movements <sup>(4)</sup>	-	-	(439)
Dividends	-	-	-
<b>Balance at 31 March 2019</b>	599	(1 448)	641
<b>Balance at 1 April 2019</b>	<b>599</b>	<b>(1 448)</b>	<b>641</b>
Total comprehensive income for the year	-	(1 201)	(597)
Profit for the year	-	-	-
Total other comprehensive loss for the year	-	(1 201)	(597)
Distribution <sup>(5)</sup>	-	-	-
Share capital movement <sup>(6)</sup>	6	-	-
Share-based compensation movement <sup>(2)</sup>	-	-	-
Transactions with non-controlling shareholders <sup>(3)</sup>	-	-	-
Other movements <sup>(7)</sup>	-	-	-
Direct retained earnings and other movements <sup>(4)</sup>	1	2	(42)
Dividends	-	-	-
<b>Balance at 31 March 2020</b>	<b>606</b>	<b>(2 647)</b>	<b>2</b>

<sup>(1)</sup> Relates to MultiChoice Africa and Irdeto which were disposed of to Naspers, who subsequently distributed their Video Entertainment business to their shareholders in February 2019 through a listing on the JSE Limited stock exchange (refer to note 4). Non-controlling interests shared in the losses of these entities.

<sup>(2)</sup> Retained earnings includes a decrease of US\$192.8m (2019: US\$nil) related to the modification of share-based compensation benefits. The share-based compensation reserve includes a decrease of US\$19.4m (2019: US\$nil) as a result of this modification and an increase due to the current-year expense recognised in the income statement of US\$62.5m (2019: US\$56.0m).

<sup>(3)</sup> The current year relates mainly to the put option liabilities raised from the existing control business combination reserve of US\$137.5m. The group's various disposals and other transactions with non-controlling interest resulted in the realisation of reserves to retained earnings of US\$9.6m and non-controlling interest of US\$228.5m. In the prior year the settlement of put option liabilities and transactions with non-controlling interest amounted to US\$924.9m.

<sup>(4)</sup> Relates to the realisation of the fair-value reserves recognised through other comprehensive income of US\$42.1m (2019: US\$439.4m), the recycling of share-based compensation reserve of US\$173.6m (2019: US\$44.8m) on the vesting of the share options and existing business combination reserves of US\$7.1m (2019: US\$nil).

<sup>(5)</sup> Relates to the distributions as a result of common control transactions. Refer to note 15.

<sup>(6)</sup> 1 185 996 011 N ordinary shares and 2 452 605 A ordinary shares were issued prior to the listing of Prosus on 11 September 2019. Pursuant to the listing the group issued 438 656 059 N ordinary shares and 1 059 213 A ordinary shares.

<sup>(7)</sup> Relates mainly to the realisation of reserves as a result of various disposals and liquidations to retained earnings of US\$61.6m and in existing control business combination reserve of US\$8.5m.

## Summarised consolidated statement of changes in equity (continued)

Existing control business combination reserve US\$m	Share-based compensation reserve US\$m	Retained earnings US\$m	Shareholders' funds US\$m	Non-control-ling interests US\$m	Total US\$m
(2 070)	1 301	22 527	23 875	21	23 896
-	393	3 581	3 521	(116)	3 405
-	-	3 581	3 581	(71)	3 510
-	393	-	(60)	(45)	(105)
56	(3)	982	(398)	278	(120)
-	41	-	41	2	43
927	-	(716)	211	(37)	174
-	(45)	484	-	-	-
-	-	-	-	(16)	(16)
(1 087)	1 687	26 858	27 250	132	27 382
<b>(1 087)</b>	<b>1 687</b>	<b>26 858</b>	<b>27 250</b>	<b>132</b>	<b>27 382</b>
-	<b>429</b>	<b>3 824</b>	<b>2 455</b>	<b>(146)</b>	<b>2 309</b>
-	-	<b>3 824</b>	<b>3 824</b>	<b>(109)</b>	<b>3 715</b>
-	<b>429</b>	-	<b>(1 369)</b>	<b>(37)</b>	<b>(1 406)</b>
-	-	<b>(215)</b>	<b>(215)</b>	-	<b>(215)</b>
-	-	<b>(6)</b>	-	-	-
-	<b>26</b>	<b>(193)</b>	<b>(167)</b>	<b>(3)</b>	<b>(170)</b>
<b>(160)</b>	-	<b>(10)</b>	<b>(170)</b>	<b>232</b>	<b>62</b>
<b>9</b>	-	<b>(62)</b>	<b>(53)</b>	-	<b>(53)</b>
<b>(7)</b>	<b>(174)</b>	<b>220</b>	-	-	-
-	-	-	-	<b>(1)</b>	<b>(1)</b>
<b>(1 245)</b>	<b>1 968</b>	<b>30 416</b>	<b>29 100</b>	<b>214</b>	<b>29 314</b>

## Summarised consolidated statement of cash flows

	Notes	Year ended 31 March	
		2020 US\$'m	2019 US\$'m
<b>Cash flows from operating activities</b>			
Cash from operations		(475)	(372)
Interest income received		224	201
Dividends received from investments and equity-accounted investments		382	342
Interest costs paid		(230)	(215)
Taxation paid		(110)	(101)
<b>Net cash utilised in operating activities</b>		<b>(209)</b>	<b>(145)</b>
<b>Cash flows from investing activities</b>			
Acquisitions and disposals of tangible and intangible assets		(97)	(106)
Acquisitions of subsidiaries, associates and joint ventures	12	(865)	(1 397)
Disposals of subsidiaries, businesses, associates and joint ventures	12	109	1 821
Acquisition of short-term investments <sup>(1)</sup>		(3 866)	(8 591)
Maturity of short-term investments <sup>(1)</sup>		7 010	1 624
Cash movement in other investments and loans		(21)	(4)
<b>Net cash generated from/(utilised in) investing activities</b>		<b>2 270</b>	<b>(6 653)</b>
<b>Cash flows from financing activities</b>			
Proceeds from long- and short-term loans raised	13	1 300	62
Repayments of long- and short-term loans	13	(1 047)	(51)
Proceeds from related party loans		-	171
Payments to related parties <sup>(2)</sup>		(58)	(551)
Additional investment in existing subsidiaries <sup>(3)</sup>		(64)	(1 607)
Dividends paid to non-controlling interests		(1)	(16)
Distribution <sup>(4)</sup>		(215)	-
Repayments of capitalised lease liabilities		(29)	(21)
Funding received from non-controlling shareholders		127	56
Other movements resulting from financing activities		4	2
<b>Net cash generated from/(utilised in) financing activities</b>		<b>17</b>	<b>(1 955)</b>
<b>Net movement in cash and cash equivalents</b>		<b>2 078</b>	<b>(8 753)</b>
Foreign exchange translation adjustments on cash and cash equivalents		(37)	(80)
Cash and cash equivalents at the beginning of the year		2 127	10 961
Cash and cash equivalents classified as held for sale	11	(19)	(1)
<b>Cash and cash equivalents at the end of the year</b>		<b>4 149</b>	<b>2 127</b>

<sup>(1)</sup> Relates to short-term cash investments with maturities of more than three months from the date of acquisition.

<sup>(2)</sup> Includes payments on behalf of related parties amounting to US\$48.2m (2019: US\$nil), and US\$10.1m for loans advanced to related parties.

<sup>(3)</sup> Relates to transaction with non-controlling interest. The prior year includes the settlement of the group's put option liabilities.

<sup>(4)</sup> Relates to distributions as a result of common control transactions. Refer to note 15.

Cash flow information related to the 2019 financial year includes cash flows associated with discontinued operations. Refer to note 4.

# Notes to the summarised consolidated financial statements

for the year ended 31 March 2020

## 1. General information

Prosus N.V. (Prosus or the group) (formerly Myriad International Holdings N.V.) is a public company with limited liability (*naamloze vennootschap*) incorporated under Dutch law, with its registered head office located at Symphony Offices, Gustav Mahlerplein 5, 1082 MS Amsterdam, The Netherlands, (registered in the Dutch commercial register under number 34099856). Prosus is a subsidiary of Naspers Limited (Naspers), a company incorporated in South Africa. On 11 September 2019, Prosus was listed on the Euronext Amsterdam stock exchange, with a secondary listing on the JSE Limited stock exchange (JSE) 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 in countries and markets across the world with long-term growth potential, Prosus builds leading companies that empower people and enrich communities. 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, travel, education, health, and social and internet platforms. The summarised consolidated financial statements for the year ended 31 March 2020 have been authorised for issue by the board of directors on 29 June 2020.

## 2. Basis of presentation and accounting policies

### Information on the summarised consolidated financial statements

The summarised consolidated financial statements have been prepared in accordance with the accounting policies as applied by Prosus and consistent with those applied in the consolidated financial statements for the year ended 31 March 2020. The summarised consolidated financial statements contain the information required by IAS 34 *Interim Financial Reporting* (IAS 34) with the exception of IAS 34.56 and accordingly, the financial information for the second half of the current year is not presented separately. These summarised consolidated financial statements do not constitute the full financial statements within the meaning of Part 9 of Book 2 of the Dutch Civil Code.

The summarised consolidated financial statements do not include all the disclosures required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU). All amounts disclosed are in millions of US dollar (US\$'m), unless otherwise stated. The summarised financial information included in these financial statements are derived from the consolidated financial statements as included in the annual report for the year ended 31 March 2020. The summarised financial statements should be read in conjunction with the annual report that has been authorised for issue and is available on the Prosus website <https://www.prosus.com>.

The summarised consolidated financial statements presented here report earnings per share, diluted earnings per share, headline earnings per share and core headline earnings per share (collectively referred to as earnings per share). These are calculated as the relationship of the number of ordinary shares of Prosus issued as at 31 March 2020, to the net profit, headline earnings and core headline earnings attributable to the shareholders of Prosus. Earnings per share are also reported for the prior reporting period, based on the same shares issued. This is applied as the actual change in shares issued (including redenomination) in the period only represents a capitalisation and/or share split without the receipt of any consideration for the shares issued. Pursuant to the listing, the group issued 438 656 059 N ordinary shares and 1 059 213 A ordinary shares to shareholders. As the MIH Ming He Holdings Limited (Ming He) acquisition is already reflected as from the transition date onwards, the actual share issuance is considered a capitalisation without consideration received.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 2. Basis of presentation and accounting policies (continued)

#### Information on the summarised consolidated financial statements (continued)

##### Operating segments

The group's operating segments reflect the components of the group that are regularly reviewed by the chief operating decisionmaker as defined in note 39 "Segment information" in the consolidated financial statements. The group proportionately consolidates its share of the results of its associates and joint ventures in its operating segments.

##### Going concern

The summarised consolidated financial statements are prepared on the going concern basis. Based on forecasts and available cash resources, the group has adequate resources to continue operations as a going concern in the foreseeable future. As at 31 March 2020, the group recorded US\$8.03bn in net cash, comprising US\$4.18bn of cash and cash equivalents and US\$3.87bn in short-term cash investments. The group had US\$3.52bn of interest-bearing debt (excluding capitalised lease liabilities) and an undrawn US\$2.5bn revolving credit facility.

In assessing going concern, the impact of the Covid-19 pandemic on the group's operations and liquidity was considered in preparing the forecasts. The board is of the opinion that the group has sufficient financial flexibility given its low gearing and very strong liquidity position at 31 March 2020 to negate the expected negative effects that could result from the Covid-19 impact on the group's businesses in the year subsequent to the date of these financial statements.

##### First-time consolidated financial statements of Prosus

Up until 11 September 2019, Prosus was exempt from preparing consolidated financial statements as it was an unlisted, wholly owned subsidiary of Naspers. As a consequence, Prosus was able to apply the consolidation exemption following Article 408 of the Dutch Civil Code and the requirements from this Article.

For purposes of the listing, Combined Carve-out Financial Statements were prepared for the combined Prosus group under IFRS-EU for the year ended 31 March 2019 (including 2018 and 2017 as comparatives), and for the quarter ended 30 June 2019 (including 2018 comparatives), in accordance with the requirements of IAS 34. The annual Combined Carve-out Financial Statements and interim Combined Carve-out Financial Statements are hereinafter referred to as the Combined Carve-out Financial Statements. These Combined Carve-out Financial Statements, which were published for the purpose of the listing of Prosus in the listing prospectus, are available, along with the listing prospectus itself, on the Prosus website.

For reporting periods beginning 1 April 2019, Prosus, as the legal parent of the group, prepared consolidated financial statements based on applicable Dutch and European Union law, including relevant comparative financial information, which are different in comparison with the Combined Carve-out Financial Statements. In the consolidated financial statements for the 2019 financial year, the income statement does not include certain corporate allocations which were included in the Combined Carve-out Financial Statements. Also, the consolidated financial statements include the assets and liabilities, income statement and cash flows of certain businesses of the Video Entertainment business until its disposal on 28 September 2018, which were excluded from the Combined Carve-out Financial Statements. A further explanation and reconciliation of these differences is included in the other information section of these summarised consolidated financial statements.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 2. Basis of presentation and accounting policies (continued)

#### Formation of the Prosus group

In preparation for the listing of the Prosus group, Naspers completed a series of corporate restructurings to form the group (comprising of subsidiaries, associates and joint ventures) with Prosus as its legal parent. Historically, Prosus was an investment holding company, which held the Naspers international ecommerce and internet businesses, as well as its sub-Saharan African Video Entertainment business. Its former parent company, Ming He, indirectly held Naspers's investment in Tencent Holdings Limited. The main restructurings are as follows:

- On 28 September 2018, Prosus distributed its interest in certain businesses of the Video Entertainment business to Ming He, which then distributed it to its parent, MIH Holdings Proprietary Limited (MIHH). Subsequent to this distribution, the Video Entertainment business was listed on the JSE Limited stock exchange.
- On 1 June 2019, through a capital contribution in kind in return for N and A ordinary shares, Prosus acquired the business of Ming He via the acquisition of MIH Services FZ LLC, various receivables to its intermediate parent MIHH and the shares and related activities in Ming He (the Ming He acquisition), as passed on to Prosus's subsidiary Myriad International Holdings Asia B.V. As a result, Prosus then indirectly held Naspers's investment in Tencent Holdings Limited.

In respect of the distribution of the Video Entertainment business, the company has distributed this business to its direct shareholder as a common control transaction at book value, which is in line with the group's accounting policies.

In respect of the Ming He acquisition, Prosus management considers this acquisition as a transaction under common control. Prosus management accounted for this transaction using the predecessor (book value) accounting method, where this book value is derived from the book value captured in the consolidated financial statements of its ultimate parent, Naspers. This transaction contributed US\$0.9m in trade and other receivables, US\$16.5bn investments in associates, US\$44.3m of cash and cash equivalents and US\$4.9m in liabilities as of 1 April 2018. It also applied the option of presenting comparative information if the relevant activities, assets and liabilities and cash flows had always been part of the Prosus group. This method allows a consistent presentation of prior-period financial information in these summarised consolidated financial statements and aligns such information as presented in the parent's financial statements.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 2. Basis of presentation and accounting policies (continued)

#### **First-time adoption of International Financial Reporting Standards**

Prosus existed as a company prior to 1 April 2018. It consists of Prosus and its direct and indirect subsidiaries, associated companies and joint ventures. Prosus did not previously prepare consolidated financial statements. As of the financial year ending 31 March 2020, Prosus has prepared consolidated financial statements based on IFRS-EU. Therefore, these summarised consolidated financial statements have been prepared in accordance with IFRS 1 *First-Time Adoption of International Financial Reporting Standards* (IFRS 1). The transition date to IFRS is 1 April 2018. The summarised consolidated financial results presented here are based on uniform IFRS-EU accounting policies. As consolidated financial statements were not previously required to be prepared for the Prosus group, the reconciliations with those envisaged pursuant to IFRS 1.24 are not required. Accordingly, the comparative summarised consolidated statement of financial position as at 1 April 2018 is presented as part of these summarised consolidated financial statements for the year ended 31 March 2020.

As permitted under IFRS 1.18 and in conjunction with IFRS 1 Appendix D16a, Prosus has used the carrying amounts presented in the IFRS consolidated financial statements of Naspers. Such carrying amounts also represent the application of IFRS 3 *Business Combinations* retrospectively for acquisitions made by Prosus before the date of transition. Other than that, none of the exemptions provided for in IFRS 1 were used in preparing the consolidated financial statements of the Prosus group. The group has adopted IFRS 16 *Leases* (IFRS 16) with effect from 1 April 2019, consistent with the approach by Naspers and the requirements in IFRS 1 Appendix D16a. We refer to new accounting pronouncements set out below.

#### **New accounting pronouncements**

The group has adopted all new and amended accounting pronouncements that are relevant to its operations and that are effective for financial years commencing 1 April 2019. The impact of adopting new accounting pronouncements is outlined below and includes, significantly, the first-time application of IFRS 16 with effect from 1 April 2019. A number of other pronouncements were also effective from 1 April 2019, but did not have a significant effect on the group's summarised consolidated financial statements.



## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 2. Basis of presentation and accounting policies (continued)

#### **New accounting pronouncements** (continued)

##### **IFRS 16 Leases**

IFRS 16 replaces IAS 17 *Leases* (IAS 17) and IFRIC 4 *Determining Whether an Arrangement Contains a Lease* (IFRIC 4) and outlines the principles for the recognition, measurement, presentation and disclosure of leases. In terms of IFRS 16, the group now recognises all leases (with limited exceptions) as right-of-use assets and obligations to make lease payments (lease obligations) in the statement of financial position whereas previously lease payments relating to arrangements classified as operating leases in terms of IAS 17 were expensed on a straight-line basis in the income statement.

In accordance with IFRS 16, lease payments are allocated between lease obligations and finance costs. The corresponding lease obligations, net of finance costs, are included in long-term liabilities or the current portion of long-term liabilities. The interest element of lease payments is charged to the income statement over the relevant lease term. Right-of-use assets are depreciated over the shorter of the relevant right-of-use asset's estimated useful life and the lease term, on a straight-line basis.

The group has applied IFRS 16 on a prospective basis with effect from 1 April 2019 and has therefore not restated the comparative information contained in these summarised consolidated financial statements. On transition to IFRS 16, lease liabilities were measured at the present value of remaining lease payments discounted at the incremental borrowing rate as at 1 April 2019. The right-of-use assets recognised on 1 April 2019 were measured at an amount equal to the lease liability adjusted by any prepaid or accrued lease payments and onerous contracts provision. There was no adjustment to the group's opening balance to retained earnings on 1 April 2019.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 2. Basis of presentation and accounting policies (continued)

#### New accounting pronouncements (continued)

##### IFRS 16 Leases (continued)

The group has applied the following practical expedients:

- The group did not reassess whether contracts contained leases and accordingly the previous classifications applied to these contracts in terms of IAS 17 and IFRIC 4 were retained (ie the accounting for contracts not previously identified as leases was sustained).
- Operating leases of which the underlying assets were of low value were not recognised as right-of-use assets and obligations to make lease payments in the statement of financial position – the existing accounting for these leases was sustained (ie lease payments continue to be expensed on a straight-line basis for these leases).
- Where appropriate, the group applied a single incremental borrowing rate to a portfolio of leases and onerous contract provisions with reasonably similar characteristics.
- The group relied on its existing onerous lease contract assessments as an alternative to performing impairment reviews on right-of-use assets as at 1 April 2019 and recognised all existing provisions for onerous leases as adjustments to the relevant right-of-use assets as at 1 April 2019.
- Operating leases under which the lease terms end within 12 months (short-term leases) of 1 April 2019 are accounted for as short-term leases (ie lease payments continue to be expensed on a straight-line basis for these leases).
- The group excluded any initial direct costs from the measurement of right-of-use assets as at 1 April 2019.
- The carrying amounts of leased assets and lease obligations relating to leases that were classified as finance leases in terms of IAS 17 were treated as the carrying amounts of the right-of-use assets and lease obligations for purposes of IFRS 16 immediately before the date of transition (ie as at 31 March 2019).
- The group applied hindsight in determining the lease terms for contracts that contain extension and termination options.

On transition to IFRS 16, the group recognised right-of-use assets of US\$193.3m and lease obligations of US\$186.2m. The difference related primarily to pre-existing onerous lease provisions and prepaid or accrued lease payments that were adjusted to the carrying value of the relevant underlying right-of-use assets. Apart from leases of assets of low value and short-term leases, lease obligations and right-of-use assets have been measured by discounting lease payments (including those arising under extension options where relevant) using the relevant lease's incremental borrowing rate as at 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities was 3.3%.

The group presents right-of-use assets in "Property, plant and equipment" and capitalised lease liabilities in the statement of financial position. Interest on lease liabilities is included in "Interest expense" in the income statement and included in the "Cash flows from operating activities" in the statement of cash flows.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 2. Basis of presentation and accounting policies (continued)

#### New accounting pronouncements (continued)

##### IFRS 16 Leases (continued)

The group's leasing arrangements relate primarily to office buildings, warehouse space, equipment and motor vehicles. Lease agreements are generally entered into for fixed periods of between two and 10 years, depending on the nature of the underlying asset being leased. Leasing arrangements may contain extension and/or termination options that are exercisable by the group. In determining the lease term for arrangements that contain extension and/or termination options the group considers all facts and circumstances that may create an economic incentive to exercise an extension and/or not exercise a termination option. The leases do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

In the Combined Carve-out Financial Statements for the year ended 31 March 2019, the group disclosed the operating lease commitments in terms of IAS 17 on an undiscounted basis. The impact on transition to IFRS 16 provides a reconciliation of the lease commitments disclosed under IAS 17 as at 31 March 2019 to the lease liability recognised on a discounted basis using the weighted average incremental borrowing rate as at 1 April 2019. The impact on the financial statements on transition to IFRS 16 is detailed below:

#### Lease liabilities recognised

	1 April 2019 US\$m
<b>Operating lease commitments under IAS 17</b>	
Operating lease commitment at 31 March as disclosed <sup>(1)</sup>	181
Discounted using the incremental borrowing rate as at 1 April 2019	160
<b>Recognition exemptions</b>	(1)
- Short-term leases	(1)
Extension and termination options reasonably certain to be exercised	27
Finance lease liabilities recognised as at 31 March 2019	8
<b>Lease liabilities recognised as at 1 April 2019</b>	194
Less: Current portion of lease liabilities	(41)
Non-current portion of lease liabilities	153

<sup>(1)</sup> The group disclosed these lease commitments on an undiscounted basis in the Combined Carve-out Financial Statements for the year ended 31 March 2019.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 3. Segmental review

	Revenue		
	Year ended 31 March		
	2020	2019	%
	US\$m	US\$m	change
<i>Ecommerce</i>	<b>4 266</b>	3 596	19
- Classifieds	<b>1 281</b>	857	49
- Payments and Fintech	<b>428</b>	360	19
- Food Delivery	<b>751</b>	377	99
- Retail	<b>1 363</b>	1 529	(11)
- Travel	<b>146</b>	234	(38)
- Other	<b>297</b>	239	24
<i>Social and internet platforms</i>	<b>17 189</b>	14 744	17
- Tencent	<b>16 779</b>	14 457	16
- Mail.ru	<b>410</b>	287	43
Corporate segment <sup>(2)</sup>	-	-	-
<b>Total economic interest from continuing operations</b>	<b>21 455</b>	18 340	17
Less: Equity-accounted investments	<b>(18 125)</b>	(15 685)	(16)
<b>Total consolidated from continuing operations</b>	<b>3 330</b>	2 655	25
<b>Total from discontinued operations</b>	-	644	(100)
<b>Consolidated<sup>(3)</sup></b>	<b>3 330</b>	3 299	1

<sup>(1)</sup> EBITDA refers to earnings before interest, taxation, depreciation and amortisation.

<sup>(2)</sup> Corporate cost of US\$3.5m has been incurred subsequent to the listing of the Prosus group.

<sup>(3)</sup> Includes the results of the Video Entertainment segment which has been classified as a discontinued operation (refer to note 4).

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

EBITDA <sup>(1)</sup>			Trading profit		
Year ended 31 March			Year ended 31 March		
2020	2019	%	2020	2019	%
US\$m	US\$m	change	US\$m	US\$m	change
(789)	(519)	(52)	(918)	(575)	(60)
82	10	>100	34	(6)	>100
(60)	(39)	(54)	(67)	(43)	(56)
(596)	(162)	>(100)	(624)	(171)	>(100)
8	(87)	>100	(20)	(101)	80
(19)	(36)	47	(22)	(37)	41
(204)	(205)	-	(219)	(217)	(1)
5 455	4 369	25	4 699	3 952	19
5 328	4 324	23	4 601	3 929	17
127	45	>100	98	23	>100
(4)	-	(100)	(4)	-	(100)
4 662	3 850	21	3 777	3 377	12
(4 986)	(4 115)	(21)	(4 198)	(3 683)	(14)
(324)	(265)	(22)	(421)	(306)	(38)
-	(111)	100	-	(154)	100
(324)	(376)	14	(421)	(460)	8

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 3. Segmental review (continued)

#### Reconciliation of consolidated EBITDA and trading loss to consolidated operating loss

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
<b>Consolidated EBITDA from continuing operations</b>	<b>(324)</b>	(265)
<i>Adjusted for:</i>		
Depreciation	<b>(80)</b>	(25)
Amortisation of software	<b>(9)</b>	(16)
Interest on capitalised leases	<b>(8)</b>	-
<b>Consolidated trading loss from continuing operations</b>	<b>(421)</b>	(306)
Interest on capitalised leases	<b>8</b>	-
Amortisation of other intangible assets	<b>(94)</b>	(87)
Other gains/(losses) - net	<b>16</b>	(40)
Retention option expense	<b>(61)</b>	(11)
Share-based incentives calculated on a cash-settled basis <sup>(1)</sup>	<b>(25)</b>	45
Share-based incentives settled in Naspers Limited shares <sup>(2)</sup>	<b>(16)</b>	(23)
<b>Consolidated operating loss from continuing operations</b>	<b>(593)</b>	(422)

<sup>(1)</sup> Represents the differential between share-based incentives measured on a cash-settled basis at the Prosus group level and the share-based incentives valued on an equity-settled basis at a Naspers group level. The CODM reviews share-based incentives on an equity-settled basis at both a Naspers and Prosus group level.

<sup>(2)</sup> 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.

On 24 April 2020, the Naspers Limited board approved a prospective change in the settlement mechanism for the group's share appreciation rights (SAR) plans from settlement in Naspers N ordinary shares to using cash resources for settlement. Accordingly, going forward these plans will be classified as cash-settled share-based payment expenses at both Prosus and Naspers. The change in settlement mechanism had no impact on the Prosus consolidated accounts, however, the CODM will review share-based incentives on a cash-settled basis for both Naspers Limited and Prosus N.V. going forward. The cash-settled charge will therefore be included in the groups trading profit going forward.

### 4. Loss from discontinued operations

In September 2018, the group disposed of its sub-Saharan African Video Entertainment business, which was subsequently listed and distributed by the Naspers group to its shareholders in an unbundling transaction in February 2019. The segment offered digital satellite and digital terrestrial television services to subscribers as well as mobile and internet services through MultiChoice Africa in sub-Saharan Africa. Through Irdeto, the business provided digital content management and protection systems to customers globally to protect, manage and also monetise digital media on any platform. These businesses represented a separate line of business and were classified as the Video Entertainment segment. The results and cash flows of the group's Video Entertainment segment have been presented as discontinued operations in these summarised consolidated financial statements. Discontinued operations also includes the group's subscription video-on-demand service in Poland which was closed at the end of January 2019 and which formed part of the Video Entertainment segment.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 4. Loss from discontinued operations (continued)

The loss and cash flows from discontinued operations are detailed in the table below:

#### Income statement information of discontinued operations

	Year ended 31 March 2019 US\$m
Revenue from contracts with customers <sup>(1)</sup>	644
Expenses <sup>(1)</sup>	(770)
<b>Loss before tax</b>	<b>(126)</b>
Taxation	(21)
<b>Loss for the period</b>	<b>(147)</b>
Loss on disposal of discontinued operation <sup>(2)</sup>	(591)
<b>Loss from discontinued operations</b>	<b>(738)</b>
<b>Loss from discontinued operations attributable to:</b>	
Equity holders of the group	(722)
Non-controlling interests	(16)
	(738)
<b>Revenue from contracts with customers</b>	
Subscription revenue	463
Advertising revenue	12
Hardware sales and maintenance revenue	81
Technology revenue	81
Other revenue	7
<b>Revenue from contracts with customers</b>	<b>644</b>
<b>Cash flow statement information of discontinued operations</b>	
Net cash utilised from operating activities	(138)
Net cash utilised in investing activities	(7)
Net cash generated from financing activities	148
<b>Cash generated by discontinued operations</b>	<b>3</b>

<sup>(1)</sup> Includes sales of goods and services of US\$82.6m and purchases of goods and services of US\$247.9m from MultiChoice South Africa.

<sup>(2)</sup> Relates to the realisation of foreign currency translation reserve losses of US\$591.1m on the distribution of discontinued operations.

#### Related party balances

The net asset value of the Video Entertainment business that was disposed on 28 September 2018 amounted to US\$119.3m. Included in this net asset value were related party receivables of US\$34.9m and related party payables of US\$152.1m with the MultiChoice South Africa group.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 4. Loss from discontinued operations (continued)

#### Per share information related to discontinued operations

	31 March 2019
Loss per ordinary share (US cents)	(44)
Diluted loss per ordinary share (US cents)	(44)
Headline earnings for the year (US\$m)	(133)
Headline earnings per ordinary share (US cents)	(8)
Diluted headline earnings per ordinary share (US cents)	(8)
Core headline earnings for the year (US\$m)	(113)
Core headline earnings per ordinary share (US cents)	(7)
Diluted core headline earnings per ordinary share (US cents)	(7)
Net number of ordinary shares issued ('000)	
- weighted average for the year	1 625 354
- diluted weighted average	1 625 354

### 5. Headline and core headline earnings

#### Headline earnings

Headline earnings represent net profit for the period attributable to equity holders of the group, excluding certain defined separately identifiable remeasurements relating to, among others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains or losses on acquisitions and disposals of investments as well as assets, dilution gains or losses on equity-accounted investments, remeasurement gains or losses on disposal groups classified as held for sale and remeasurements included in equity-accounted earnings, net of related taxes (both current and deferred) and the related non-controlling interests. These remeasurements are determined in accordance with Circular 1/2019, Headline Earnings, as issued by the South African Institute of Chartered Accountants, pursuant to the JSE Listings Requirements.

#### 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 company. 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) 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; (iii) fair-value adjustments on financial instruments (including put option liabilities) and unrealised currency translation differences, as these items obscure the group's underlying operating performance; (iv) once-off gains or losses (including acquisition-related costs) resulting from acquisitions and disposals of businesses, as these items relate to changes in the composition of the group and are not reflective of its underlying operating performance; (v) the amortisation of intangible assets recognised in business combinations, and acquisitions and (vi) donations made to various governments in assisting with the Covid-19 pandemic, 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.



## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 5. Headline and core headline earnings (continued)

A reconciliation of net profit attributable to shareholders to headline and core headline earnings is outlined below.

#### Calculation of headline and core headline earnings

	Year ended 31 March	
	2020 US\$m	2019 US\$m
<b>Net profit attributable to shareholders from continuing operations</b>	<b>3 824</b>	4 303
<i>Adjusted for:</i>		
- impairment of goodwill and other intangible assets	10	5
- loss on sale of assets	-	1
- gain recognised on loss of control	(17)	-
- gains recognised on loss of significant influence	(13)	-
- gains on disposals of investments	(447)	(1 618)
- remeasurement of previously held interest	(73)	(7)
- dilution losses on equity-accounted investments	52	182
- remeasurements included in equity-accounted earnings <sup>(1)</sup>	(622)	694
- impairment of equity-accounted investments	21	88
	<b>2 735</b>	3 648
Total tax effects of adjustments	11	179
Total adjustment for non-controlling interest	49	(21)
<b>Headline earnings<sup>(2)</sup></b>	<b>2 795</b>	3 806
<i>Adjusted for:</i>		
- equity-settled share-based payment expenses	608	514
- amortisation of other intangible assets	363	283
- fair-value adjustments and currency translation differences	(672)	(1 544)
- retention option expense	56	10
- transaction-related costs	93	21
- Covid-19 donations	114	-
<b>Core headline earnings</b>	<b>3 357</b>	3 090

<sup>(1)</sup> Remeasurements included in equity-accounted earnings include US\$841.9m (2019: US\$126.4m) relating to gains arising on acquisitions and disposals by associates and US\$226.7m (2019: US\$799.4m) relating to impairments of assets recognised by associates.

<sup>(2)</sup> Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined separately identifiable remeasurements. The headline earnings measure is in pursuant of the JSE Listings Requirements.

The diluted earnings, headline earnings and core headline earnings per share figures presented on the face of the summarised consolidated income statement include a decrease of US\$65.0m (2019: US\$47.0m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 5. Headline and core headline earnings (continued)

#### Equity-accounted results

The group's equity-accounted investments contributed to the summarised consolidated financial statements as follows:

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
<b>Share of equity-accounted results</b>	<b>3 930</b>	3 409
- gains on acquisitions and disposals	(842)	(126)
- impairment of investments	227	799
<b>Contribution to headline earnings</b>	<b>3 315</b>	4 082
- amortisation of other intangible assets	301	235
- equity-settled share-based payment expenses	556	535
- fair-value adjustments and currency translation differences	(552)	(1 499)
- Covid-19 donations	114	-
<b>Contribution to core headline earnings</b>	<b>3 734</b>	3 353
Tencent	4 174	3 587
Mail.ru	70	15
MakeMyTrip	(13)	(49)
Delivery Hero	(167)	(55)
Other	(330)	(145)

The group applies an appropriate lag period in reporting the results of equity-accounted investments.

### 6. Revenue from contracts with customers

	Reportable segment(s) where revenue is included	Year ended 31 March	
		2020 US\$'m	2019 US\$'m
Online sale of goods revenue	Classifieds and Etail	1 539	1 193
Classifieds listings revenue	Classifieds	772	606
Payment transaction commissions and fees	Payments and Fintech	380	309
Mobile and other content revenue	Other Ecommerce	173	159
Food-delivery revenue	Food Delivery	310	159
Travel package revenue and commissions	Travel	-	27
Advertising revenue	Classifieds	91	100
Comparison shopping commissions and fees	Other Ecommerce	22	45
Other revenue	Various	43	57
		<b>3 330</b>	2 655

Revenue is presented on an economic-interest basis (ie including the proportionate consolidation of the revenue of associates and joint ventures) in the group's segmental review and is accordingly not directly comparable to the above consolidated revenue figures.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 7. Finance income/(costs)

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
<b>Interest income</b>	<b>201</b>	265
- loans and bank accounts	<b>198</b>	265
- other	<b>3</b>	-
<b>Interest expense</b>	<b>(223)</b>	(200)
- loans and overdrafts	<b>(208)</b>	(196)
- capitalised lease liabilities	<b>(8)</b>	-
- other	<b>(7)</b>	(4)
<b>Other finance income – net</b>	<b>114</b>	114
- net foreign exchange differences and fair-value adjustments on derivatives	<b>61</b>	61
- remeasurement of written put option liabilities	<b>53</b>	53

### 8. Profit before taxation

In addition to the items already detailed, profit before taxation has been determined after taking into account, inter alia, the following:

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
<b>Depreciation of property, plant and equipment<sup>(1)</sup></b>	<b>80</b>	25
<b>Amortisation</b>	<b>103</b>	95
- other intangible assets	<b>97</b>	87
- software	<b>6</b>	8
<b>Impairment losses on financial assets measured at amortised cost</b>	<b>16</b>	13
<b>Net realisable value adjustments on inventory, net of reversals<sup>(2)</sup></b>	<b>1</b>	2
<b>Other gains/(losses) – net</b>	<b>16</b>	(40)
- loss on sale of assets	-	(1)
- impairment of goodwill and other intangible assets	<b>(10)</b>	(7)
- dividends received on investments	<b>5</b>	-
- fair-value adjustments on financial instruments	<b>4</b>	(27)
- gains recognised on loss of significant influence	<b>13</b>	-
- other	<b>4</b>	(5)
<b>Gains on acquisitions and disposals</b>	<b>434</b>	1 610
- gains on sale of investments – net	<b>447</b>	1 618
- gain recognised on loss of control transactions	<b>17</b>	-
- remeasurement of contingent consideration	-	3
- transaction-related costs	<b>(85)</b>	(18)
- securities tax on internal restructuring	<b>(18)</b>	-
- remeasurement of previously held interest	<b>73</b>	7

<sup>(1)</sup> The increase in depreciation is as a result of the adoption of IFRS 16 Leases. Refer to note 2 for details of the group's adoption of new accounting pronouncements during the year.

<sup>(2)</sup> Net realisable value writedowns relate primarily to general inventory writedowns in the Etail segment.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 9. Goodwill

Movements in the group's goodwill for the year are detailed below:

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
<b>Goodwill</b>		
- cost	2 269	2 532
- accumulated impairment	(234)	(334)
<b>Opening balance</b>	2 035	2 198
- foreign currency translation effects	(265)	(224)
- acquisitions of subsidiaries and businesses	566	105
- disposals of subsidiaries and businesses	(5)	(25)
- transferred to assets classified as held for sale	(152)	(13)
- impairment	(10)	(6)
<b>Closing balance</b>	2 169	2 035
- cost	2 263	2 269
- accumulated impairment	(94)	(234)

Goodwill is tested for impairment annually on 31 December or more frequently if there is a change in circumstance that indicates that it might be impaired. The group reassessed its 10-year budgets and forecasts by adjusting cash flow projections and budgets to include the effects of the Covid-19 pandemic. The group also updated its discount rates where required. These adjustments took into account the impact of the pandemic on revenue and margins as well as the periods of interruptions to business operations as a result of lockdown trading restrictions. Covid-19 has had a broad impact on the group, with the restrictions impacting some businesses negatively where they are unable to operate and on the other hand, having a positive impact on the group's major business operations where online services and sale of goods is the primary solution for social distancing measures imposed. An impairment loss of US\$9.6m (2019: US\$6.4m) recognised as at 31 March 2020 takes into account the impact of the pandemic on the group and its cash-generating units which is the group's best estimate amidst this current uncertain economic environment. Estimating the future performance of the group's cash-generating units is challenging during this pandemic. As circumstances change and/or information becomes available, the group may be required to recognise impairments in future periods. The goodwill impairment relates to the group's Classifieds business.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 10. Commitments and contingent liabilities

Commitments relate to amounts for which the group has contracted, but that have not yet been recognised as obligations in the statement of financial position.

	Year ended 31 March	
	2020 US\$m	2019 US\$m
<b>Commitments</b>	<b>116</b>	210
- capital expenditure	-	6
- other service commitments	<b>103</b>	23
- lease commitments <sup>(1)</sup>	<b>13</b>	181

<sup>(1)</sup> The significant decrease in the current year is as a result of the adoption of IFRS 16 Leases. Refer to note 2 for the adoption of new accounting pronouncements during the reporting period.

The group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. The group has an uncertain tax position of US\$170.8m (2019: US\$177.0m) related to amounts receivable from tax authorities.

### 11. Assets and liabilities classified as held for sale

In April 2019 the group concluded the contribution of its subsidiary Nentrepreneur Connections Enterprises, Inc. (Sulit) to Carousell Private Limited (Carousell) for an equity interest in Carousell. Sulit was classified as held for sale as at 31 March 2019. Refer note 12.

In October 2019 the group concluded the sale of its 100% effective interest in its subsidiary BuscaPé Company Informação e Tecnologia Limitada (BuscaPé). The assets and liabilities of BuscaPé were classified as held for sale as at 30 September 2019. Refer note 12.

In March 2020 the assets and liabilities of the group's subsidiary Wavy Global Holdings B.V. (Wavy) were classified as held for sale as the group signed an agreement to sell its investment to Stockholm-based customer engagement platform, Sinch AB. Refer to note 16.

Further in March 2020, the group signed an agreement to contribute the assets and liabilities of the US letgo business in exchange for an equity interest in OfferUp Inc., a US online marketplace. Refer to note 16.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 11. Assets and liabilities classified as held for sale (continued)

Assets and liabilities classified as held for sale are detailed in the table below:

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
<b>Assets</b>	<b>202</b>	<b>16</b>
Property, plant and equipment	4	–
Goodwill and other intangible assets	152	13
Trade and other receivables	27	2
Cash and cash equivalents	19	1
<b>Liabilities</b>	<b>26</b>	<b>2</b>
Long-term liabilities	3	–
Provisions	1	–
Trade payables	4	–
Accrued expenses and other current liabilities	18	2

### 12. Business combinations, other acquisitions and disposals

The following relates to the group's significant transactions related to business combinations and equity-accounted investments:

In July 2019 the group acquired the majority stake in Red Dot Payment Private Limited (Red Dot) in Southeast Asia for US\$45m. The company is an online payment company providing payment solutions and expertise to merchants across Asia Pacific. Following this investment, the group has a 72% effective interest (66% fully diluted) in Red Dot. The transaction was accounted for as a business combination with an effective date of July 2019. The purchase price allocation: fixed assets US\$1m; intangible assets US\$11m; cash and deposits US\$14m; trade and other receivables US\$2m; trade and other liabilities US\$7m; and the balance of US\$36m to goodwill. The group has a put option arrangement with the non-controlling interest exercisable in future over a specified period and also exercisable upon termination of employment of the non-controlling interest. The main intangible assets recognised in the business combination were customer relationships and technology.

The main factor contributing to the goodwill recognised in the acquisition is Red Dot's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In July 2019 the group invested US\$66m for a 100% effective and fully diluted interest in Wibmo, Inc. (Wibmo), a digital payment company providing payment security, mobile payment solutions and processing services in India. The transaction was accounted for as a business combination with an effective date of July 2019. The purchase price allocation: intangible assets US\$28m; property, plant and equipment US\$3m; cash and deposits US\$4m; trade and other receivables US\$9m; liabilities US\$14m; and the balance of US\$36m to goodwill. The main intangible assets recognised in the business combination were technology and customer relationships.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 12. Business combinations, other acquisitions and disposals (continued)

The main factor contributing to the goodwill recognised in the acquisition is Wibmo's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In October 2019 the group concluded the merger of Dante International Korlátolt Felelősségű Társaság (eMAG Hungary), its Hungarian operations with operations of Ed Group Vagyonkezelő Korlátolt Felelősségű Társaság (Extreme Digital), one of the leading marketers in Hungary. The group contributed the operations of its subsidiary eMAG Hungary as well as US\$1m cash with an aggregate value of US\$13m. Following the merger, eMAG is the majority shareholder, with an effective interest of 52% in the newly merged entity. The group accounted for the acquisition of its interest in Extreme Digital as a business combination and recognised an investment in subsidiary. The purchase price allocation: intangible assets US\$21m; property, plant and equipment US\$8m; other assets US\$1m; liabilities US\$9m; and the balance of US\$4m to goodwill. The main intangible assets recognised in the business combination were customer relationships and brand names. The transaction gave rise to the recognition of non-controlling interest of US\$11m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of Extreme Digital as at the acquisition date.

The group has a put option arrangement with the non-controlling interest exercisable at specified future dates or upon termination of employment of the non-controlling interest. The settlement of the put option arrangement is in cash or shares at the group's discretion. The portion of the put option linked to employment is accounted for as a cash-settled share-based compensation arrangement over the employment period. At acquisition, the cash-settled liability for this arrangement amounted to US\$9m.

The main factor contributing to the goodwill recognised in the acquisition is Extreme Digital's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In December 2019 the group invested US\$134m in cash and contributed its subsidiary PayU Turkey to acquire a 90% effective and fully diluted interest in İyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (Iyzico), a leading payment service provider in Turkey. The acquisition of Iyzico was accounted for as a business combination with an effective date of December 2019. The shares held by non-controlling interest in Iyzico are linked to an employment service period and will be accounted for as a cash-settled share-based compensation arrangement over the employment service period. Accordingly, no non-controlling interest has been recognised at the acquisition date. The purchase price allocation: intangible assets US\$40m; cash and deposits US\$28m; fixed assets US\$2m; trade and other liabilities US\$25m; deferred tax liabilities US\$9m, and balance of US\$98m to goodwill. The main intangible assets recognised in the business combination were customer relationships, brand names and technology.

The main factor contributing to the goodwill recognised in the acquisition is Iyzico's market presence and engineering capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 12. Business combinations, other acquisitions and disposals (continued)

In December 2019 the group invested an additional US\$163m in PaySense Private Limited (PaySense), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. Prior to this transaction the group held 21% in PaySense and was accounted for as an investment in an associate. Following this additional investment, the group now holds a 79% effective and fully diluted interest in PaySense. The fair value of the group's previously held interest in PaySense was US\$31m at the date of obtaining control. A gain of US\$14m has been recognised in "Gains/(losses) on acquisitions and disposals" in the income statement on the remeasurement of the group's previously held equity interest in PaySense to its fair value. The transaction was accounted for as a business combination with an effective date of December 2019. The purchase price allocation: intangible assets US\$41m; cash and deposits US\$98m, fixed assets US\$1m, trade and other receivables US\$3m; liabilities US\$22m; deferred tax liabilities US\$10m, and the balance of US\$90m to goodwill. The main intangible assets recognised in the business combination were technology and brand names. The transaction gave rise to the recognition of non-controlling interest of US\$8m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of PaySense as at the acquisition date. A portion of the shares held by non-controlling interest in PaySense is linked to an employment service period and will be accounted for as a cash-settled share-based compensation arrangement over the employment service period. Accordingly, the non-controlling interest recognised at the acquisition date relates to 50% of their legal shareholding not linked to an employment service period.

The group has a put option arrangement with the non-controlling interest exercisable at specified future dates or upon termination of employment of the non-controlling interest. The settlement of the put option arrangement is in cash or shares at the group's discretion. The portion of the put option linked to employment is accounted for as a cash-settled share-based compensation arrangement over the employment period. At acquisition, the cash-settled liability for this arrangement amounted to US\$5m.

The main factor contributing to the goodwill recognised in the acquisition is PaySense market presence and technological capabilities. The goodwill that arose is not expected to be deductible for income tax purposes.

In December 2019 the group invested US\$320m in cash and contributed a portion of its investment in subsidiaries India Used Car Group B.V. (IUCG) and Poland Used Car Group B.V. (PUCG) for an additional interest in Frontier Car Group (FCG). FCG is a used-car marketplace in emerging markets providing consumers with access to buy used cars. Prior to this transaction the group held 33% effective interest (32% fully diluted) in FCG and was accounted for as an investment in an associate. Following this additional investment, the group holds an 84% effective interest (83% fully diluted) in FCG. A gain of US\$59m has been recognised in "Gains/(losses) on acquisitions and disposals" in the income statement on the remeasurement of the group's previously held equity interest in FCG to its fair value. The aggregate value of the investment in FCG was US\$455m consisting of the cash consideration, fair value of the previously held interest in the company of US\$118m and the fair value of PUCG and IUCG contributed amounting to US\$4m and US\$11m respectively. The transaction was accounted for as a business combination with an effective date of December 2019.



## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 12. Business combinations, other acquisitions and disposals (continued)

The purchase price allocation: intangible assets US\$113m; cash and deposits US\$123m; trade and other receivables US\$31m; inventory US\$22m; property, plant and equipment US\$15m; liabilities US\$78m; deferred tax liabilities US\$22m; and the balance of US\$287m to goodwill. The main intangible assets recognised in the business combination were software, dealer relationships, tradenames and domain names. The transaction gave rise to the recognition of non-controlling interest of US\$31m, which has been measured at the non-controlling interest's proportionate share of the identifiable net assets of FCG as at the acquisition date.

The group has a put option arrangement with the non-controlling interest exercisable at specified future dates or upon termination of employment of the non-controlling interest. The settlement of the put option arrangement is in cash or shares at the group's discretion. The portion of the put option linked to employment is accounted for as a cash-settled share-based compensation arrangement over the employment period. At acquisition, the cash-settled liability for this arrangement amounted to US\$20m.

The main factor contributing to the goodwill recognised in the acquisition is FCG's market presence. The goodwill that arose is not expected to be deductible for income tax purposes.

Since the acquisition dates of the above business combinations, revenue of US\$193m and net losses of US\$41m have been included in the group's income statement. The impact on revenue and net losses from the above transactions, had the acquisitions taken place on 1 April 2019, were US\$833m and US\$125m respectively.

During the reporting period the group disposed of its 100% effective interest in its subsidiary BuscaPé Company Informacao e Tecnologia Limitada (BuscaPé) for US\$15m. The transaction received regulatory approval in October 2019. At 30 September 2019, BuscaPé was classified as a disposal group available for sale in the amount of US\$9m. The group recognised a loss of US\$178m, primarily related to the recycling of the foreign exchange translation loss reserve of US\$182m.

The following relates to the group's significant transactions related to investments in its equity-accounted investees:

In April 2019 the group contributed 100% of the issued share capital of its subsidiary Nentrepreneur Connections Enterprises Inc. (Sulit) as well as cash with an aggregate value of US\$56m to Carousell Private Limited (Carousell) in exchange for a 12% (10% fully diluted) interest in Carousell, one of Asia's largest and fastest-growing classifieds marketplaces. The group recognised a gain on loss of control of US\$26m in "Gains on acquisitions and disposals" in the income statement. The companies will merge their operations in the Philippines. The group classified its interest in Carousell as an investment in an associate on account of its representation on the board of Carousell. In November 2019 the group's interest was further diluted to a 7% effective interest (6% fully diluted) as a result of a subsequent funding round which resulted in the group losing its board representation. The group has classified its interest in Carousell as an investment at fair value through other comprehensive income.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 12. Business combinations, other acquisitions and disposals (continued)

In July 2019 the group invested an additional US\$25m in Brainly Inc. (Brainly). Following this investment, the group holds a 44% effective interest (38% fully diluted) in Brainly. The group continues to account for its interest as an investment in an associate.

In August 2019 the group invested US\$80m in Meesho Inc. (Meesho), a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalogue of goods and services to sell. Meesho also provides logistics and payment tools on their platform. As at 31 March 2020, the group holds a 12% effective and fully diluted interest in Meesho. The group has accounted for its interest as an investment in an associate on account of its representation on the board of Meesho.

In August 2019 the group exchanged its 43% interest in its online travel associate MakeMyTrip Limited for a 6% effective interest in Trip.com Group Limited (formerly Ctrip.com International Limited) (Trip.com), a well-known provider of online travel and related services headquartered in China. The group made a gain of US\$599m which was recognised in "Gains on acquisitions and disposals" in the income statement. The group has classified its interest in Trip.com as an investment at fair value through other comprehensive income presented in "Other investments and loans" in the statement of financial position.

In October 2019 the group acquired a 21% effective interest (19% fully diluted) for US\$30m in NText Transportation Services Private Limited (ElasticRun), a software and technology platform for providing transportation and logistics services in India. The group accounts for the acquisition of its interest as an investment in an associate.

In February 2020 the group made an additional investment amounting to US\$100m, in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food-delivery marketplace in India. Following this investment, the group holds a 40% effective interest (36% fully diluted) in Swiggy. The group continues to account for its interest in Swiggy as an investment in an associate.

The group made an additional investment amounting to US\$10m in April 2019 and US\$34m in March 2020, in Udemy Inc. (Udemy), an online education marketplace. Following this investment, the group holds a 15% effective interest (13% fully diluted) in Udemy. The group continues to account for its interest in Udemy as an investment in an associate.

### 13. Significant financing transactions

The group issued a 10-year US\$1.25bn bond in January 2020. The bond matures in January 2030 and carries a fixed interest rate of 3.68% per annum. The purpose of this offering was to raise proceeds to redeem the US\$1.0bn bond that was redeemable in July 2020. The net proceeds of the offering of this bond was used by the group for the redemption of the 2020 bond in February of the current year and otherwise for general corporate purposes. The bond is listed on the Irish Stock Exchange (Euronext Dublin).

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 14. Financial instruments

The group's activities expose it to a variety of financial risks such as market risk (including currency risk, fair-value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The summarised consolidated financial statements do not include all financial risk management information and disclosures as required in the complete consolidated financial statements and should be read in conjunction with the group's complete consolidated financial statements for the year ended 31 March 2020. There have been no material changes in the group's credit, liquidity, market risks or key inputs used in measuring fair value since 31 March 2019.

The fair values of the group's financial instruments that are measured at fair value at each reporting period, are categorised as follows:

	Fair-value measurements at 31 March 2020 using:			
	Quoted prices in active markets for identical assets or liabilities (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)	
	Carrying value US\$m	US\$m	US\$m	US\$m
<b>Assets</b>				
Financial assets at fair value through other comprehensive income	792	704	3	85
Financial assets at fair value through profit or loss	13	-	-	13
Derivatives embedded in leases	6	-	-	6
Cross-currency interest rate swap	49	-	49	-
<b>Liabilities</b>				
Forward exchange contracts	38	-	38	-
Earn-out obligations	22	-	-	22
Derivatives embedded in leases	2	-	-	2

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 14. Financial instruments (continued)

Fair-value measurements at 31 March 2019 using:

	Quoted prices in active markets for identical assets or liabilities (level 1)	Significant other observ- able inputs (level 2)	Significant unobserv- able inputs (level 3)
Carrying value US\$m	US\$m	US\$m	US\$m
<b>Assets</b>			
Financial assets at fair value through other comprehensive income	47	-	44
Derivatives embedded in leases	1	-	1
<b>Liabilities</b>			
Forward exchange contracts	3	3	-
Earn-out obligations	6	-	6
Cross-currency interest rate swap	33	33	-

There have been no transfers between levels 1 to 3 during the reporting period, nor were there any significant changes to the valuation techniques and inputs used in measuring fair value.

For earn-out obligations, current forecasts of the extent to which management believes performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments are used.

Changes in these assumptions could affect the reported fair value of these financial instruments.

The fair value of level 2 financial instruments is determined with the use of exchange rates quoted in active markets and interest rate extracts from observable yield curves.

The fair value of level 3 financial instruments is determined with the use of the most recent transaction values determined from recent funding rounds that occurred in the current year for these transactions.

The group discloses the fair values of the following financial instruments as their carrying values are not a reasonable approximation of their fair values:

	31 March 2020		31 March 2019	
<b>Financial liabilities</b>	Carrying value US\$m	Fair value US\$m	Carrying value US\$m	Fair value US\$m
Publicly traded bonds	3 450	3 183	3 200	3 350

The fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments as at the end of the reporting period. The fair value of the publicly traded bonds are level 2 financial instruments.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 15. Related party transactions and balances

The group entered into various related party transactions in the ordinary course of business with a number of related parties, including associates, joint ventures and entities under common control. Transactions that are eliminated on consolidation as well as gains or losses eliminated through the application of the equity method are not included. There have been some changes in related party transactions and balances resulting from the formation of the Prosus group as described in note 2.

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
<b>Sale of goods and services to related parties<sup>(1)</sup></b>		
MakeMyTrip Limited <sup>(2)</sup>	5	12
MIH Holdings Proprietary Limited	9	-
Various other related parties	2	1
	<b>16</b>	<b>13</b>

<sup>(1)</sup> The group receives revenue from a number of its related parties in connection with service agreements. The nature of these related relationships is that of associates and joint ventures.

<sup>(2)</sup> Revenue earned from MakeMyTrip Limited, relates to payment services provided by PayU, when MakeMyTrip was an associate of the group.

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
<b>Services received from related parties<sup>(1)</sup></b>		
MIH Holdings Proprietary Limited	9	-
MIH Ecommerce Holdings Proprietary Limited	4	4
Various other related parties	1	2
	<b>14</b>	<b>6</b>

<sup>(1)</sup> 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 Limited.

	Year ended 31 March	
	2020 US\$'m	2019 US\$'m
<b>Dividends paid as part of distribution<sup>(1)</sup></b>		
MIH Holdings Proprietary Limited	215	-
	<b>215</b>	<b>-</b>

<sup>(1)</sup> Relates to distributions as a result of common control transactions by Ming He, the group's former parent company prior to its formation.

During the prior year and up to the date of listing, Prosus functioned as part of the larger group of companies controlled by Naspers and accordingly, Naspers performed certain corporate overhead services for the non-South African ecommerce and internet business. These services included, but are not limited to, executive oversight, information management, legal, treasury, control and accounting, human resources, taxes and investor relations. Subsequent to the listing on 11 September 2019, corporate expenses have been directly attributed or allocated to non-South African ecommerce and internet businesses and are accordingly, recharged the relevant business to which it relates. Those costs remaining in corporate entities have been allocated to Prosus based on specific identification criteria/allocation keys. During the current year Prosus recharged US\$8.4m to Naspers companies while recovering costs of US\$8.5m.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 15. Related party transactions and balances (continued)

The balances of receivables and payables between the group and related parties are as follows:

	Year ended 31 March	
	2020 US\$m	2019 US\$m
<b>Receivables<sup>(1)</sup></b>		
Myriad Services Limited	–	61
Myriad / MIH (Malta) Limited	8	22
MIH Holdings Proprietary Limited	9	6
MIH Services FZ LLC Trust	66	114
Zoop Tecnologia e Meios de Pagamento Limitada (Zoop)	6	–
Honor Technology, Inc.	8	–
Tencent Technology (Shenzhen) Co Ltd	90	–
Other	3	4
Less: Allowance for impairment of loans and receivables	–	(58)
<b>Total related party receivables</b>	<b>190</b>	<b>149</b>
Less: Non-current portion of related party receivables	(81)	(140)
<b>Current portion of related party receivables</b>	<b>109</b>	<b>9</b>
The movement in the allowance for impairment of related party receivables during the year was as follows:		
<b>Opening balance</b>	<b>58</b>	<b>58</b>
Allowances utilised	(58)	–
<b>Closing balance</b>	<b>–</b>	<b>58</b>
<b>Payables</b>		
MIH Holdings Proprietary Limited	6	–
Myriad / MIH (Malta) Limited	4	17
Mail.ru Group Limited	2	2
Other	4	3
<b>Total related party payables</b>	<b>16</b>	<b>22</b>
Less: Non-current portion of related party payables	(3)	(2)
<b>Current portion of related party payables</b>	<b>13</b>	<b>20</b>

<sup>(1)</sup> The group provides services and loan funding to a number of its related parties.

## Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### 16. Events after the reporting period

In March 2020 it was announced that OfferUp and letgo US, two of America's most popular apps to buy and sell locally, intend to combine their businesses in the United States. OLX Group will therefore contribute its letgo US business plus cash of US\$100m. OLX Group will own 40% of the newly combined entity. The transaction received regulatory approval and is expected to close on 1 July 2020. The group expects to account for its interest in OfferUp as an equity-accounted associate.

In March 2020 MIH Mobile Holding B.V. (Mobile) signed an agreement to sell its subsidiary Wavy Global Holdings B.V. (Wavy) to Stockholm-based customer engagement platform, Sinch AB, in exchange for cash of approximately US\$68m (approximately BRL355m) and a 2.70% equity investment in Sinch AB. The transaction is subject to regulatory approval. The group expects to account for its interest in Sinch AB as an investment at fair value through other comprehensive income.

On 26 April 2020 OLX Global B.V. (OLX) merged its subsidiary, Dubizzle Limited (BVI) (Dubizzle) the leading classifieds platform for users in the United Arab Emirates, with Emerging Markets Property Group (EMPG). EMPG owns and operates bespoke classifieds portals in different emerging markets across the world, including Bayut in Dubai, Zameen in Pakistan, and Mubawab in Morocco, North Africa. The group also contributed cash of approximately US\$75m. Following the transaction, the group will hold a 39% interest in EMPG. The group will account for its interest in EMPG as an investment in associate.

# Independent auditor's report on the summarised consolidated financial statements

**To: the Board of Directors of Prosus N.V.**

## Our opinion

In our opinion, the accompanying summarised consolidated financial statements of Prosus N.V. (the Company), are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in note 2 "Basis of presentation and accounting policies".

## The summarised consolidated financial statements

The Company's summarised consolidated financial statements derived from the audited consolidated financial statements for the year ended 31 March 2020 comprise:

- the summarised consolidated income statement;
- the summarised consolidated statement of comprehensive income;
- the summarised consolidated statement of financial position;
- the summarised consolidated statement of changes in equity;
- the summarised consolidated statement of cash flows; and
- the related notes to the summarised consolidated financial statements.

The summarised consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and Part 9 of Book 2 of the Dutch Civil Code. Reading the consolidated summarised financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

## The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 29 June 2020. That report also includes the communication of other key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited consolidated financial statements of the current period.

## Management's responsibility for the summarised consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in note 2 "Basis of presentation and accounting policies" which states that the summarised consolidated financial statements have been prepared in accordance with the accounting policies as applied by Prosus and consistent with those applied in the consolidated financial statements for the year ended 31 March 2020. The summarised consolidated financial statements contain the information required by IAS 34 Interim Financial Reporting (IAS 34) with the exception of IAS 34.56 and accordingly, the financial information for the second half of the current year is not presented separately.

## Auditor's responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which we conducted in accordance with Dutch law, including Dutch Standard 810, 'Engagements to Report on Summary Financial Statements'.

Amsterdam, 29 June 2020

**PricewaterhouseCoopers Accountants N.V.**

**Original has been signed by Fernand Izeboud RA**



## Other information to the summarised consolidated financial statements

for the year ended 31 March 2020

### A. Reconciliation to Combined Carve-out Financial Statements and the consolidated financial statements

For purpose of the listing Combined Carve-out Financial Statements were prepared for the combined Prosus group under IFRS as adopted by the European Union (IFRS-EU) for the years ended 31 March 2019, 2018 and 2017, and for the quarters ended 30 June 2019 and 2018, in accordance with the requirements of IAS 34 *Interim Financial Reporting* (IAS 34). The annual combined carve-out financial statements and the interim combined carve-out financial statements are hereinafter referred to as the Combined Carve-out Financial Statements. The Combined Carve-out Financial Statements, which were published for the purpose of the listing of Prosus in a listing prospectus, are available, along with the listing prospectus itself, on the Prosus website.

For reporting for periods beginning on 1 April 2019, Prosus as the legal parent of the group prepared consolidated financial statements based on applicable Dutch and European Union law, including relevant comparative financial information, which are different in comparison to the Combined Carve-out Financial Statements. In the consolidated financial statements for the 2020 financial year (including comparatives), the income statement does not include certain corporate allocations which were included in the Combined Carve-out Financial Statements using a range of allocation keys. These allocations were not necessarily indicative of the costs included in the historical corporate structure of the consolidated financial statements. Also, the consolidated financial statements include the assets and liabilities, income statement and cash flows of certain businesses of the Video Entertainment business until its disposal at 28 September 2018, which were excluded from the Combined Carve-out Financial Statements.

Below is a reconciliation to the information presented in the Combined Carve-out Financial Statements of Prosus for the year ended 31 March 2019 and for the statement of financial position as at 1 April 2018.

#### A1 Income statement reconciliation for the year ended 31 March 2019

	Combined Carve-out Financial Statements US\$m	Reconciling items US\$m	Notes	Consolidated Financial Statements US\$m
<b>Operating loss</b>	(418)	(4)	(a)	(422)
<b>Profit from continuing operations</b>	4 252	(4)		4 248
Loss from discontinued operations	-	(738)	(b)	(738)
<b>Profit for the period</b>	4 252	(742)		3 510
<b>Attributable to:</b>				
Equity holders of the group	4 307	(726)	(b)	3 581
Non-controlling interests	(55)	(16)	(b)	(71)
	4 252	(742)		3 510

#### Notes

(a) Operating loss in the consolidated results includes legal costs that were incurred in respect of the liquidation of Showmax Poland B.V., but does not include certain corporate allocations which were included in the Combined Carve-out Financial Statements.

(b) As noted above, following the disposal of the Video Entertainment business in September 2018, the results of the Video Entertainment business were classified as a discontinued operation. The Video Entertainment business had non-controlling shareholders that shared in the profits of the segment. Refer to note 4 for details of the loss from discontinued operations.

## Other information to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### A. Reconciliation to Combined Carve-out Financial Statements and the Consolidated Financial Statements (continued)

#### A2 Statement of financial position reconciliation as at 1 April 2018

	Combined Carve-out Financial Statements US\$m	Reconciling items US\$m	Notes	Consoli- dated Financial Statements US\$m
<b>Assets</b>				
<b>Non-current assets</b>	20 087	634	(a)	20 721
<b>Current assets</b>	11 493	518	(a)	12 011
<b>Total assets</b>	31 580	1 152		32 732
<b>Equity and liabilities</b>				
<b>Capital and reserves attributable to the group's equity holders</b>				
Net parent investment	24 082	(207)	(b)	23 875
Share capital and premium	23 307	(23 307)	(b)	-
Other reserves	-	2 032	(b)	2 032
Retained earnings	775	(1 459)	(b)	(684)
Non-controlling interests	-	22 527	(b)	22 527
	274	(253)		21
<b>Total equity</b>	24 356	(460)	(b)	23 896
<b>Non-current liabilities</b>	4 460	935	(a)	5 395
<b>Current liabilities</b>	2 764	677	(a)	3 441
<b>Total equity and liabilities</b>	31 580	1 152		32 732

## Other information to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### A. Reconciliation to Combined Carve-out Financial Statements and the Consolidated Financial Statements (continued)

#### A.2 Statement of financial position reconciliation as at 31 March 2019

	Combined Carve-out Financial Statements US\$m	Reconciling items US\$m	Notes	Consoli- dated Financial Statements US\$m
<b>Assets</b>				
<b>Non-current assets</b>	22 881	140	(a)	23 021
<b>Current assets</b>	9 982	(12)	(a)	9 970
<b>Total assets</b>	32 863	128		32 991
<b>Equity and liabilities</b>				
<b>Capital and reserves attributable to the group's equity holders</b>	27 117	133	(b)	27 250
Net parent investment	27 345	(27 345)	(b)	-
Share capital and premium	-	599	(b)	599
Other reserves	(228)	21	(b)	(207)
Retained earnings	-	26 858	(b)	26 858
Non-controlling interests	132	-		132
<b>Total equity</b>	27 249	133	(b)	27 382
<b>Non-current liabilities</b>	4 034	-		4 034
<b>Current liabilities</b>	1 580	(5)	(a)	1 575
<b>Total equity and liabilities</b>	32 863	128		32 991

#### Notes

- (a) These reconciling items relate primarily to balances with various related parties, notably the Video Entertainment business, and were disclosed in the "Net parent investment" in equity in the Combined Carve-out Financial Statements, as these parties were not part of the combined Prosus group, but are part of the consolidated Prosus group. As at 1 April 2018 the reconciling items also include the assets and liabilities of the Video Entertainment business which were excluded from the Combined Carve-out Financial Statements.
- (b) The Combined Carve-out Financial Statements excluded the assets and liabilities, income statement and cash flows of the Video Entertainment business. The net parent investment included the net asset value contributions to and distributions from businesses that were under common control of Naspers Limited (the group's ultimate controlling parent), as they did not form part of the Combined Carve-out Financial Statements. In the consolidated financial statements, the Video Entertainment business does form part of the Prosus group and accordingly the equity reserves have been reallocated to the appropriate line items in the statement of financial position and correctly reflect the composition of the Prosus group.

## Other information to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### B. Non-IFRS financial measures and alternative performance measures

#### B.1 Growth in local currency, excluding acquisitions and disposals

The group applies certain adjustments to segmental revenue and trading profit reported in the summarised consolidated financial statements to present the growth in such metrics in local currency and excluding the effects of changes in the composition of the group. Such underlying adjustments provide a view of the company's underlying financial performance that management believes is more comparable between periods by removing the impact of changes in foreign exchange rates and changes in the composition of the group on its results. Such adjustments are referred to herein as "growth in local currency, excluding acquisitions and disposals". The group applies the following methodology in calculating growth in local currency, excluding acquisitions and disposals:

- Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted is calculated as the constant currency results, arrived at using the methodology outlined above, compared 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:

Currency (1FC = US\$)	Year ended 31 March	
	2020	2019
South African rand	<b>0.0667</b>	0.0723
Euro	<b>1.1103</b>	1.1537
Chinese yuan renminbi	<b>0.1433</b>	0.1485
Brazilian real	<b>0.2398</b>	0.2622
Indian rupee	<b>0.0141</b>	0.0143
Polish zloty	<b>0.2569</b>	0.2684
Russian ruble	<b>0.0152</b>	0.0153
United Kingdom pound	<b>1.2702</b>	1.3084

- 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.

## Other information to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### B. Non-IFRS financial measures and alternative performance measures

(continued)

#### B.1 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:

##### Year ended 31 March 2020

Transaction	Basis of accounting	Reportable segment	Acquisition/ Disposal
Dilution of the group's interest in Tencent	Associate	Social and internet platforms	Disposal
Disposal of the group's interest in Flipkart	Associate	Ecommerce	Disposal
Disposal of the group's interest in Travel Boutique Online (TBO)	Subsidiary	Ecommerce	Disposal
Disposal of the group's interest in Uaprom	Subsidiary	Ecommerce	Disposal
Step up in the group's interest in Swiggy	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Frontier Car Group	Associate	Ecommerce	Acquisition
Step up of the group's interest in Frontier Car Group	Subsidiary	Ecommerce	Disposal/ acquisition
Acquisition of the group's interest in Aasaanjobs	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Selency	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in BYJU'S	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Honor	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Zooz	Subsidiary	Ecommerce	Acquisition
Step up in the group's interest in SympIa	Subsidiary	Ecommerce	Disposal/ acquisition
Acquisition of the group's interest in Wibmo	Subsidiary	Ecommerce	Acquisition
Disposal of the group's interest in Kreditech	Associate	Ecommerce	Disposal
Disposal of the group's interest in MakeMyTrip	Associate	Ecommerce	Disposal
Disposal of the group's interest in LBS	Subsidiary	Ecommerce	Disposal
Dilution of the group's interest in BuscaPé	Subsidiary	Ecommerce	Disposal
Acquisition of the group's interest in Iyzico	Subsidiary	Ecommerce	Acquisition
Step up in the group's interest in PaySense	Subsidiary	Ecommerce	Disposal/ acquisition
Acquisition of the group's interest in Red Dot	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Extreme Digital	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in ElasticRun	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Meesho	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in EMicro Transit	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in TTRS Services	Subsidiary	Ecommerce	Acquisition

The net adjustment made for all acquisitions and disposals on continuing operations that took place during the year ended 31 March 2020 amounted to a negative adjustment of US\$157m on revenue and a negative adjustment of US\$27m on trading profit. These adjustments include a change in estimate related to Mail.ru's deferred revenue.

## Other information to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### B. Non-IFRS financial measures and alternative performance measures

(continued)

#### B.1 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							
	2019	2020	2020	2020	2020	2020	2020	2020
	A	B	C	D	E	F <sup>(2)</sup>	G <sup>(3)</sup>	H <sup>(4)</sup>
	Group composi- tion disposal adjustment	Group composi- tion acquisition adjustment	Foreign currency adjustment	Local currency growth		Local currency growth		IFRS
	IFRS <sup>(1)</sup> US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	%	%
<b>CONTINUING OPERATIONS</b>								
<b>Revenue</b>								
Internet	18 340	(557)	400	(795)	4 067	21 455	23	17
<i>Ecommerce</i>	3 596	(515)	344	(178)	1 019	4 266	33	19
- Classifieds	857	(4)	133	(22)	317	1 281	37	49
- Payments and Fintech	360	(11)	25	(20)	74	428	21	19
- Food Delivery	377	(16)	55	(45)	380	751	>100	99
- Etail	1 529	(355)	73	(72)	188	1 363	16	(11)
- Travel	234	(99)	-	-	11	146	8	(38)
- Other	239	(30)	58	(19)	49	297	23	24
<i>Social and internet platforms</i>	14 744	(42)	56	(617)	3 048	17 189	21	17
- Tencent	14 457	(38)	-	(615)	2 975	16 779	21	16
- Mail.ru	287	(4)	56	(2)	73	410	26	43
Corporate segment	-	-	-	-	-	-	-	-
<b>Economic interest</b>	18 340	(557)	400	(795)	4 067	21 455	23	17
<b>DISCONTINUED OPERATIONS</b>								
Video Entertainment	644	(644)	-	-	-	-	-	(100)
<b>Group economic interest</b>	18 984	(1 201)	400	(795)	4 067	21 455	23	13

<sup>(1)</sup> Figures presented on an economic-interest basis as per the segmental review.

<sup>(2)</sup> A + B + C + D + E.

<sup>(3)</sup>  $[E/(A + B)] \times 100$ .

<sup>(4)</sup>  $[(F/A) - 1] \times 100$ .

## Other information to the summarised consolidated financial statements (continued)

for the year ended 31 March 2020

### B. Non-IFRS financial measures and alternative performance measures

(continued)

#### B.1 Growth in local currency, excluding acquisitions and disposals (continued)

	Year ended 31 March							
	2019	2020	2020	2020	2020	2020	2020	2020
	A	B	C	D	E	F <sup>(2)</sup>	G <sup>(3)</sup>	H <sup>(4)</sup>
	Group disposal	Group acquisition	Foreign currency adjustment	Local currency growth		Local currency growth		IFRS
	IFRS <sup>(1)</sup> adjustment	adjustment	adjustment	adjustment	IFRS <sup>(1)</sup>	growth		%
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m	%	%
<b>CONTINUING OPERATIONS</b>								
<b>Trading profit</b>								
Internet	3 377	74	(101)	(124)	555	3 781	16	12
<i>Ecommerce</i>	(575)	84	(157)	47	(317)	(918)	(65)	(60)
- Classifieds	(6)	1	(31)	15	55	34	>100	>100
- Payments and Fintech	(43)	6	(17)	(1)	(12)	(67)	(32)	(56)
- Food Delivery	(171)	(7)	(91)	28	(383)	(624)	>(100)	>(100)
- Etail	(101)	57	-	3	21	(20)	48	80
- Travel	(37)	9	-	-	6	(22)	21	41
- Other	(217)	18	(18)	2	(4)	(219)	(2)	(1)
<i>Social and internet platforms</i>	3 952	(10)	56	(171)	872	4 699	22	19
- Tencent	3 929	(10)	-	(170)	852	4 601	22	17
- Mail.ru	23	-	56	(1)	20	98	87	>100
Corporate segment	-	-	-	(1)	(3)	(4)	>(100)	>(100)
<b>Economic interest</b>	3 377	74	(101)	(125)	552	3 777	16	12
<b>DISCONTINUED OPERATIONS</b>								
Video Entertainment	(154)	154	-	-	-	-	-	100
<b>Group economic interest</b>	3 223	228	(101)	(125)	552	3 777	16	17

<sup>(1)</sup> Figures presented on an economic-interest basis as per the segmental review.

<sup>(2)</sup> A + B + C + D + E.

<sup>(3)</sup>  $[E/(A + B)] \times 100$ .

<sup>(4)</sup>  $[(F/A) - 1] \times 100$ .

An assurance report issued in respect of the pro forma financial information by the Naspers group's external auditor is available at the registered office of Naspers.

## Notice of virtual annual general meeting

Notice is hereby given that the virtual annual general meeting of Prosus N.V. (the company or Prosus), which will be held at 14:00 (Central European time) on Tuesday 18 August 2020, for the purposes of considering the following business. Formally, the virtual annual general meeting will be held at ABN AMRO, Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands.

In accordance with the Temporary Act Covid-19 Justice and Safety, shareholders can only attend the meeting virtually via the internet at [www.abnamro.com/evoting](http://www.abnamro.com/evoting) and if they wish, vote in real time online. The meeting can also be followed on the Prosus website ([www.prosus.com](http://www.prosus.com)).

### Record date and registration

The record date for the virtual meeting (being the date used to determine which shareholders are entitled to participate in and vote at the virtual meeting) is Tuesday, 21 July 2020.

The full agenda with explanatory notes including the verbatim text of the amendments to the articles of association, a copy of the annual report, a copy of the directors' remuneration report, a copy of the remuneration policies for the executive directors and for the non-executive directors, and the amendments to the existing Prosus Share Award Plan, are available at the offices of the company and can be accessed via the website [www.prosus.com](http://www.prosus.com). Copies of these can also be obtained there free of charge, and via ABN AMRO Bank N.V. (ABN AMRO) by email: [ava@nl.abnamro.com](mailto:ava@nl.abnamro.com).

Upon registration (via ABN AMRO via [www.abnamro.com/evoting](http://www.abnamro.com/evoting)) shareholders will be requested to choose whether they attend the meeting virtually and/or whether they vote virtually during the meeting. Alternatively, shareholders may also grant a proxy with voting instructions as referred to below.

Holders of deposit shares (or their authorised representatives) who wish to attend the annual general meeting virtually and/or to vote virtually during the meeting must register electronically with ABN AMRO (via [www.abnamro.com/evoting](http://www.abnamro.com/evoting)) or via their intermediaries at which their shares are administered, following the record date and no later than Tuesday 11 August 2020 at 17:30 CET at the latest. Not later than Wednesday 12 August 2020 (before 12:00 noon CET) the intermediaries are to provide ABN AMRO Bank N.V. (ABN AMRO) via [www.abnamro.com/intermediary](http://www.abnamro.com/intermediary) with an electronic statement that includes the number of shares held on the record date by the shareholder concerned and which have been applied for registration. In addition, the intermediaries are requested to include the full address details of the relevant shareholder, as well as their valid email address, securities account and mobile phone number which are required for authentication purposes in order to provide virtual access. The receipt (of registration) to be supplied by ABN AMRO via the relevant intermediary will contain log-in details for attending the meeting virtually and/or to vote virtually.

Holders of registered shares (or their authorised representatives) who wish to attend the annual general meeting virtually and/or to vote virtually must apply via [www.abnamro.com/evoting](http://www.abnamro.com/evoting), not later than Tuesday 11 August 2020 at 17:30 CET.

### Virtual attending and voting

Shareholders can attend and vote at the meeting on all shareholders' resolutions virtually, therefore online and remotely with their own smartphone, tablet or personal computer, unless the shareholder's intermediary does not accommodate online attending and voting. Upon registration to vote virtually, a shareholder will receive an email with a link via [www.abnamro.com/evoting](http://www.abnamro.com/evoting) to log into the Prosus online voting platform. After successful login and confirmation of the login via two-factor authentication (by SMS verification), the



## Notice of virtual annual general meeting (continued)

shareholder is automatically logged into the meeting. Further instructions may be provided via [www.abnamro.com/evoting](http://www.abnamro.com/evoting) and/or the Prosus online voting platform.

You will be able to log in for virtual admission to the meeting on Tuesday 18 August 2020 via [www.abnamro.com/evoting](http://www.abnamro.com/evoting) from 12:00 CET until the commencement of the meeting at 14:00 CET. You must log in and complete the virtual admission procedure for the meeting before 14:00 CET. After this time registration is no longer possible. Shareholders who log in afterwards will only have access to the webcast to follow the meeting, but will neither be able to ask questions nor to vote.

Prosus's policy regarding the virtual general meeting of shareholders can be found at [www.prosus.com](http://www.prosus.com) (with the meeting documents). Virtual voting entails risks, as described in Prosus's policy regarding the virtual general meeting of shareholders. If you wish to avoid such risks you should choose to give a voting instruction.

Shareholders who are unable to attend the meeting virtually and/or do not wish to vote virtually during the meeting, can render a proxy with their voting instructions electronically via [www.abnamro.com/evoting](http://www.abnamro.com/evoting). By doing so, voting instructions are given to Ms J J C A Leemrijse, civil law notary with Allen & Overy LLP, in Amsterdam, to cast their vote at the virtual annual general meeting. If a shareholder is unable to give his voting instructions electronically, these may also be given in writing. The proxy form is attached to the notice. The proxy form must be completed and received by ABN AMRO (address on power of attorney form). Voting instructions can be given until Tuesday 11 August 2020 at 17:30 CET at the latest.

### Written questions and information

From today until 15 August 2020, at 14:00 CET, shareholders may submit written questions about the items on the agenda. These questions will, possibly combined, be answered and put on Prosus's website prior to the virtual annual general meeting or discussed at the meeting. For these questions and for general information please refer to the company by email on [investorrelations@prosus.com](mailto:investorrelations@prosus.com) or by phone: +31 (20) 299 9777.

### Webcast

There will be a live video broadcast of the virtual annual general meeting via the corporate website [www.prosus.com](http://www.prosus.com).

### Agenda and explanatory notes

- (1) **To discuss the Prosus annual report submitted by the board of directors (non-voting item)**  
At this agenda item the chief executive will update you on the progress of the business in FY20.
- (2) **To approve the directors' remuneration report (advisory vote)**

In accordance with Dutch legislation (section 2:135b Dutch Civil Code (DCC)), the directors' remuneration report is discussed with the shareholders and put to the general meeting of shareholders for a non-binding advisory vote. It is proposed to approve the directors' remuneration report.

Prosus has drawn up the directors' remuneration report, including an overview of remuneration to individual members of the board in accordance with the statutory requirements.

Please refer to the directors' remuneration report on our corporate website, included in the Prosus annual report on pages 101 to 139. The pages 115 to 120 regarding the remuneration policy are explicitly excluded.

## Notice of virtual annual general meeting (continued)

### (3) **To adopt the annual accounts (voting item)**

To consider and adopt the financial statements of the company for the twelve (12) months ended 31 March 2020. The summarised form of the financial statements is attached to this notice. The external auditor will address the meeting regarding his auditor's report.

### (4) (a) **Proposal to make a distribution (voting item)**

Prosus does not have a defined dividend policy and, as such, there are no restrictions on, or a target range for, the payment of dividends. The board generally considers dividend declarations annually during the month of June when it finalises the annual accounts. The ability and intention of Prosus to declare and pay dividends in the future: (i) will mainly depend on its financial position, results of operations, capital requirements, investment prospects, the existence of distributable reserves and available liquidity and such other factors as the board may deem relevant; and (ii) are subject to numerous assumptions, risks and uncertainties, many of which are beyond Prosus's control.

In accordance with the articles of association, the board proposes that a distribution be made to holders of ordinary shares N of 11 euro cents per share and to holders of ordinary shares A1 of 0.602 euro cents per share. Holders of ordinary shares N can elect whether they want to receive their distribution in the form of a regular dividend, or whether they prefer to receive an equal amount in the form of repaid capital instead. Holders of ordinary shares N that do not make a choice participate in the distribution of repaid capital. In addition, a choice for one option implies an opt-out of the other option.

For those holders holding their shares in South Africa via Strate, the proposed dividend as denominated in euro will be translated to South African rand at the exchange rate prevailing on the date of approval of the dividend at the 2020 annual general meeting.

This combined proposal for a vote consists of three parts:

- (i) The proposal to distribute a dividend as set out under (a) below.
- (ii) The proposal to amend the articles of association of the company by an increase of the nominal value of the ordinary shares N, thus increasing the issued share capital of the company at the charge of the share premium reserve, as set out under (c) below.
- (iii) The proposal to decrease the issued share capital of the company and to amend the articles of association of the company by a decrease of the nominal value of the ordinary shares N back to the current nominal value, thus decreasing the issued share capital of the company, which decrease is partly paid to the shareholders who have opted for the repaid capital option, and the balance is added to the share premium reserve of the company, as further set out under (b) and (d) below.

#### (a) *To consider the payment of a dividend*

Subject to the approval of item (4)(a)(b) and subject to the terms of the articles of association, the board has recommended that the holders of ordinary shares N have the option to receive a regular distribution of 11 euro cents per ordinary share N in cash and 0.602 euro cents per ordinary share A1 in cash.

## Notice of virtual annual general meeting (continued)

Holders of ordinary shares N that have opted for the regular distribution (of profits) option receive payment of their pro rata portion of the distributed profits. These shareholders, who have opted for the regular distribution (of profits) option, choose to have their part of the capital reduction distribution referenced in Article 31.2 of the articles of association added to the share premium reserve and forfeit any claim to their pro rata part of the capital reduction.

(b) *To consider the distribution of repaid capital*

Subject to the approval of item (4)(a)(a) and subject to the terms of the articles of association, the board has recommended that the holders of ordinary shares N have the option to receive equal amount to the amount stipulated in (4)(a)(a) above in the form of repaid capital.

Holders of ordinary shares N that have opted for the repaid capital option receive payment of their pro rata portion of funds made available under a formal reduction of the capital of Prosus (*kapitaalvermindering*). These shareholders implicitly choose to have their part of the regular dividend added to dividend reserves and forfeit any claim to their pro rata part of the regular distribution (of profits).

(c) *Reduction of Prosus's capital*

Subject to the approval of item (4)(a)(b) above and subject to the terms of the articles of association, the capital of Prosus be reduced to give effect to the elections to be made by shareholders as at the dividend record date. This requires two subsequent partial amendments to the articles of association of Prosus, first increasing and subsequently decreasing the nominal value of the shares.

Article 4 of the articles of association currently reads as follows:

*"Article 4. Authorised Capital.*

4.1 *The authorised capital of the Company is two hundred and fifty-one million euros (EUR251,000,000).*

4.2 *The authorised capital of the Company is divided into five billion ten million and ten thousand (5,010,010,000) Shares, of which:*

- *ten million (10,000,000) are Ordinary Shares A1 with a nominal value of five eurocents (EUR0.05) each;*
- *ten thousand (10,000) are Ordinary Shares A2 with a nominal value of fifty euros (EUR50) each; and*
- *five billion (5 000,000,000) are Ordinary Shares N with a nominal value of five eurocents (EUR0.05) each, which Ordinary Shares N shall rank Pari Passu in respect of all rights.*

4.3 *All Shares are registered. The Company shall not issue share certificates or statements evidencing or purporting to evidence title to the Shares, which shall at all times remain in dematerialised form.*

4.4 *A person who is entitled to and wishes to inspect the register of dematerialised Shares may do so only through the Company and in accordance with Dutch law."*

## Notice of virtual annual general meeting (continued)

And Article 39.1 of the articles of association currently reads as follows:

*“39.1 Each Ordinary Share A1 and each Ordinary Share N confers the right to cast one (1) vote. Each Ordinary Share A2 confers the right to cast one thousand (1,000) votes.”*

In order to increase the nominal value of all ordinary shares N with 11 euro cents, Article 4 of the articles of association will first be amended as set out below. The increase is paid up at the charge of the share premium reserve of the company.

*“Article 4. Authorised Capital*

- 4.1 The authorised capital of the Company is eight-hundred and one million euros (EUR801,000,000).*
- 4.2 The authorised capital of the Company is divided into five billion ten million and ten thousand (5,010,010,000) Shares, of which:*
  - ten million (10,000,000) are Ordinary Shares A1 with a nominal value of five euro cents (EUR0.05) each;*
  - ten thousand (10,000) are Ordinary Shares A2 with a nominal value of fifty euros (EUR50) each; and*
  - five billion (5,000,000,000) are Ordinary Shares N with a nominal value of sixteen euro cents (EUR0.16) each, which Ordinary Shares N shall rank Pari Passu in respect of all rights.*
- 4.3 All Shares are registered. The Company shall not issue share certificates or statements evidencing or purporting to evidence title to the Shares, which shall at all times remain in dematerialised form.*
- 4.4 A person who is entitled to and wishes to inspect the register of dematerialised Shares may do so only through the Company and in accordance with Dutch law.”*

It is proposed to amend Article 39.1 as well; due to the changes in the nominal value of the ordinary shares N, Dutch law prescribes that the number of votes changes as well.

*“39.1 Each Ordinary Share A1 confers the right to cast five (5) votes. Each Ordinary Share N confers the right to cast sixteen (16) votes. Each Ordinary Share A2 confers the right to cast five thousand (5,000) votes.”*

Consequently it is proposed to amend Articles 4 and 39.1 of the articles of association of Prosus.

The proposal also includes granting a power of attorney to each member of the board, the company secretary, as well as each (deputy) civil law notary and notarial assistant of Allen & Overy LLP (Amsterdam office), attorneys-at-law, civil law notaries and tax advisers, each of them separately, to have the first deed of amendment of the articles of association executed.

- (d) *Reduction of Prosus’s capital – Subsequent decrease of the issued and authorised share capital: second amendment to Prosus’s articles of association*

## Notice of virtual annual general meeting (continued)

It is proposed to subsequently reduce the issued share capital of the company by decreasing the nominal value of the ordinary shares N back to the current value of the ordinary shares N as set out below, under the condition precedent that the second amendment of the articles of association comes into full force and effect, following the statutory capital reduction process and taking into account a mandatory two-months opposition period for creditors. The amount of the repaid capital that is not opted for by the shareholders who elected a regular dividend distribution, will be added to the share premium reserve of the company.

Articles 4 and 39.1 will then read again as follows:

*“Article 4. Authorised Capital.*

*4.1 The authorised capital of the Company is two hundred and fifty-one million euros (EUR251 000 000).*

*4.2 The authorised capital of the Company is divided into five billion ten million and ten thousand (5 010 010 000) Shares, of which:*

- ten million (10 000 000) are Ordinary Shares A1 with a nominal value of five eurocents (EUR0.05) each;*
- ten thousand (10 000) are Ordinary Shares A2 with a nominal value of fifty euros (EUR50) each; and*
- five billion (5,000,000,000) are Ordinary Shares N with a nominal value of five eurocents (EUR0.05) each, which Ordinary Shares N shall rank Pari Passu in respect of all rights.*

*4.3 All Shares are registered. The Company shall not issue share certificates or statements evidencing or purporting to evidence title to the Shares, which shall at all times remain in dematerialised form.*

*4.4 A person who is entitled to and wishes to inspect the register of dematerialised Shares may do so only through the Company and in accordance with Dutch law.”*

*“39.1 Each Ordinary Share A1 and each Ordinary Share N confers the right to cast one (1) vote. Each Ordinary Share A2 confers the right to cast one thousand (1,000) votes.”*

Consequently, it is proposed to amend Articles 4 and 39.1 of the articles of association of Prosus accordingly.

The proposal also includes granting a power of attorney to each member of the board, the company secretary, as well as each (deputy) civil law notary and notarial assistant of Allen & Overy LLP (Amsterdam office), attorneys-at-law, civil law notaries and tax advisers, each of them separately, to have the second deed of amendment of the articles of association executed.

As set out in the annual report, dividends and other distributions will be payable on or after 17 November 2020 after the completion of the capital reduction process.

## Notice of virtual annual general meeting (continued)

### (4) (b) **Capital increase and capital reduction for financial year 2021 (and onwards) (voting item)**

It is Prosus's intention to put the same distribution election option on the annual general meeting agenda for 2021 and onwards, so that holders of ordinary shares N may continue to elect whether they want to receive their distribution in the form of a regular dividend or whether they prefer to receive an equal amount in the form of repaid capital. In the same way as under agenda item 4(a), the capital reduction in the form of a decrease of the nominal value of shares will be effectuated by taking into account the formal capital reduction process including a mandatory two-months opposition period for creditors. In order to avoid the delay in payments (for 2020, the distributions will only be payable on or after 17 November 2020), it is proposed to resolve already in this annual general meeting on the increase and decrease of the nominal value of the ordinary shares N, so that the capital reduction process including the two-months opposition period for creditors is finalised prior to or shortly after the 2021 annual general meeting, so that the 2021 payment date need not be delayed.

As the amount of dividend for the financial year 2021 (and onwards), is presently unclear, a random amount of €0.50 will be used as an assumption with the understanding that the aggregate dividend in the coming year(s) will be (substantially) lower, and at least will not exceed this amount.

The proposal to distribute a dividend for the financial year 2021 (and onwards), and for which amount, and consequently the precise amount of repaid capital to be repaid to shareholders, will only be resolved upon in the 2021 annual general meeting (and onwards).

The combined proposal for a vote consists of two parts:

- (i) The proposal to amend the articles of association of the company by an increase of the nominal value of the ordinary shares N, thus increasing the issued share capital of the company at the charge of the share premium reserve as set out under (a) below.
- (ii) The proposal to decrease the issued share capital of the company and to amend the articles of association of the company by a decrease of the nominal value of the ordinary shares N back to the current nominal value, thus decreasing the issued share capital of the company, which decrease is partly paid to the shareholders who have opted for the repaid capital option for the amount resolved upon in the 2021 annual general meeting, and the balance is added to the share premium reserve of the company, as further set out under (b) below.

The process of the capital increase and capital decrease proposed under this agenda item 4(b) will only start after having completed the full process of agenda item 4(a). It will then require two subsequent partial amendments to the articles of association of Prosus, first increasing and subsequently decreasing the nominal value of the ordinary shares N.

## Notice of virtual annual general meeting (continued)

- (a) *Reduction of Prosus's capital – First increase of issued and authorised share capital: first amendment to Prosus's articles of association for financial year 2021 (and onwards)*

Article 4 of the articles of association currently reads (and will read following the completion of the capital reduction process under agenda item 4(a)) as follows:

*"Article 4. Authorised Capital.*

- 4.1 *The authorised capital of the Company is two hundred and fifty-one million euros (EUR 251,000,000).*
- 4.2 *The authorised capital of the Company is divided into five billion ten million and ten thousand (5,010,010,000) Shares, of which:*
- *ten million (10,000,000) are Ordinary Shares A1 with a nominal value of five eurocents (EUR 0.05) each;*
  - *ten thousand (10,000) are Ordinary Shares A2 with a nominal value of fifty euros (EUR 50) each; and*
  - *five billion (5,000,000,000) are Ordinary Shares N with a nominal value of five eurocents (EUR 0.05) each, which Ordinary Shares N shall rank Pari Passu in respect of all rights.*
- 4.3 *All Shares are registered. The Company shall not issue share certificates or statements evidencing or purporting to evidence title to the Shares, which shall at all times remain in dematerialised form.*
- 4.4 *A person who is entitled to and wishes to inspect the register of dematerialised Shares may do so only through the Company and in accordance with Dutch law."*

And Article 39.1 of the articles of association currently reads as follows:

*"39.1 Each Ordinary Share A1 and each Ordinary Share N confers the right to cast one (1) vote. Each Ordinary Share A2 confers the right to cast one thousand (1,000) votes."*

In order to increase the nominal value of all ordinary shares N with 50 eurocents, Article 4 of the articles of association will first be amended as set out below. The increase is paid up at the charge of the share premium reserve of the company.

*"Article 4. Authorised Capital.*

- 4.1 *The authorised capital of the Company is two billion seven hundred and fifty-one million euros (EUR 2.751,000,000).*
- 4.2 *The authorised capital of the Company is divided into five billion ten million and ten thousand (5,010,010,000) Shares, of which:*
- *ten million (10,000,000) are Ordinary Shares A1 with a nominal value of five eurocents (EUR 0.05) each;*
  - *ten thousand (10,000) are Ordinary Shares A2 with a nominal value of fifty euros (EUR 50) each; and*
  - *five billion (5,000,000,000) are Ordinary Shares N with a nominal value of fifty-five eurocents (EUR 0.55) each, which Ordinary Shares N shall rank Pari Passu in respect of all rights.*

## Notice of virtual annual general meeting (continued)

- 4.3 *All Shares are registered. The Company shall not issue share certificates or statements evidencing or purporting to evidence title to the Shares, which shall at all times remain in dematerialised form.*
- 4.4 *A person who is entitled to and wishes to inspect the register of dematerialised Shares may do so only through the Company and in accordance with Dutch law."*

Consequently, it is proposed to amend Article 39.1 as well; due to the changes in the nominal value of the ordinary shares N, Dutch law prescribes that the number of votes changes as well.

*"39.1 Each Ordinary Share A1 confers the right to cast five (5) votes. Each Ordinary Share N confers the right to cast fifty-five (55) votes. Each Ordinary Share A2 confers the right to cast five thousand (5,000) votes."*

Consequently, it is proposed to amend Articles 4 and 39.1 of the articles of association of Prosus. The proposal also includes granting a power of attorney to each member of the board, the company secretary, as well as each (deputy) civil law notary and notarial assistant of Allen & Overy LLP (Amsterdam office), attorneys-at-law, civil law notaries and tax advisers, each of them separately, to have the first deed of amendment of the articles of association for the financial year 2021 (and onwards) executed.

- (b) *Reduction of Prosus's capital – Subsequent decrease of the issued and authorised share capital: second amendment to Prosus's articles of association for the financial year 2021 (and onwards)*

It is proposed to subsequently reduce the issued share capital of the company by decreasing the nominal value of the ordinary shares N back to the current value of the ordinary shares N as set out below, under the condition precedent that the second amendment of the articles of association for the financial year 2021 (and onwards) comes into full force and effect, following the statutory capital reduction process and taking into account a mandatory two-months opposition period for creditors. As the amount of the 2021 distribution will only be known following the 2021 annual general meeting, figures can not be given at this stage, but it is clear that the balance between the 2021 distribution per ordinary share N, and the total amount of the capital reduction per ordinary share N, will be added to the share premium reserve. Also the amount of the repaid capital that is not opted for by the shareholders who will elect a regular dividend distribution for the financial year 2021, will be added to the share premium reserve of the company. The balance of the repaid capital that will be added to the share premium reserve may be used for the same purposes in future years.

Articles 4 and 39.1 will then read again as follows:

*"Article 4. Authorised Capital.*

- 4.1 *The authorised capital of the Company is two hundred and fifty-one million euros (EUR 251,000,000).*



## Notice of virtual annual general meeting (continued)

- 4.2 *The authorised capital of the Company is divided into five billion ten million and ten thousand (5,010,010,000) Shares, of which:*
- *ten million (10,000,000) are Ordinary Shares A1 with a nominal value of five eurocents (EUR 0.05) each;*
  - *ten thousand (10,000) are Ordinary Shares A2 with a nominal value of fifty euros (EUR 50) each; and*
  - *five billion (5,000,000,000) are Ordinary Shares N with a nominal value of five eurocents (EUR 0.05) each, which Ordinary Shares N shall rank Pari Passu in respect of all rights.*
- 4.3 *All Shares are registered. The Company shall not issue share certificates or statements evidencing or purporting to evidence title to the Shares, which shall at all times remain in dematerialised form.*
- 4.4 *A person who is entitled to and wishes to inspect the register of dematerialised Shares may do so only through the Company and in accordance with Dutch law."*
- "39.1 Each Ordinary Share A1 and each Ordinary Share N confers the right to cast one (1) vote. Each Ordinary Share A2 confers the right to cast one thousand (1,000) votes."*

Consequently, it is proposed to amend Articles 4 and 39.1 of the articles of association of Prosus accordingly. The proposal also includes granting a power of attorney to each member of the board, the company secretary, as well as each (deputy) civil law notary and notarial assistant of Allen & Overy LLP (Amsterdam office), attorneys-at-law, civil law notaries and tax advisers, each of them separately, to have the second deed of amendment of the articles of association for the financial year 2021 (and onwards) executed.

**(5) To adopt the remuneration policy for the executive directors (voting item)**

In accordance with sections 2:135 and 2:135a DCC, the non-executives have drawn up a new remuneration policy which is available on Prosus's website at [www.prosus.com/investors](http://www.prosus.com/investors). The remuneration policy has been approved by the board on recommendation from the human resources and remuneration committee.

**(6) To adopt the remuneration policy of the non-executive directors (voting item)**

In accordance with sections 2:135 and 2:135a DCC, the non-executives have drawn up a remuneration policy of the non-executives setting out the combined remuneration for Naspers and Prosus. The remuneration policy is available on Prosus's website at [www.prosus.com/investors](http://www.prosus.com/investors). The remuneration policy has been approved by the board on recommendation from the human resources and remuneration committee.

Given the impact of Covid-19, the board decided not to propose an increase in fees for the 31 March 2021 financial year.

## Notice of virtual annual general meeting (continued)

Accordingly, approval of the remuneration of non-executive directors for the year ending 31 March 2021 is being sought as follows:

			<b>31 March 2021<sup>(1)</sup> (total proposed fee payable by Naspers and Prosus)</b>	<b>31 March 2021<sup>(1)</sup> (proposed amount payable by Prosus)</b>
1.	Chair <sup>(2)</sup>		<b>2.5 times member</b>	<b>US\$348 828</b>
2.	Member		<b>US\$199 330</b>	<b>US\$139 531</b>
	All members: Daily fees when travelling to and attending meetings outside home country		<b>US\$3 500</b>	<b>US\$2 450</b>
	<b>Committees</b>			
3.	Audit committee	Chair	<b>2.5 times member</b>	<b>US\$85 943</b>
4.		Member	<b>US\$49 110</b>	<b>US\$34 377</b>
5.	Risk committee	Chair	<b>2.5 times member</b>	<b>US\$51 048</b>
6.		Member	<b>US\$29 170</b>	<b>US\$20 419</b>
7.	Human resources and remuneration committee	Chair	<b>2.5 times member</b>	<b>US\$60 393</b>
8.		Member	<b>US\$34 510</b>	<b>US\$24 157</b>
9.	Nomination committee	Chair	<b>2.5 times member</b>	<b>US\$32 550</b>
10.		Member	<b>US\$18 600</b>	<b>US\$13 020</b>
11.	Social, ethics and sustainability committee	Chair	<b>2.5 times member</b>	<b>US\$44 678</b>
12.		Member	<b>US\$25 530</b>	<b>US\$17 871</b>
	<b>Other</b>			
13.	Trustee of group share schemes/ other personnel funds		<b>R53 760</b>	<b>R37 632</b>

<sup>(1)</sup> During the year ended 31 March 2020, following the listing of Prosus on Euronext Amsterdam, Naspers non-executive directors now serve on the boards of both companies. As a result of the non-executive directors assuming these dual responsibilities, the proposed fees will be split between Naspers and Prosus, on a 30/70 basis.

<sup>(2)</sup> The chair of Prosus does not receive additional remuneration for attending meetings or being a member of or chairing any committee of the board.

### (7) Release of the executive directors from liability (voting item)

It is proposed that the executive directors in office as at the year-end 31 March 2020 be released of liability for their fulfilment of their tasks in the 2020 financial year.

### (8) Release of the non-executive directors from liability (voting item)

It is proposed that the non-executive directors for the year ended 31 March 2020 be released of liability for their fulfilment of their tasks in the 2020 financial year.

## Notice of virtual annual general meeting (continued)

(9) **To appoint Ms Y Xu as a non-executive director (voting item)**

Ms Y Xu (56) is the president of Wumei Technology Group (Wumei, or Wumart), a technology-driven retailer in China. Deeply engaged in the retail business for 15 years, Ms Y Xu has strong insight and knowledge of Chinese consumers, especially in retail, online and offline. Prior to joining Wumei Technology Group, Ms Y Xu was vice president of LG (a joint venture) at Tianjin International Trust & Investment. She does not hold any ordinary shares N or ordinary shares A. Due to the wealth of experience which Ms Y Xu has in the technology sector, the board unanimously recommends that Ms Y Xu be appointed as an independent non-executive director for a period of three years, thus ending at the close of the annual general meeting to be held in 2023.

(10) **To reappoint the following non-executive directors (voting items)**

It is proposed to reappoint the following non-executive directors for a period of three years, thus ending at the close of the annual general meeting to be held in 2023.

(a) **Mr D G Eriksson**

Mr D G Eriksson (75) is an independent non-executive director and chair of the audit and risk committees for Naspers and Prosus and chair of the Naspers social, ethics and sustainability committee. Furthermore, he does not hold any ordinary shares N or ordinary shares A. He is the chair of Oakleaf Insurance Company Limited and Renasa Insurance Company Limited. On 11 June 2020, he retired from the board of MultiChoice Group and other MultiChoice companies. He served on the council of the Institute of Directors of South Africa (IoDSA) for a number of years, of which he is an honorary life member, and as a trustee to the Discovery Health Medical Scheme. He was a partner at Coopers & Lybrand (now PricewaterhouseCoopers Inc.) and an executive director of the Commercial Union group of companies (CGU Insurance Company (SA) Limited, Commercial Union Life Insurance Company Limited and Sentrasure Limited). Due to the wealth of experience which Mr D G Eriksson has, combined with his financial and accounting knowledge, the board unanimously recommends that Mr D G Eriksson be reappointed.

(b) **Mr M R Sorour**

Mr M R Sorour (58) is a non-independent non-executive director and former chief investment officer for the Naspers group. Furthermore, he holds 2 587 ordinary shares N. He joined the Naspers group in 1994, leading business development and corporate finance, globally. Following assignments in Hong Kong and Amsterdam, he returned to Cape Town in 2002 as the Naspers group's chief investment officer, being responsible for all global investment activities. On 31 March 2018, he retired after more than 20 years with the Naspers group. He remained on the Naspers board as a non-executive director. Due to the wealth of experience which Mr M R Sorour has, combined with his investment knowledge, the board unanimously recommends that Mr M R Sorour be reappointed.

(c) **Ms E M Choi**

Ms E M Choi (41) is an independent non-executive director and is a member of the risk and human resources and remuneration committees for Naspers and Prosus. Furthermore, she does not hold any ordinary shares N or ordinary shares A. She serves as chief operating officer at Coinbase, Inc. (Coinbase), the world's largest regulated cryptocurrency exchange. She oversees operations in seven countries, across three continents. Since joining Coinbase in early 2018, she has overseen more than 10 acquisitions and 50 venture investments. Prior to Coinbase, she spent more than eight years at LinkedIn Corporation as the vice president of Corporate Development, and led all M&A deals in the company's history, including its biggest deal to date, Lynda, as well as leading a number of joint ventures in China. She has also worked in corporate development and strategy roles at Warner Bros. Entertainment Inc. and Yahoo, Inc. She is also on the board of directors of ZipRecruiter, Inc., a marketplace for jobseekers and employers. Due to the experience

## Notice of virtual annual general meeting (continued)

which Ms E M Choi has in the technology industry and in start-up businesses, the board unanimously recommends that Ms E M Choi be reappointed.

(d) **Ms M Girotra**

Ms M Girotra (50) is an independent non-executive director and member of the audit committee for Naspers and Prosus. Furthermore, she does not hold any ordinary shares N or ordinary shares A. She is the chief executive officer of Moelis India. She has more than 25 years of investment banking experience, with cross-border mergers and acquisitions expertise across a broad range of industries. Prior to joining Moelis & Company, she was the chief executive officer and country head of UBS AG in India managing its investment bank, commercial bank, markets, equity research and wealth management divisions. Previously, she was head: North India of Barclays Bank PLC. She began her investment banking career at ANZ Grindlays in London. She serves on the boards of directors of Ashok Leyland Limited and Jio Payments Bank Limited. Due to her experience in accounting and knowledge of the financial industry the board unanimously recommends that Ms M Girotra be reappointed.

(e) **Prof R C C Jafta**

Prof R C C Jafta (59) is an independent non-executive director, chair of the nomination committee and a member of the projects, audit and risk committees for Naspers and Prosus and a member of the Naspers social, ethics and sustainability committee. Furthermore, she does not hold any ordinary shares N or ordinary shares A. She is a professor in economics at Stellenbosch University. She joined Naspers as a director in 2003 and was appointed a director of Media24 in 2007. She is a member of the South African Economic Society, chair of the Cape Town Carnival Trust and a member of the management committee of the Bureau for Economic Research at Stellenbosch University and a member of the International Advisory Board of Fundação Dom Cabral Business School, Brazil. She was appointed as the chair of the Media24 board of directors in April 2013. She is the chair of the Media24 nomination committee. She is also a director of Nasbel. Due to the wealth of experience which Prof R C C Jafta has, combined with her knowledge and experience in the field of economics, the board unanimously recommends that Prof R C C Jafta be reappointed.

The above directors retire by rotation and, being eligible, offer themselves for re-election as directors of Prosus. Their abridged curricula vitae appear on pages 77 and 78 of the annual report.

The board unanimously recommends that the re-election of directors in terms of resolution number 10 be approved by shareholders of Prosus. The re-election of directors in resolution number 10 will be conducted as a series of votes, each being for the candidacy of a single individual to fill a single vacancy, and in each vote to fill a vacancy, each voting right entitled to be exercised may be exercised once. Each of the directors who are nominated for reappointment shall attend the annual general meeting remotely.

(11) **To reappoint PricewaterhouseCoopers Accountants N.V. as the auditor charged with the auditing of the annual accounts for the years ending 31 March 2021 and 31 March 2022 (voting item)**

To reappoint, on the recommendation of Prosus's audit committee, the firm PricewaterhouseCoopers Accountants N.V. as independent registered auditor of Prosus for the financial years ending 31 March 2021 and 31 March 2022.

The board annually reviews the performance of the auditor in June. The board is satisfied with the performance of the external auditor.

## Notice of virtual annual general meeting (continued)

(12) **To designate the board of directors as the company body authorised in respect of the issue of shares in the share capital of Prosus (voting item)**

To appoint the board as the competent body to resolve on the issuance of shares in the capital of Prosus, and the granting of rights to subscribe for shares to the extent that this resolution is approved by the shareholders. This authority will allow the board to be flexible and react expediently, if and when deemed appropriate, including in situations in which the capital position of Prosus is at stake.

It is proposed that the shareholders designate the board as the competent body to resolve to issue shares and rights to subscribe for shares up to 10% of the issued capital in aggregate as per the date of the virtual annual general meeting, with the power to the board to decide which class of shares is issued and to restrict or exclude pre-emptive rights accruing to shareholders in relation to the issue of shares or rights to subscribe for shares, for a period of 18 months following the virtual annual general meeting for general purposes.

Upon adoption of this resolution, the current designation of the board given on 6 September 2019 is cancelled.

(13) **Authority for the company or its subsidiaries to acquire shares in the company (voting item)**

It is proposed that the shareholders authorise the board, for a period of eighteen (18) months from the date of the virtual annual general meeting, 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 as per the date of the virtual annual general meeting either through a purchase on a stock exchange or otherwise. The repurchase can take place for a price, excluding expenses, not lower than the nominal value of the shares and not higher than the opening price on Euronext Amsterdam on the day of the repurchase plus 10%.

Upon adoption of this resolution, the current authorisation to the board given on 6 September 2019 lapses.

(14) **Approval of amendments to the existing Prosus Share Award Plan (voting item)**

The board proposes certain amendments to an existing share award plan approved by the general meeting of Prosus on 6 September 2019. In addition to the below amendments, further minor and administrative amendments will be made to the share award plan. The amendments will be effective on and as from the date on which they are approved by shareholders.

The share award plan currently provides that two types of awards may be granted to defined employees in the group, namely (i) Restricted Share Unit (RSU) Awards; and (ii) Performance Share Unit (PSU) Awards (the Share Award Plan). It is proposed that the Share Award Plan be amended to describe the category of individuals who are eligible to receive RSU Awards and/or PSU Awards as being any employee or executive director of a member of the Prosus and/or Naspers group who is selected by the Board (as defined in the Share Award Plan). This provides the Board with flexibility to grant RSU Awards and/or PSU Awards to any group employee or executive director it selects.

Consequently, it is proposed (i) to approve the amended Share Award Plan and (ii) in addition to the authority granted under item (12), to appoint the Board as the competent body to resolve on the issuance of shares in the capital of Prosus, and the granting of rights to subscribe for shares under the Share Award Plan up to 5% of the issued capital in aggregate as per the date of the virtual annual general meeting, with the power to the Board to decide which class of shares is issued and to restrict or exclude pre-emptive rights accruing to shareholders in relation to the issue of shares or rights to subscribe for shares, for a period of five years following the annual general meeting.

## Notice of virtual annual general meeting (continued)

(15) **Other business**

To transact such other business as may be transacted at a virtual annual general meeting.

(16) **Voting results**

### Material changes

Other than the facts and developments reported on in the annual report and annual accounts there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

By order of the board



**Gillian Kiseby-Green**

Company secretary

29 June 2020

Amsterdam

## Power of attorney

### Prosus N.V.

Incorporated in the Netherlands  
Registration number: 34099856  
Euronext Amsterdam and JSE share code: PRX  
ISIN: NL0013654783  
(the company or Prosus)

### First virtual annual general meeting of shareholders

First virtual annual general meeting of shareholders of the company to be held at ABN AMRO, Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands at 14:00 (Central European time) on Tuesday 18 August 2020.

The undersigned,

<b>Individual</b>		
Name		
Address		
Country and postal code		
<b>Representative of a company, trust or other association</b>		
Name of representative		
Function of representative		
Hereinafter referred to as the principle, acting in his capacity as shareholder of:		
Number of shares:		ordinary shares N of €0.05 each
Number of shares:		ordinary shares A1 of €0.05 each
in Prosus N.V., hereby grants a power of attorney to:		
Notary in Amsterdam	Joyce Leemrijse, civil law notary in Amsterdam or her deputy (with the right of substitution)	

## Power of attorney (continued)

to represent the principle at the virtual annual general meeting 2020 and to vote the shares in respect of the items on the agenda for the virtual annual general meeting, in the manner set out below:

		In favour of	Against	Abstain
<b>Ordinary resolutions</b>				
1.	To discuss the annual report	N/A	N/A	N/A
2.	To approve the directors' remuneration report			
3.	To adopt the annual accounts			
4(a)	Proposal to make a distribution (including reduction of Prosus's issued capital and two amendments to the articles of association)			
4(b)	Proposal for capital increase and capital reduction for financial year 2021 (and onwards)			
5.	To adopt the remuneration policy for the executive directors			
6.	To adopt the remuneration policy of the non-executive directors			
7.	Release of the executive directors from liability			
8.	Release of the non-executive directors from liability			
9.	To appoint Ms Y Xu as a non-executive director			
10.	To reappoint the following non-executive directors:	N/A	N/A	N/A
10.1	D G Eriksson			
10.2	M R Sorour			
10.3	E M Choi			
10.4	M Girotra			
10.5	R C C Jafta			
11.	To reappoint PricewaterhouseCoopers Accountants N.V. as the auditor charged with the auditing of the annual accounts for the year ended 31 March 2021 and 31 March 2022			
12.	To designate the board of directors as the company body authorised in respect of the issue of shares in the share capital of Prosus			
13.	Authority for the company or its subsidiaries to acquire shares in the company			
14.	Approval of amendments to the existing Prosus Share Award Plan			
15.	Other business	N/A	N/A	N/A
16.	Voting results	N/A	N/A	N/A

and, generally, to act as my/our proxy at the said virtual annual general meeting (tick whichever is applicable. If no indication is given, civil law notary Joyce Leemrijse will vote in favour of all resolutions).

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2020

Signature \_\_\_\_\_ Assisted by (where applicable) \_\_\_\_\_

Please return, including a copy of your proof of registration, on or before Tuesday 11 August 2020 at 17:30 (Central European time) to ABN AMRO Bank N.V., Corporate Broking, PO Box 283 (HQ7050), 1000 EA Amsterdam, the Netherlands or via email to [ava@nl.abnamro.com](mailto:ava@nl.abnamro.com).



## Administration and corporate information

### Prosus N.V.

Incorporated in the Netherlands  
(Registration number: 34099856)  
(Prosus)  
Euronext Amsterdam and JSE share code: PRX ISIN:  
NL 0013654783

### Directors

J P Bekker (chair), B van Dijk (chief executive),  
E M Choi, H J du Toit, C L Enenstein, D G Eriksson,  
M Girotra, R C C Jafta, F L N Letele, D Meyer,  
R Oliveira de Lima, S J Z Pacak, V Sgourdos,  
M R Sorour, J D T Stofberg, B J van der Ross

### Company secretary

G Kisbey-Green

### Registered office

Symphony Offices  
Gustav Mahlerplein 5  
1082 MS Amsterdam  
The Netherlands  
Tel: +31 20 299 9777  
[www.prosus.com](http://www.prosus.com)

### Auditor

PricewaterhouseCoopers Accountants N.V.

### 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

### JSE transfer secretary

Computershare Investor Services Proprietary Limited  
Rosebank Towers, 15 Biermann 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

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(Registration number: 1969/004763/06)  
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### ADR programme

The Bank of New York Mellon maintains a GlobalBuyDIRECT<sup>SM</sup> plan for Prosus N.V.  
For additional information, please visit The Bank of New York Mellon's website at [www.globalbuydirect.com](http://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<sup>SM</sup>, Church Street Station, PO Box 11258, New York, NY 10286-1258, USA.

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## Important information

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