

prosus

Summarised consolidated financial statements

for the year ended 31 March 2021

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

**Improving everyday
life for millions of
people...**



prosus

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Chair's letter

Dear Shareholder

I am pleased to invite you to the virtual annual general meeting (AGM) of Prosus N.V. (the company or Prosus). This will be held at 14:00 (Central European time) on Tuesday, 24 August 2021.

Due to the continued impact of the Covid-19 pandemic, the AGM will be held virtually without the option for shareholders to participate in person in accordance with the Temporary Act Covid-19 Justice and Safety (the Temporary Act). Should the Temporary Act no longer apply on 24 August 2021, the meeting will be held on the same date and the same time at the offices of ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands (that may be subject to applicable restrictions on in-person visits). We will, in any event, ensure virtual access to the AGM in a manner consistent with the arrangements for a virtual meeting. Virtual participation will be subject to our terms and conditions for general meetings.

At the AGM we'll review challenges and opportunities the past year imposed upon or offered the group. Our chief executive, Bob van Dijk, will update you on progress of the business. Some presentations regarding other items on the agenda will follow. Then we'll have a full Q&A session on all matters tabled, before we vote on the relevant resolutions.

The past financial year marked the retirement of Don Eriksson as a director of Prosus and our parent company, Naspers Limited (Naspers). Don has been a director of Naspers for five years and served as chair of the Prosus and Naspers audit and risk committees and the Naspers social, ethics and sustainability committee. He played a key role in transforming Naspers, and subsequently Prosus, into one of the top 10 global consumer internet companies by market capitalisation. On behalf of the board, I thank Don for his immensely valuable contribution to our board and excellent leadership of these committees.

As announced on 4 March 2021, the board decided to nominate Mrs Angelien Kemna for appointment as a non-executive director of Prosus.

Full explanations of all proposed resolutions are set out in notes to follow. The board believes that all proposals to be put to you at the AGM are in the best interest of Prosus and all its 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 annual general meeting is an important opportunity for all shareholders to ask 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 a response to a question asked, it would be helpful if you could submit it in advance of the AGM, but ultimately before 21 August 2021, at 14:00 CET.

Further questions may be posed during the meeting by those shareholders who submitted questions timeously in advance. Of course, you are also invited to email them, should you wish, to GeneralMeeting@prosus.com.

Alternatively, you may find the answer to your question on our website at www.prosus.com.

Enclosed with this letter you will find a notice of the AGM being convened, together with an agenda and explanatory notes. Year-end documents are available on our website at 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, please do so no later than 17:30 (CET) on Tuesday, 17 August 2021.

Please refer to information provided in the notice. All your votes are important to us and I would urge you to cast your vote. For those of you who are registered in Prosus's register of shareholders, we have enclosed a power of attorney with voting instructions.

You may also cast your vote electronically in real time during the virtual AGM. Requirements are set out in the notice.

The results of the AGM will be announced at the end of the meeting. Subsequently, also via a press release and on the Prosus website at www.prosus.com/news soon after the conclusion of the meeting.

Our board looks forward to engaging with you virtually on 24 August 2021.

Yours sincerely



Koos Bekker
Chair

19 June 2021

Commentary

Our board is immensely proud of what our people achieved during the past year. They managed the pandemic, delivered powerful revenue growth and lifted profitability. Foundations were laid for future growth.

The year ended 31 March 2021 (FY21) was an extraordinary period. Despite the challenges, the group has delivered strong results across its portfolio and made good progress against its strategy. Group revenue, measured on an economic-interest basis, grew 34% (33%) to US\$28.8bn, a meaningful acceleration of 17pp (10pp) on the same period last year. Group trading profit grew 49% (44%) to US\$5.6bn.

Seven years ago, we set out a strategy to build valuable, global consumer internet businesses. We focus on high-growth markets, where our platforms can provide useful products and services for millions of people in their everyday lives. In recent years, we have deliberately repositioned the group for an increasingly online world and invested effectively to accelerate growth and deliver good returns across our portfolio.

Over the past 12 months, this strategy and the momentum we have built has paid off. The group has benefitted from its online focus, its global reach, diversified operations and strong financial footing. Our teams have also adapted well to the changing operating environment.

This has meant we have been well placed to effectively respond to the world's increased demand for online products and services which has been triggered by Covid-19. Our businesses across online classifieds, food delivery, payments and finance technology, education technology and online retail have continued to serve and support their customers and communities. We have also identified promising adjacencies for our existing businesses as well as new business models through our global ventures team.

In FY21 our businesses grew stronger, building on the momentum they had at the end of the previous year. For some businesses, there was initial adverse impact in the face of early lockdowns and restrictions. We adapted quickly, and as restrictions eased and the pandemic drove more people online, we were ready to meet heightened consumer demand with products and services that helped people and their communities through difficult times. At a local level, we also provided additional support to our people, partners, customers, communities and in some cases, governments, to help our stakeholders respond to Covid-19. Separately, we enhanced our commitment to environmental and social issues and we are carbon neutral as a group, having offset our emissions for the past financial year.

During the period, we accelerated revenue growth, improved profitability and cash generation, and grew customer numbers. All core ecommerce segments made progress against their financial and strategic objectives. Classifieds performed well under tough circumstances and recovered strongly in the second half, regaining financial and operational momentum by focusing on continued innovation with products that support users along their transaction journey. Food Delivery and Etail performed exceptionally well as customers shifted from offline to online. After an initial drop in volumes in India as the country entered lockdown, our Payments and Fintech business rebounded, reflected in accelerating volumes. Finally, our investments in Edtech began to bear fruit, driven by increased adoption by students working from home.

Tencent recorded another strong financial performance. We believe it remains very well positioned for growth. We remain committed long term investors in Tencent.

We are focused on building further value across our businesses and see significant upside in some new opportunities in which we have invested. Notably, in

adding the autos transaction businesses to our Classifieds operations, a broader on-demand delivery ecosystem in our Food Delivery segment, expanding into digital banking in Payments and Fintech, and in the promising new segment of Edtech, which will be reported on from 1 April 2021.

Over the years, we have increased our financial flexibility, allowing the group to pursue its growth objectives. This has enabled us to invest in expansion and in ourselves. To illustrate this, we announced a US\$5bn share purchase programme of Naspers and Prosus stock. This was implemented through on-market acquisitions of US\$1.4bn Prosus N ordinary shares, completed in February 2021. In addition, US\$3.6bn Naspers N ordinary shares, which will be completed by the end of June 2021.

Prosus voluntary share exchange offer to Naspers shareholders

On 12 May 2021, we announced a voluntary share exchange offer to acquire 45.4% of Naspers shares. We believe this is a useful step in unlocking value for both Naspers and Prosus shareholders by reducing Naspers's outsized weighting on the Johannesburg Stock Exchange (JSE). It will also help Prosus in more than doubling its free float on the stock market to 59.7%. Naspers shareholders will derive immediate value accretion from exchanging their shares into the lesser-discounted Prosus shares. This value should compound at a lower discount over time as Prosus's value grows. Naspers shareholders will also benefit from net asset value (NAV) accretion at the Prosus level. Importantly, while we are resizing Naspers on the JSE for the long term, it remains the largest company in South Africa by market capitalisation. For Prosus shareholders, buying Naspers shares at a higher discount will be NAV accretive, as Prosus will buy high-discount shares with lower-discount shares. The transaction should unlock billions of dollars of value and assist future value creation. Further, it addresses a driver of Naspers's discount by almost halving its index weighting, while remaining South

Africa's most valuable company on the JSE. In addition, it improves Prosus's investment profile, increasing its free float's economic exposure to NAV by over 100%. It is backed by a US\$5bn buy-back to support the transaction and stimulate orderly trading. The transaction is expected to close in the third quarter of 2021. For further details, please go to <https://www.share-exchange-offer.com/>.

Given the wide geographical span of our operations as well as significant mergers and acquisitions (M&A) in Ecommerce, reported earnings are materially impacted by foreign exchange movements and the effects of acquisitions and disposals. Where relevant in this report, we have adjusted for these effects. 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 metrics is provided in the 'Other information - Non-IFRS financial measures and alternative performance measures' of these summarised consolidated financial statements.

FINANCIAL REVIEW

The group delivered strong results for the year ended 31 March 2021. Group revenue, measured on an economic-interest basis of US\$28.8bn, was driven by Ecommerce revenues which grew 46% (54%) year on year, and Tencent which grew 32% (28%) year on year. Group trading profit grew 49% (44%) to US\$5.6bn. Aggregated trading losses in our Ecommerce segments reduced by 45% (46%) or US\$353m to US\$429m. Trading profit of our profitable ecommerce businesses grew by 32% (37%) to US\$433m. Tencent's contribution to the group's trading profit improved 33% (29%).

Core headline earnings were US\$4.9bn - up 45% (39%), driven by improved profitability from our

Commentary (continued)

Ecommerce units and the growing contribution from Tencent.

On a consolidated basis, total revenue increased by US\$1.8bn, or 54%, from US\$3.3bn in the year ended 31 March 2020 to US\$5.1bn in the year ended 31 March 2021, primarily due to Food Delivery and Etail. Operating loss increased from US\$593m to US\$1.0bn despite the significant, improved performance in revenue and profitability across most of our segments. This was primarily due to an increase in the cash-settled share-based payment expense as a result of marked improvement in ecommerce and tech valuations. The strong performance of our businesses over the past year drove the increase in valuations of these businesses and therefore an increase in the cash-settled share-based payment liability.

Our equity-accounted results in equity-accounted companies increased by US\$3.2bn, or 81%, from US\$3.9bn in the year ended 31 March 2020 to US\$7.1bn in the year ended 31 March 2021. The increase is driven primarily by Tencent and Swiggy, which reported improved profitability during the year. The equity-accounted results include investment disposal gains of US\$1.1bn, impairment losses of US\$968m and net fair-value gains on financial instruments of US\$2.5bn.

In August and December 2020, Prosus raised US\$4.4bn in debt, comprising its longest-dated US dollar offering to date and its debut euro notes offering. Strong investor demand resulted in attractive pricing that reduced our average funding cost. The group has no debt maturities due until 2025.

We ended the period with a strong and liquid balance sheet. We had net debt of US\$3.1bn, comprising US\$4.8bn in cash and cash equivalents (including short-term cash investments), net of US\$7.9bn in interest-bearing debt (excluding capitalised lease liabilities). In addition, in April 2021, we received US\$14.6bn from the sale of a 2% interest in Tencent Holdings Limited. Proceeds from

¹ Free cash flow represents cash generated from operations, plus dividends received, minus capital expenditure, capital lease repayments and cash taxation paid.

this sale further strengthened our financial flexibility for further investment. We also hold an undrawn US\$2.5bn revolving credit facility. Overall, we recorded a net interest expense of US\$179m for the period.

Consolidated free cash inflow¹ was US\$126m, an improvement on the prior year's free cash outflow of US\$338m. This was driven by growth in our Ecommerce profitability, dividends received from Tencent of US\$458m (2020: US\$377m) and improved working capital management.

We continue to explore growth opportunities to expand our ecosystem and position the business for sustainable growth. Across the group, we invested US\$3.6bn, notably:

In our Classifieds unit, we merged letgo and OfferUp into a business with national reach across the United States (US), well positioned in a highly competitive market. As part of the transaction, we contributed US\$100m to support its continued growth and monetisation. We injected our Middle Eastern Classifieds assets into Emerging Markets Property Group (EMPG) and contributed US\$75m in a financing round that valued the business at over US\$1bn. Our joint venture OLX Brazil completed the US\$520m (BRL2.9bn) acquisition of leading real estate vertical Grupo ZAP, strengthening its positioning in the real estate market.

In Food Delivery, we acquired an additional 8% interest in Delivery Hero on 31 March 2021 for US\$2.6bn to offset current and future dilution. We remain the largest shareholder.

In Payments and Fintech, we invested an additional US\$67m in Remitly to expand its suite of products.

Finally, we focused on increasing our exposure to Edtech by investing US\$60m in Eruditus, a global professional higher-education online platform. In November, we announced a total investment commitment of US\$500m in Skillsoft via Churchill

Commentary (continued)

Capital Corp II's special-purpose acquisition company, which closed in June 2021. The transaction creates a leading digital-learning company with a comprehensive suite of on-demand and live virtual content.

There were no new or amended accounting pronouncements effective 1 April 2020 with a significant impact on the group's consolidated financial statements.

Effective 1 April 2020, the group made a voluntary change to its accounting policy on the subsequent measurement of written put option arrangements with non-controlling shareholders. Subsequent changes in the carrying value of put option liabilities previously recognised in the income statement in 'Other finance income/(costs) - net' are now recognised through equity. We adopted this change in accounting policy retrospectively, but the impact is insignificant to the summarised consolidated statement of financial position as all previous remeasurements recognised through the income statement are already accumulated in equity as at the effective date of the change. Refer to note 2 for details.

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

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

SEGMENTAL REVIEW

Ecommerce

Ecommerce revenue grew 46% (54%) to US\$6.2bn, led by 98% (127%) growth in Food Delivery and 65% (54%) growth in Etail. In addition, our Classifieds, and Payments and Fintech segments reported solid results on the back of a sharp recovery to

pre-Covid-19 levels in the second quarter as governments eased lockdown regulations.

Aggregated trading losses in our Ecommerce segments reduced by 45% (46%) or US\$353m to US\$429m, driven by a US\$357m improvement in profitability from our Food Delivery and Etail businesses. For FY21, Etail reported a trading profit of US\$68m, compared to a US\$20m loss in the prior period. Classifieds as well as core Payments and Fintech remain profitable.

Revenues from our profitable Ecommerce businesses totalled US\$3.7bn, with trading profits of US\$441m, reflecting growth in local currency of 39% and 37% respectively.

Classifieds

Of all our segments, Classifieds was most affected by the global pandemic. Trade volumes initially declined after sudden and strict lockdowns in many markets, which reduced demand for large purchases and impeded physical transactions. We responded quickly by providing digital alternatives and investing in our customer relationships by offering discounts. Towards the end of the first quarter, as lockdowns eased and our customers discovered ways to cope with restrictions, traffic metrics quickly recovered and we regained momentum, supported by our innovations. Despite continued business disruptions from pandemic-related restrictions in many of our markets in the second half, Classifieds maintained strong growth. Average monthly active users (MAU) reached 322 million at year-end, compared to 300 million in the previous year. Buyers and paying listers also trended ahead of the prior financial year.

Classifieds ended a challenging year with a solid second-half performance, demonstrating the resilience of the business model, with high revenue growth and user adoption across the portfolio. During the year, we also witnessed consumers becoming more comfortable with online

Commentary (continued)

transactions. We expect this trend will continue to drive our strategic agenda – to develop an ecosystem of products and services to support our customers throughout their transaction journey.

Classifieds revenue grew 25% (18%) to US\$1.6bn from US\$1.3bn in FY20. This reflects the strong recovery in the second half, where revenues in local currency (excluding M&A) grew 36% compared to -3% in the first half of FY21.

Trading profit of US\$9m decreased from the prior year as the segment continued to develop and invest in products and solutions that provide a more efficient marketplace for its customers and drive long-term growth. Marketing investment also increased year on year, particularly in the second half when it steadily ramped up to aid the strong recovery and capitalise on market opportunities in some of our businesses. This resulted in a 2% drop in trading margin from the prior year.

Despite the challenges, our traditional online Classifieds business grew 10% (13%) for the year. This represents growth in local currency (excluding M&A) of 23% in the second half of the year compared to just 4% in the first half. Trading profit improved 2% (-5%) to US\$106m for the year. Founded on our product-centric mindset and strengthened by marketing investment, Russia and Europe remain the drivers of our Classifieds business.

During the year, we strengthened our full horizontal classifieds ecosystem by launching pay-and-ship in Poland and Brazil. We also enhanced our pay-and-ship proposition in Russia and Eastern Europe. We will continue to move deeper into our stronghold markets and categories, and expand our offering to enhance the journeys of those customers.

In Russia, Avito continued to invest in enhancing trust and safety across the platform and in building a customer-centric ecosystem. Offerings such as

pay-and-ship have resonated with customers in a contactless environment. These initiatives improved the customer experience, driving a 21% increase in monthly unique buyers for the year and 6% (20%) increase in revenue to RUB31bn (US\$415m). Trading profit remained strong, but decreased 16% (-3%) year on year. Trading margins were also strong, but declined to 40% from 51% in the prior year, reflecting the noted investments and increased marketing to reactivate growth after initial lockdowns.

In Europe, we continued to develop a dynamic customer-friendly ecosystem. We expanded our transactional adjacent footprint by acquiring KIWI Finance, a mortgage broker in Romania; Carsmile, a car-leasing provider in Poland; and Obido, a real estate platform for the primary market in Poland. In a very difficult operating environment, revenue grew 13% (11%) to US\$351m, driven by key markets in Poland, Ukraine and Romania. The business recovered strongly in the second half and revenues accelerated to US\$194m, growth of 21% in local currency, excluding M&A. The region delivered a healthy trading profit margin of 32% after investment, compared to 43% in the prior year. Poland, our largest market in Europe, generated revenue of PLN772m (US\$200m) for the year, up 8% (5%) despite a severe second Covid-19 wave and unfavourable macroeconomic conditions in the autos segment. The European business will continue to expand transactional models, accelerate pay-and-ship services across the region and rapidly develop the car-trading business in Poland.

In Brazil, operational metrics recovered to pre-pandemic levels in the second quarter of FY21. The business completed the acquisition of Grupo ZAP and VivaReal in November 2020, which contributed an additional BRL58m (US\$11m) in revenue for the second half. The integration of these organisations is progressing in line with plans, with a special focus on aligning commercial

Commentary (continued)

efforts. In total, the business generated revenues of BRL242m (US\$44m) for FY21, up 2% (2%) on the prior year. Revenues for the second half were BRL159m (US\$29m), 38% (10%) higher than the first half when OLX Brazil revenue declined 32% (5%). Trading losses reduced to US\$1m, resulting in a margin of -2% compared to -5% last year.

The transactions business, formed after the merger of Frontier Car Group, continued its strong momentum despite major disruptions at inspections centres across its markets. Transactions grew strongly in the second half as lockdown restrictions were relaxed. In the second half, 63 000 cars were sold, despite only 85% of inspections centres being operational on average, compared to 37 000 cars sold in the first half in our key markets in Latin America, India and Indonesia. In total, transactions revenue grew 59% (27%) to US\$625m for FY21. This reflects second-half growth of 61% in local currency, excluding M&A, compared to a decline of 23% in the first half when inspection centres were largely closed. Trading losses increased 39% (6%) to US\$97m for the review period as the business continued to invest to facilitate end-to-end transactions with an ecosystem of online and offline solutions that enhance convenience and address trust and safety issues.

For our newly merged associates, OfferUp generated strong revenue growth in the US. This was led by the successful merger of the letgo US business, accelerating advertisement revenue and an increase in car transactions. In the Middle East, we merged operations in four markets, United Arab Emirates (UAE), Pakistan, Lebanon and Egypt, with EMPG, a leading classifieds portal with a geographic footprint across the Middle East and Southeast Asia. We retained a minority stake in the much larger entity.

Food Delivery

While tragic at a human level, the pandemic validated the group's investment thesis in Food

Delivery and accelerated the customer shift to online Food Delivery. Despite operational challenges presented by the pandemic, the segment recorded rapid growth in most portfolio companies, except India. In India, government-imposed lockdowns had a large impact on the business initially, although it steadily recovered to the end of the year. Importantly, our portfolio companies gained scale during the year and we believe post-pandemic prospects for on-demand Food Delivery remain positive worldwide.

The segment recorded 64% (70%) growth in gross merchandise value (GMV) and order growth of 52%, resulting in revenue growing 98% (127%). Similarly, trading losses improved 43% (42%) year on year from a loss of US\$624m in the prior year to US\$355m in FY21, benefiting significantly from scale efficiencies.

The segment's first-party (1P) logistics-enabled delivery continued to grow strongly and significantly faster than the third-party (3P) offering, justifying our investment to build the 1P service. iFood's 1P orders in Brazil accounted for 35% of total orders and exceeded the combined volumes of its competitors. Similarly, Delivery Hero shifted its business models to 1P and increased 1P share in total deliveries to 61% (+24pp year on year).

iFood maintained its strong position in Food Delivery in Brazil, with a growing presence in Colombia. Revenues grew 134% (205%) year on year, driven by increased customer engagement, higher order frequencies and expansion into loyalty programmes. For the year, iFood's restaurant base expanded by 73%, with 284 000 enabled restaurants now on the platform. Strong order and revenue growth meaningfully improved trading losses, which dropped US\$204m (US\$192m) or 83% (81%) to US\$43m for the year.

Delivery Hero maintained its strong presence in 50 markets globally. For the year to 31 December

2020, it reported order growth of 96% and GMV growth of 66% to €12.4bn. Total segment revenue growth was strong at 95% to €2.8bn. Our share of Delivery Hero's revenues and trading losses were US\$615m and US\$195m respectively. By the end of 2020, Delivery Hero achieved its goal to operate over 400 Dmarts (small Delivery Hero-owned warehouses in strategically relevant locations for delivery). It now operates 603 Dmarts across the world, catering to evolving customer needs with an increased focus on convenience and speed of delivery. In March 2021, Delivery Hero closed the transaction on Woowa Brothers Corp. Woowa operates the largest online food-delivery platform in South Korea and, in 2020, processed 729 million orders (+75%) and generated GMV of €11.6bn.

Following the Woowa transaction, the group acquired 8.18% additional ownership in Delivery Hero for US\$2.6bn. This will offset existing and future dilution from convertible issuances, employee exercises and stock issuances. After being diluted down to 16.81%, this purchase increased our shareholding in Delivery Hero to 24.99%. Prusus has a long-standing relationship with Delivery Hero - we want to remain a significant shareholder, but do not intend to buy more shares at this time. More information on Delivery Hero's results is available at <https://ir.deliveryhero.com>.

While the pandemic accelerated the shift to online across the board, government-imposed lockdowns and restrictions in India led to different dynamics, with some setbacks for Swiggy. At the onset of the pandemic, restrictions diminished restaurant supply, restaurant workers and delivery partners and led to supply chain disruptions. To navigate the new operating environment, Swiggy reduced overhead costs and reactivated users through various promotions. After restrictions eased during the year, the market gradually recovered. GMV was at 100% of pre-Covid-19 levels by December 2020. Swiggy's revenue contribution grew a modest 2% (3%), but due to proactive initiatives, our share of its trading

losses for the period improved by a meaningful 59% (58%). Since year-end, the situation in India has deteriorated. While the impact on Swiggy has not been as extensive as at the onset of the pandemic, many people and their communities are facing significant challenges. We continue to monitor the situation carefully and at a group level we are making further contributions to the country's response to the pandemic through a partnership with Phillips to donate much-needed ventilators.

Even before the pandemic, the food-delivery market was on the cusp of a tech-enabled shift in dining habits, with increasing numbers of meals being ordered for delivery as people switched from home cooking and on-premises dining in restaurants. However, online Food Delivery still accounts for under 10% of global food service spending. Given the high-frequency use patterns, promising engagement metrics and growing importance of convenience in people's daily lives, we believe the opportunity is now broader than we initially envisioned.

We expect an evolution towards a broader on-demand delivery ecosystem. The restaurant category is massive in its own right and remains our core focus. However, we have identified the opportunity to serve as a one-stop destination for a variety of products and services where we can offer express, on-demand delivery characterised by more frequent touchpoints with customers. The focus is on verticals such as convenience groceries and logistics. These fit well with the core food-delivery business, and are logical and synergistic extensions.

Payments and Fintech

Our Payments and Fintech segment reported strong financial results, despite the setback in India in the early months of the pandemic. Revenue grew 35% (36%) to US\$577m and trading losses remained flat for the year at US\$68m compared to US\$67m in the prior year. Increased profitability from the payments

Commentary (continued)

service provider (PSP) business partially offset continued investment in the credit business. Trading profit in the core PSP business grew 150% (150%) to US\$15m.

PayU continues to benefit across its markets from the shift in consumer behaviour to transacting online, and small and medium-sized enterprises digitising their business models. Total payment value (TPV) was US\$55bn, up 45% (51%), supported by a 38% increase in number of transactions.

Our Global Payments Operations (GPO), mainly in Europe and Latin America, maintained the accelerated growth rates of the first half, as consumer preferences remained online and local regulations supported digital purchases. GPO processed volumes grew 54% (51%) to US\$28bn, driven by a 51% increase in transactions processed. The acquisition of Iyzico has strengthened our position in Turkey, with volumes in the region doubling over the year.

India, our largest market, was affected in the first quarter by the country's severe lockdown restrictions. These led to a halt in the travel and hospitality sector and major supply chain disruptions. India's TPV increased 24% in the first half. As regulations eased and digital payments adoption increased, the business recovered strongly and TPV grew 59% in the second half. This was supported by higher online transactions in ecommerce and a decline in cash-on-delivery, both positive trends for the business long term. Additionally, diversifying into resilient segments like financial services, education and bill payments offset the decline in the travel and hospitality segment. After a strong second half, total payment value grew 37% (42%) to US\$27bn. This saw the business more than double its transaction volumes from US\$12bn in FY18, despite challenging circumstances, through innovation and revenue diversification.

In December 2019, we increased our investment and acquired PaySense, expanding our Indian credit product offering and book size. In response to the pandemic's impact on the economy, the regulator imposed a loan moratorium to end-August 2020. We minimised our loan disbursements in the first half to manage portfolio risk. In the second half, loan disbursements were gradually reinstated, with issuances of US\$134m in FY21 and a year-end loan book of US\$64m. We are optimistic about the credit opportunity but, given the current situation in India, we will remain prudent and manage our risk.

In August 2020 and October 2020, PayU invested an additional US\$53m and US\$14m respectively in Remitly, our investment in the cross-border remittances sector. The future of remittances has always been digital, but that shift accelerated rapidly during the year on the demand for safe and convenient solutions to send money. Remitly doubled new customer numbers. Customers who once relied on traditional bricks-and-mortar remittance providers shifted to digital solutions to continue sending money to friends and family across the world. The latest funding enables Remitly to continue innovating to accelerate growth and expand into digital banking, providing inclusive financial services for unserved populations globally.

Etail

eMAG in Romania, Hungary and Bulgaria adapted well to the pandemic. They continued to give consumers best-in-class convenience, selection and value, while prioritising the safety of our customers and people. Revenue grew 65% (54%) to US\$2.2bn and trading profit grew to US\$80m, representing a trading profit margin of 4% from -1% last year. This was driven by record GMV of US\$2.7bn, or 61% (52%) year-on-year growth. The business continues to benefit from pandemic tailwinds, albeit not at the same pace as the first half when shops had to close under governments' lockdown measures, and revenue grew 84% (69%) in this period. eMAG

Commentary (continued)

reported 53% (45%) revenue growth in the second half, which is still impressive.

During the year, both 1P and 3P sales accelerated, and continued expansion of the 3P business broadened the product offering for customers. Thousands of new customers were drawn to the eMAG platform and are expected to keep purchasing from eMAG in the years ahead. To enhance its value proposition to new and existing customers alike, eMAG introduced its Genius loyalty programme, which offers faster delivery, access to exclusive discounts and other benefits. To support its continued growth, eMAG has started developing its new distribution centre in Romania.

Tencent

Tencent performed well throughout the pandemic. This reflected the strength of its diversified portfolio of products, businesses and investments, and the leadership team's prompt and focused management in response to the fast-changing environment.

For the year ended 31 December 2020, Tencent's revenue of RMB482bn was up 28% year on year. Non-IFRS profit attributable to shareholders (Tencent's measure of normalised performance) grew 30% to RMB123bn.

Revenues from value-added services increased 32% to RMB264bn, with online games revenues growing 36% to RMB156bn and social networks revenues rising 27% to RMB108bn. Revenues from fintech and business services increased 26% to RMB128bn, and revenues from the online advertising business rose 20% to RMB82bn.

Tencent continued to lead in China, with ten of the top 20 mobile apps. Combined MAU of Weixin and WeChat increased 5% to 1.23 billion. The Weixin Mini Program ecosystem became increasingly vibrant, with daily active users (DAU) passing the 400 million mark and annual transaction volume

more than doubling. QQ increased stickiness among young users by enriching interactive experience, and catering to their entertainment and online learning needs.

Tencent extended its domestic game industry leadership, with six of the top 10 mobile games by DAU. It also strengthened its global leadership in online games via self-developed franchises and intellectual property (IP) collaboration with partners and investee companies. International games revenues rose to 25% of total online games revenues in the fourth quarter of 2020.

Tencent's mobile payment platform maintained its leadership in China. It continued to grow with more daily active consumers and increasing adoption in verticals, including retail, public services and groceries. Tencent has been working closely with regulators and industry partners to continue delivering compliant fintech products. Aggregated customer assets under wealth management services grew strongly year on year.

Despite the challenging economic environment, Tencent achieved robust advertising revenue growth by progressively integrating its advertising platforms and expanding its mobile ad network. Registered subscriptions for value-added services grew 22% year on year to 220 million. Tencent maintained its leadership position in long-form video, with 123 million subscriptions.

Tencent has been working relentlessly to facilitate the structural shift to remote working via product innovation. Tencent Meeting has become the largest standalone app for cloud conferencing in China, and its new enterprise version adopted by the energy, healthcare and education industries. WeCom, the enterprise version of Weixin, has become an integral communications tool for remote workplaces, serving over 5.5 million enterprise

Commentary (continued)

customers to connect them internally and to over 400 million Weixin users.

Tencent will continue to focus on user value, harnessing the power of technology to develop innovative products and services and create value for all stakeholders.

More information on Tencent's results is available at www.tencent.com/en-us/ir.

Mail.ru

For the year ended 31 December 2020, Mail.ru's segmental revenues grew 21% to RUB107bn. Non-IFRS earnings before interest, taxation, depreciation and amortisation (EBITDA) (Mail.ru's measure of normalised performance) declined 7% to RUB27bn, due to increased investments in VKontakte (VK) and Odnoklassniki (OK) ecosystems to accelerate growth.

Mail.ru reached 95% of Russia's internet users across its platforms. It continued to innovate and expand into new areas, including ecommerce, mobility, food delivery, fintech, cloud and artificial intelligence (AI). VK maintained its leadership in the domestic social media, with MAU increasing 5% to 73.4 million, driven by continuous product innovation such as VK Mini Apps and VK Connect.

Mail.ru extended its domestic game industry leadership, with solid performances in established and newly acquired titles. It also strengthened its global expansion, with international revenues accounting for 75% of online games revenue.

The O2O (online-to-offline) joint venture with Sberbank recorded strong growth in ready-to-eat Food Delivery, e-grocery and ride-sharing verticals. Driven by continuous improvement in logistics and customer service, AliExpress Russia continued to scale, with MAU reaching 29 million.

Mail.ru raised US\$600m through a capital increase of US\$200m and US\$400m in convertible bonds due in 2025. The proceeds will mainly be used to

finance organic growth in existing verticals, strategic M&A opportunities in high-growth verticals, and investments in O2O (e.g. AliExpress Russia) joint ventures. Prosus participated in the capital raise. Following this investment, the group holds a 27% effective interest in Mail.ru.

Looking ahead, Mail.ru will continue to transition its strong and well-diversified product portfolio and partnerships into a broader internet ecosystem via cross-selling and deeper integration.

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

PROSPECTS

A new Covid-19 wave is affecting some of our markets, but we remain confident that our plans and firm financial position will ensure we manage potential impacts. Generally, the fundamentals of all our businesses are strong and each is well positioned to benefit from accelerating growth trends in the consumer internet market.

To improve our financial flexibility and reinforce our balance sheet, in April 2021 we sold 2% of Tencent's total issued share capital. This generated proceeds of US\$14.6bn and reduced our stake from 30.9% to 28.9%. We will use these proceeds to increase our financial flexibility to fund continued growth, particularly in our core segments and emerging sectors.

We have two decades of experience investing in high-growth, complex and volatile internet markets. We are patient long-term investors with an excellent track record of returns. We will continue to deploy capital in our core segments as opportunities arise. We are strong believers in Tencent and intend to remain investors for the long term. As such, post the sale in April, we committed to not selling any Tencent shares for at least the next three years.

With increased consumer consumption online, our focus will remain on building bigger businesses. We

will invest in expanding ecosystems and improve platform competitiveness by investing in technology and product; also reinforcing our AI capabilities.

Finally, we remain committed to taking the right actions to unlock value for all our shareholders, as well as addressing the discount to NAV of the company.

CHANGES TO SHARE APPRECIATION RIGHTS SETTLEMENT MECHANISM

In April 2020, the board approved a prospective change in the settlement mechanism for the group's share appreciation rights (SARs) plans from settling in Naspers N ordinary shares to using cash resources for settlement. The change had no impact on the Prosus consolidated accounts but has resulted in a change to how the group measures trading profit or loss in its segmental reporting. The trading profit and core results discussed above include the impact of the group's SAR scheme share-based compensation expenses, based on the grant date fair value for cash-settled share-based compensation benefits. It therefore excludes the remeasurement portion of the group's cash-settled share-based compensation liability for these plans. While this presentation is different from that reported for the six months ended 30 September 2020, the chief operating decision-maker (CODM) simultaneously reviewed segment information, excluding the remeasurement. As a result, management decided to present trading profit and core headline earnings for the year, excluding the remeasurement, which will be the new definition applied going forward. The change has no impact on March 2020 comparative matrixes, as the treatment is consistent with the prior year when the settlement was in Naspers N ordinary shares.

RISKS

Our entrepreneurial spirit drives us to pursue opportunities, from which we derive and prioritise our strategic and operational objectives. In doing

so, sustainability considerations, including ethical behaviour, as well as legal and regulatory compliance, are integral. Despite inevitable uncertainties, we are determined to achieve our goals. We know that success in pursuing our objectives depends on how well we understand and manage associated risks, so that we can accept them responsibly.

Our board oversees how we govern risks and opportunities, and sets the parameters in which risks are managed. Our businesses are required to operate within those principles and limits, with regular reports to our board. Specific risks and uncertainties appear in the annual report for FY21 in the section 'Managing risks and opportunities'. The report describes what we consider key risks that could have a material effect on Prosus's financial position and results, and mitigating measures. In addition, in the section 'Responding to Covid-19', the report sets out our response to the pandemic that affected the group during the financial year, and which continues to receive our undivided attention.

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.

SUSTAINABILITY

At Prosus, we are committed to improving everyday life for millions of people by building leading companies around the world. Sustainability has always been at the core of who we are.

We aim to extend our commitment with a greater focus on the material sustainability topics highlighted by our stakeholders for a progressively greater positive impact. We take our responsibility seriously, reflected in the board-approved group sustainability plan that identifies specific sustainability goals. Visible changes to our planet,

Commentary (continued)

a growing population and resource challenges all add to the urgency surrounding the need to implement more effective green solutions, faster.

Mindful of our own environmental footprint, this year we committed to being carbon-neutral at group level (central functions, ventures, South Africa) on scope 1 (use of solid fuels, like diesel) and scope 2 emissions (energy for electricity) by the end of the current year (FY22). This goal is cascaded across our majority-owned businesses to measure and report scope 1 and 2 emissions and produce a plan for carbon-neutrality (scope 1 and 2 emissions) by the end of FY23.

To achieve this goal, we are focusing on three strategic priorities to be implemented over a longer period:

- Reduction opportunities through efficient use of resources.
- Replace with renewable-energy procurement.
- Offsetting unavoidable emissions.

Through our corporate social responsibility projects, we support the use of technology to solve social challenges. As one example, via our Prosus social impact challenge for accessibility programme in India, we encourage, mentor and reward start-ups addressing accessibility using innovative tech.

Prosus has committed US\$250 000 over three years to this project and will award grants to the top three start-ups each year. This year, the top three – Sohum, Neomotion and Stamurai – received grants of US\$35 000, US\$25 000 and US\$17 000 respectively.

DIRECTORATE

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 Naspers social, ethics and sustainability committee. The board thanks him for his thoughtful and valuable contribution to these committees.

From 26 June 2020, Ying Xu was appointed as an independent non-executive director.

From 21 August 2020, Steve Pacak was appointed as an independent non-executive director on the audit committee.

On 1 April 2021, Don Eriksson, independent non-executive director, retired from the board and the audit, risk, and social, ethics and sustainability committees. The directors thank him for his immensely valuable contribution to the board and excellent chairmanship of these committees.

Steve Pacak was appointed chair of the audit and risk committees and Debra Meyer chair of the newly formed sustainability committee. As announced on 4 March 2021, the board will nominate Angeliem Kemna for appointment as an independent non-executive director of Prosus. Subject to this being approved at the annual general meeting, she will become a member of the audit committee to fill the vacancy arising on the retirement of Don Eriksson.

DIVIDEND NUMBER 2

(All figures in euro cents unless stated otherwise.)

The board recommends that a distribution is made to the Prosus shareholders, in the form of a capital repayment, of 14 euro cents per ordinary share N. If the exchange offer transaction announced by Prosus on 12 May 2021 is implemented and settlement takes place, the distribution on the ordinary shares N held by Naspers will be capped at Naspers's effective economic interest percentage of the total distribution as outlined in the amended articles of association. Simultaneously to the distribution of the ordinary shares N, a distribution will be made on the ordinary shares A1, and, if the exchange offer is implemented and settled, the ordinary shares B, in each case in accordance with the distribution rights attached to such shares under the articles of association.

Holders of ordinary shares N as at 29 October 2021 (the Dividend Record Date) who do not wish to receive a capital repayment can elect to receive a dividend instead. A choice for one option implies an opt-out of the other option. If confirmed by shareholders at the Prosus annual general meeting on 24 August 2021, elections to receive a dividend instead of a capital repayment will need to be made by holders of ordinary shares N by 15 November 2021. Capital repayments and dividends will be payable to shareholders recorded in the books on the Dividend Record Date and paid on 24 November 2021. Capital repayments will be paid from share capital for Dutch tax purposes. No dividend tax will be withheld on the amounts of capital reductions paid to shareholders. Holders of ordinary shares N electing to receive a dividend will receive a dividend declared from retained earnings.

Dividends will be subject to the Dutch dividend tax rate of 15%. Dividends payable to holders of ordinary shares N who elect to receive a dividend and who hold their ordinary share N through the listing of the company on the JSE will, in addition to the Dutch dividend withholding tax, be subject to South African dividend tax at a rate of up to 20%. The amount of additional South African dividend tax payable will be calculated by deducting from the 20% South African dividend tax otherwise due, a rebate equal to the Dutch dividends tax paid in respect of the dividend (without any right of recovery). Those shareholders, unless exempt from paying dividend tax or entitled to a reduced withholding tax rate in terms of an applicable tax treaty, will be subject to a maximum of 20% total dividend tax. Holders of ordinary shares N that do not elect for a dividend will automatically receive a capital repayment which will not be subject to Dutch and South African dividend tax.

The issued share capital as at 19 June 2021 was 1 612 777 577 ordinary shares N (excluding 11 874 493 ordinary shares N held by the company as treasury shares) and 3 511 818 ordinary shares A1.

INDEPENDENT AUDIT

The summarised consolidated financial statements have been derived from the consolidated financial statements included in our 2021 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 2021 annual report dated 19 June 2021 and published on 21 June 2021.

On behalf of the board



Koos Bekker
Chair



Bob van Dijk
Chief executive

Amsterdam
19 June 2021

Summarised consolidated income statement

for the year ended 31 March 2021

	Notes	Year ended 31 March	
		2021 US\$m	Restated* 2020 US\$m
Revenue from contracts with customers	6	5 116	3 330
Cost of providing services and sale of goods		(3 455)	(2 177)
Selling, general and administration expenses		(2 614)	(1 762)
Other (losses)/gains - net	8	(87)	16
Operating loss		(1 040)	(593)
Interest income	7	83	201
Interest expense	7	(262)	(223)
Other finance income - net	7	177	61
Share of equity-accounted results	10	7 095	3 930
Impairment of equity-accounted investments		(30)	(21)
Dilution gains/(losses) on equity-accounted investments		1 000	(52)
Net gains on acquisitions and disposals	8	309	434
Profit before taxation		7 332	3 737
Taxation ¹		67	(75)
Profit for the year		7 399	3 662
Attributable to:			
Equity holders of the group		7 449	3 771
Non-controlling interests		(50)	(109)
		7 399	3 662
Per share information for the year			
Earnings per ordinary share (US cents)		459	232
Diluted earnings per ordinary share (US cents)		450	228
Headline earnings for the year (US\$m)	5	5 840	2 742
Headline earnings per ordinary share (US cents)		360	169
Diluted headline earnings per ordinary share (US cents)		351	165
Net number of ordinary shares issued ('000)			
- weighted average for the year		1 623 157	1 625 354
- diluted weighted average for the year		1 623 157	1 625 354

* Refer to note 2 for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

¹ Refer to note 11 for details on the tax credit.

Summarised consolidated statement of comprehensive income

for the year ended 31 March 2021

	Note	Year ended 31 March	
		2021 US\$m	Restated* 2020 US\$m
Profit for the year		7 399	3 662
Total other comprehensive income/(loss), net of tax, for the year		9 049	(1 406)
Items that may be subsequently reclassified to profit or loss			
Translation of foreign operations		1 985	(1 361)
Share of equity-accounted investments' movement in other comprehensive income (OCI)		(424)	123
Items that may not be subsequently reclassified to profit or loss			
Fair-value gains/(losses) on financial assets through OCI		669	(282)
Share of equity-accounted investments' movement in OCI and NAV ¹	10	6 819	114
Total comprehensive income for the year		16 448	2 256
Attributable to:			
Equity holders of the group		16 460	2 402
Non-controlling interests		(12)	(146)
		16 448	2 256

* Refer to note 2 for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

¹ This relates primarily to gains on translation of the group's equity-accounted investment in Tencent as well as increases in share prices of its listed investments.

Summarised consolidated statement of financial position

as at 31 March 2021

		Year ended 31 March	
		2021	Restated*
Notes		US\$m	US\$m
Assets			
Non-current assets		48 583	26 655
		443	377
Property, plant and equipment		2 102	2 169
Goodwill	9	782	844
Other intangible assets		40 556	22 233
Investments in associates	10	158	72
Investments in joint ventures		4 494	886
Other investments and loans	14	16	4
Other receivables		9	55
Derivative financial instruments		23	15
Deferred taxation		7 145	9 109
Current assets		7 145	9 109
		321	213
Inventory		150	111
Trade receivables		621	529
Other receivables and loans		18	-
Derivative financial instruments		1 253	-
Other investments	13	1 211	3 873
Short-term investments		3 571	4 181
Cash and cash equivalents		7 145	8 907
Assets classified as held for sale	12	-	202
Total assets		55 728	35 764
Equity and liabilities			
Capital and reserves attributable to the group's equity holders		43 069	29 100
		612	606
Share capital and premium		5 818	(2 260)
Other reserves		36 639	30 754
Retained earnings		117	214
Non-controlling interests		43 186	29 314
Total equity		43 186	29 314
Non-current liabilities		8 535	4 303
		173	184
Capitalised lease liabilities		7 860	3 508
Liabilities - interest bearing	14	48	20
- non-interest bearing		227	402
Other non-current liabilities		32	2
Derivative financial instruments		195	187
Deferred taxation		4 007	2 147
Current liabilities		4 007	2 147
		102	63
Current portion of long-term debt		344	291
Trade payables		3 534	1 688
Accrued expenses and other current liabilities ¹		16	9
Provisions		2	38
Derivative financial instruments		9	32
Bank overdrafts		4 007	2 121
Liabilities classified as held for sale	12	-	26
Total equity and liabilities		55 728	35 764

* Refer to note 2 for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

¹ The increase in the carrying amount relates primarily to the increase in the current portion of the cash-settled share-based payment liability as well as the current portion of the written put option liabilities. These liabilities are US\$897m and US\$1.2bn respectively.

Summarised consolidated statement of changes in equity

for the year ended 31 March 2021

	Share capital and premium US\$m	Foreign currency translation reserve US\$m	Valuation reserve US\$m
Balance at 1 April 2019	599	(1 448)	641
Change in accounting policy*	-	-	-
Restated balance at the beginning of the year	599	(1 448)	641
Total comprehensive income for the year	-	(1 201)	(597)
Profit for the year (restated)*	-	-	-
Total other comprehensive loss for the year	-	(1 201)	(597)
Distribution ¹	-	-	-
Share capital movement	6	-	-
Share-based compensation movements	-	-	-
Share-based compensation expense	-	-	-
Transfers to retained earnings	-	-	-
Other share-based compensation movements ²	-	-	-
Transactions with non-controlling shareholders	-	-	-
Direct equity movements	1	2	(42)
Direct movements from associates	-	-	(31)
Transfer of reserves as a result of disposals	-	-	(11)
Other direct movements	1	2	-
Remeasurement of written put option liabilities*	-	-	-
Other movements ³	-	-	-
Balance at 31 March 2020	606	(2 647)	2

* Refer to note 2 for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

¹ Relates to the distributions as a result of common control transactions.

² Includes contributions made to Naspers share trusts of US\$78.8m (2020: US\$27.3m), as well as the modification of equity-settled schemes.

³ The movement in business combination reserve relates mainly to the cancellation of written put option liabilities in the current year of US\$75.9m offset by a common control transaction of US\$67.2m. The movement in retained earnings relates to the transfer of reserves, as a result of various disposals and liquidations US\$31.3m. The prior year relates to the transfer of reserves as a result of various disposals and liquidations, to retained earnings of US\$61.6m and existing control business combination reserve of US\$8.5m.

Summarised consolidated statement of changes in equity (continued)

for the year ended 31 March 2021

Existing control business combination reserve US\$m	Share-based compensation reserve US\$m	Retained earnings US\$m	Shareholders' funds US\$m	Non-controlling interest US\$m	Total US\$m
(1 087)	1 687	26 858	27 250	132	27 382
(391)	-	391	-	-	-
(1 478)	1 687	27 249	27 250	132	27 382
-	429	3 771	2 402	(146)	2 256
-	-	3 771	3 771	(109)	3 662
-	429	-	(1 369)	(37)	(1 406)
-	-	(215)	(215)	-	(215)
-	-	(6)	-	-	-
-	(37)	(130)	(167)	(3)	(170)
-	63	-	63	(3)	60
-	(63)	63	-	-	-
-	(37)	(193)	(230)	-	(230)
(160)	-	(10)	(170)	231	61
(7)	(111)	157	-	-	-
-	(68)	99	-	-	-
-	(33)	44	-	-	-
(7)	(10)	14	-	-	-
53	-	-	53	-	53
9	-	(62)	(53)	-	(53)
(1 583)	1 968	30 754	29 100	214	29 314

Summarised consolidated statement of changes in equity (continued)

for the year ended 31 March 2021

	Share capital and premium US\$m	Foreign currency translation reserve US\$m	Valuation reserve US\$m
Balance at 1 April 2020	606	(2 647)	2
Total comprehensive income for the year	-	1 525	6 938
Profit for the year	-	-	-
Total other comprehensive income for the year	-	1 525	6 938
Repurchase of own shares ⁴	-	-	-
Share-based compensation movements	-	-	-
Share-based compensation expense	-	-	-
Transfers to retained earnings	-	-	-
Other share-based compensation movements ²	-	-	-
Transactions with non-controlling shareholders ⁵	-	-	-
Direct equity movements	6	(1)	(233)
Direct movements from associates	-	-	(235)
Transfer of reserves as a result of disposals	-	(1)	2
Other direct movements	6	-	-
Remeasurement of written put option liabilities*	-	-	-
Other movements ³	-	-	-
Dividends paid ⁶	-	-	-
Balance at 31 March 2021	612	(1 123)	6 707

* Refer to note 2 for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

¹ Relates to the distributions as a result of common control transactions.

² Includes contributions made to Naspers share trusts of US\$78.8m (2020: US\$27.3m), as well as the modification of equity-settled schemes.

³ The movement in business combination reserve relates mainly to the cancellation of written put option liabilities in the current year of US\$75.9m offset by a common control transaction of US\$67.2m. The movement in retained earnings relates to the transfer of reserves, as a result of various disposals and liquidations of US\$31.3m. The prior year relates to the transfer of reserves as a result of various disposals and liquidations, to retained earnings of US\$61.6m and existing control business combination reserve of US\$8.5m.

⁴ Shares repurchased in the current year, refer to note 14.

⁵ Relates primarily to transactions with non-controlling interest amounted to US\$399.3m (2020: US\$31.0m). This related primarily to the minority buy-out in Movile Mobile Commerce Holdings S.L., MIH Internet Sea Private Limited, Ietgo Global B.V., Frontier Car Group and Silver Indonesia JVCo B.V.

⁶ Dividend paid consists of US\$154.8m paid to Naspers and US\$58.2m paid to the non-controlling shareholders of the Prosus group. The dividend was approved on 18 August 2020 and was paid on 17 November 2020.

Summarised consolidated statement of changes in equity (continued)

for the year ended 31 March 2021

Existing control business combination reserve US\$m	Share-based compensation reserve US\$m	Retained earnings US\$m	Shareholders' funds US\$m	Non-controlling interest US\$m	Total US\$m
(1 583)	1 968	30 754	29 100	214	29 314
-	548	7 449	16 460	(12)	16 448
-	-	7 449	7 449	(50)	7 399
-	548	-	9 011	38	9 049
-	-	(1 416)	(1 416)	-	(1 416)
-	(66)	1	(65)	(19)	(84)
-	54	-	54	(19)	35
-	(42)	42	-	-	-
-	(78)	(41)	(119)	-	(119)
(255)	-	1	(254)	(66)	(320)
136	(4)	96	-	-	-
-	-	235	-	-	-
111	(4)	(108)	-	-	-
25	-	(31)	-	-	-
(508)	-	-	(508)	-	(508)
(2)	-	(31)	(33)	-	(33)
-	-	(215)	(215)	-	(215)
(2 212)	2 446	36 639	43 069	117	43 186

Summarised consolidated statement of cash flows

for the year ended 31 March 2021

	Notes	Year ended 31 March	
		2021 US\$'m	2020 US\$'m
Cash flows from operating activities			
Cash from operations		(52)	(475)
Interest income received		106	224
Dividends received from investments and equity-accounted investments		458	382
Interest costs paid		(248)	(230)
Taxation paid		(105)	(110)
Net cash generated from/(utilised in) operating activities		159	(209)
Cash flows from investing activities			
Acquisitions and disposals of tangible and intangible assets		(117)	(97)
Acquisitions of subsidiaries, associates and joint ventures	13	(1 980)	(865)
Disposals of subsidiaries, businesses, associates and joint ventures	13	241	109
Acquisition of short-term investments ¹		(1 208)	(3 866)
Maturity of short-term investments ¹		3 839	7 010
Loans advanced to related parties	16	(318)	-
Cash paid for other investments	13	(1 322)	(30)
Acquisition of Naspers shares ³		(2 350)	-
Cash movement in other investments and loans		(3)	9
Net cash (utilised in)/generated from investing activities		(3 218)	2 270
Cash flows from financing activities			
Repurchase of own shares	14	(1 415)	-
Proceeds from long- and short-term loans raised	14	4 593	1 300
Repayments of long- and short-term loans		(155)	(1 047)
Repayments of related party loans ²		-	(58)
Additional investment in existing subsidiaries ⁴		(270)	(64)
Dividends and capital repayments to shareholders		(214)	-
Contributions made to Naspers share trust		(79)	-
Distribution ⁵		-	(215)
Repayments of capitalised lease liabilities		(48)	(29)
Additional investment from non-controlling shareholders		53	127
Other movements in financing activities		(15)	3
Net cash generated from financing activities		2 450	17
Net movement in cash and cash equivalents		(609)	2 078
Foreign exchange translation adjustments on cash and cash equivalents		22	(37)
Cash and cash equivalents at the beginning of the year		4 149	2 127
Cash and cash equivalents classified as held for sale	12	-	(19)
Cash and cash equivalents at the end of the year		3 562	4 149

¹ Relates to short-term cash investments with maturities of more than three months from date of acquisition.

² The prior year includes payments on behalf of related parties amounting to US\$48.2m and US\$10.1m for loans advanced to related parties. Refer to note 16 for related party transactions and balances.

³ Relates to payments for the group's acquisition of Naspers shares included in fair value through other comprehensive income investments (US\$2.35bn).

⁴ Relates to transactions with non-controlling interest resulting in changes in effective interest of existing subsidiaries.

⁵ Relates to distributions as a result of common control transactions. Refer to note 16.

Notes to the summarised consolidated financial statements

for the year ended 31 March 2021

1. General information

Prosus N.V. (Prosus or the group) is a public company with limited liability (*naamloze vennootschap*) incorporated under Dutch law, with its registered head office located at Symphony Offices, Gustav Mahlerplein 5, 1082 MS Amsterdam, the Netherlands, (registered in the Dutch commercial register under number 34099856). Prosus is a subsidiary of Naspers Limited (Naspers), a company incorporated in South Africa. On 11 September 2019, Prosus was listed on the Euronext Amsterdam stock exchange, with a secondary listing on the JSE Limited's stock exchange and A2X Markets in South Africa.

The Prosus group is a global consumer internet group and one of the largest technology investors in the world. The summarised consolidated financial statements for the year ended 31 March 2021 have been authorised for issue by the board of directors on 19 June 2021.

2. 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 2021. These summarised consolidated financial statements contain the information required by IAS 34 Interim Financial Reporting (IAS 34) with the exception of IAS 34.20(b) 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 a complete set of financial statements prepared in accordance with IFRS-EU. The summarised financial information included in these financial statements is derived from the consolidated financial statements as included in the annual report for the year ended 31 March 2021. 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 at <https://www.prosus.com>.

There were no new or amended accounting pronouncements effective from 1 April 2020 that have a significant impact on the group's summarised consolidated financial statements.

The summarised consolidated financial statements presented here report earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share (collectively referred to as earnings per share). These are calculated as the relationship of the number of ordinary shares of Prosus issued (net of treasury shares) as at 31 March 2021, to the earnings and headline earnings attributable to the shareholders of Prosus. The group has in issue 1 624 652 070 N ordinary shares and 3 511 818 A ordinary shares to shareholders as at 31 March 2021.

All amounts disclosed are in millions of US dollars (US\$m) unless otherwise stated.

Operating segments

The group's operating segments reflect the components of the group that are regularly reviewed by the chief operating decision-maker (CODM) as defined in note 39 'Segment information' in the consolidated financial statements as included in the annual report for the year ended 31 March 2021. The group proportionately consolidates its share of the results of its associates and joint ventures in its disclosure of segment results in note 4.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

2. Basis of presentation and accounting policies (continued)

Information on the summarised consolidated financial statements (continued)

Lag periods applied when reporting results of equity-accounted investments

Where the reporting periods of associates and joint ventures (equity-accounted investments) are not coterminous with that of the group and/or it is impracticable for the relevant equity-accounted investee to prepare financial statements as of 31 March (for instance due to the availability of the results of the equity-accounted investee relative to the group's reporting period), the group applies an appropriate lag period of not more than three months in reporting the results of the equity-accounted investees. Significant transactions and events that occur between the non-coterminous reporting periods are adjusted for. The group exercises significant judgement when determining the transactions and events for which adjustments are made.

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 2021, the group recorded US\$4.77bn in net cash, comprising US\$3.57bn of cash and cash equivalents and US\$1.21bn in short-term cash investments. The group had US\$7.89bn of interest-bearing debt (excluding capitalised lease liabilities) and an undrawn US\$2.5bn revolving credit facility.

In assessing going concern, the impact of the Covid-19 pandemic on the group's operations and liquidity was considered in preparing the forecasts and in assessing the group's actual performance against budget. The board is of the opinion that the group has performed well during the current year and has sufficient financial flexibility to negate effects on the group and company's going concern that could result from the potential negative impact of Covid-19 on the group's businesses in the year subsequent to the date of these financial statements. Refer to note 3 for further information on the impact of the pandemic on the group's financial results.

Accounting judgements related to the cash flow classification for the contribution to Naspers group equity compensation plans

The Naspers group has restricted stock units (RSUs) and performance share units (PSUs) which are accounted for as equity-settled compensation plans. These equity compensation benefits are provided to employees of the Prosus group. Contributions made by the group to fund the purchase of the shares on the market by the Naspers group share trusts have been classified as financing activities on the summarised consolidated statement of cash flows. This is because the Prosus group has no economic-interest in the shares acquired and does not control the share trusts. The contributions are in substance a distribution to the Naspers group.

Voluntary change in accounting policy for the subsequent measurement of written put option liabilities

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

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

2. Basis of presentation and accounting policies (continued)

Information on the summarised consolidated financial statements (continued)

Voluntary change in accounting policy for the subsequent measurement of written put option liabilities (continued)

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

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

Below is a summary of the impact of the change in accounting policy on the summarised consolidated financial statements, including the impact on the group's basic, diluted and headline earnings per share.

Summarised consolidated income statement

	Year ended 31 March 2020		
	Previously reported US\$m	Change in accounting policy ¹ US\$m	Restated US\$m
Profit for the year	3 715	(53)	3 662
Attributable to:			
Equity holders of the group	3 824	(53)	3 771
Non-controlling interests	(109)		(109)
	3 715	(53)	3 662
Earnings per share (US cents)			
Basic	235	(3)	232
Diluted	231	(3)	228
Headline earnings (US\$m)	2 795	(53)	2 742
Headline earnings per share (US cents)			
Basic	172	(3)	169
Diluted	168	(3)	165

¹ Represents the impact of the change in accounting policy for the remeasurement of written put option liabilities with non-controlling shareholders previously recognised in 'Other finance income - net'.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

2. Basis of presentation and accounting policies (continued)

Information on the summarised consolidated financial statements (continued)

Summarised consolidated statement of changes in equity

	Year ended 31 March 2020		
	Previously reported	Change in accounting policy ¹	Restated
	US\$m	US\$m	US\$m
Share capital and premium	606	-	606
Other reserves	(1 922)	(338)	(2 260)
Retained earnings	30 416	338	30 754
Non-controlling interests	214	-	214
Total equity	29 314	-	29 314

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

3. Significant changes in financial position and performance during the reporting period

Covid-19 impact on the summarised consolidated financial statements

The global Covid-19 pandemic began to affect the operations of the group towards the end of March 2020. The pandemic has impacted the group's financial position, financial performance and cash flows presented in these summarised consolidated financial statements for the year ended 31 March 2021. The impact of the pandemic on significant accounting matters is discussed below.

Use of significant judgements and estimates

The group has monitored the significant judgements and estimates used to support the reported assets, liabilities, income and expenses for the year ended 31 March 2021. Areas of judgement and estimates primarily impacted by the pandemic include the fair value of financial instruments, impairment testing and the measurement of written put option liabilities.

Fair value of financial instruments

The fair-value measurement of the group's financial instruments recognised through other comprehensive income or profit or loss took into account the respective listed prices for listed investments, the performance of the investments, and any recent transactions that occurred during the year. No significant fair-value losses have been recognised for these investments during the year.

Impairment testing

The group assessed whether there was an indication of impairment for the assets recognised in the statement of financial position. Impairment testing was primarily focused on the carrying value of goodwill and equity-accounted associates and joint ventures, expected credit losses of related party receivables, trade and other receivables and any inventory writedowns.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

3. Significant changes in financial position and performance during the reporting period (continued)

Covid-19 impact on the summarised consolidated financial statements (continued)

Impairment testing (continued)

Goodwill is tested annually as at 31 December or more frequently if a change in circumstance indicates that it might be impaired. The group assessed its goodwill impairment calculations as well as the appropriateness of the recoverable amounts taking into account the impact of the Covid-19 pandemic. The group's 10-year budgets and forecasts consisted of cash flow projections and included the anticipated impact of the pandemic. These budgets and forecasts were used to calculate discounted cash flow valuations and also to identify whether there were any indicators that goodwill allocated to various cash-generating units (CGUs) was impaired. For the year ended 31 March 2021, the discounted cash flow valuations of the various Ecommerce CGUs were used as the recoverable amounts. The group recognised goodwill impairment for the CGUs whose recoverable amount was lower than its respective carrying amount. Goodwill impairments relate to those subsidiaries in the respective CGUs whose actual performance during the current year, budgets and forecasts, taking into account current market indicators, showed declined revenue growth and profitability than what was previously anticipated. The group recognised goodwill impairment of US\$67.6m (31 March 2020: US\$9.6m) during the current year primarily related to Silver Indonesia JVCo B.V. and Aasaanjobs Private Limited in the Classifieds segment which had shown a decline in performance from the prior year. Refer to note 9.

Impairment assessments of equity-accounted associates and joint ventures considered the financial performance of the investments during the year and determined whether there were any significant indicators, such as material losses, that would result in an impairment. Impairment losses of US\$30.7m (31 March 2020: US\$21.0m) were recognised for the group's equity-accounted associates and joint venture, mainly due to the associate's performance during the current year falling below expectations and the joint venture closing operations in certain regions.

Inventories are measured at the lower of cost and net realisable value. In determining the appropriate level of inventory writedowns, changes in the ageing of inventory and consumer behaviour due to Covid-19 were taken into account. Due to the shift of consumers to online ecommerce platforms to purchase goods, the adverse effects of the pandemic on inventory writedowns were not significant. The inventory writedown during the year did not have a significant impact on the group's financial results.

The group recognises an allowance for expected credit losses for its trade and other receivables. The expected credit loss assessment took into account all reasonable and supportable information about the likelihood that counterparties would breach their agreed payment terms and any deterioration of their credit ratings. Where relevant, additional expected credit losses were accounted for when deemed necessary. Total impairment losses (net of reversals) recognised for trade and other receivables amounted to US\$7.9m as at 31 March 2021 (31 March 2020: US\$8.9m). The adverse effects of the pandemic on expected credit losses for trade and other receivables in relation to increased revenue were not significant.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

3. Significant changes in financial position and performance during the reporting period (continued)

Covid-19 impact on the summarised consolidated financial statements (continued)

Measurement of written put option liabilities

Written put option liabilities are measured at the present value of the expected redemption amount payable. The settlement amount takes into account the equity values of the group's subsidiaries who have these written put option arrangements. The measurement of the written put option liabilities considers the performance of the group's subsidiaries in comparison to their budgets and forecasts. For the 31 March 2021 financial year the group recognised an aggregate decrease in equity for the remeasurement of written put option liabilities of US\$508.3m (31 March 2020: increase of: US\$53.0m), resulting in an increase (31 March 2020: decrease) in the written put option liabilities. The movement in the put option liability in the current year is predominantly due to growth in the group's Ecommerce subsidiaries, which resulted in the increase in the equity values used to determine the expected redemption amount payable. The group has voluntarily changed its accounting policy on the subsequent measurement of written put option liabilities previously recognised in the income statement to be recognised in equity. Refer to note 2.

Risk management

The annual report for the year ended 31 March 2021 describes certain risks which could have an adverse effect on the group's financial position and results. Those risks are valid and should be read in conjunction with these summarised consolidated financial statements.

Despite the impact of the Covid-19 pandemic, the group has remained resilient and performed well during the year ended 31 March 2021. Like most companies, the group faced challenges particularly in countries where governments took necessary, but drastic, action by implementing lockdown regulations to limit the spread of the disease. However, the continued migration of consumers to online platforms has had a positive impact on the group and is reflected in the financial position, financial performance and cash flows generated during the year ended 31 March 2021.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

4. Segmental review

	Revenue		
	Year ended 31 March		
	2021	2020	%
	US\$m	US\$m	change
<i>Ecommerce</i>	6 230	4 266	46
- Classifieds	1 599	1 281	25
- Payments and Fintech	577	428	35
- Food Delivery	1 486	751	98
- Etail	2 250	1 363	65
- Travel	-	146	(100)
- Other	318	297	7
<i>Social and Internet Platforms</i>	22 526	17 189	31
- Tencent	22 155	16 779	32
- Mail.ru	371	410	(10)
Corporate segment	-	-	-
Total economic-interest	28 756	21 455	34
Less: Equity-accounted investments	(23 640)	(18 125)	(30)
Total consolidated	5 116	3 330	54

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

4. Segmental review (continued)

	Adjusted EBITDA ¹		
	Year ended 31 March		
	2021	Restated*	%
	US\$'m	2020	change
		US\$'m	
<i>Ecommerce</i>	(277)	(660)	58
– Classifieds	67	82	(18)
– Payments and Fintech	(59)	(60)	2
– Food Delivery	(313)	(596)	47
– Etail	102	8	>100
– Travel	–	(19)	100
– Other*	(74)	(75)	1
<i>Social and Internet Platforms</i>	7 229	5 455	33
– Tencent	7 151	5 328	34
– Mail.ru	78	127	(39)
Corporate segment*	(104)	(133)	22
Total economic-interest	6 848	4 662	47
Less: Equity-accounted investments	(6 901)	(4 986)	(38)
Total consolidated	(53)	(324)	84

* During the current year, the way that corporate costs are presented to the CODM has been changed. Corporate costs, previously allocated and disclosed in the 'Other Ecommerce' subsegment, are now included in the 'Corporate segment'. This provides more clarity on the total corporate costs incurred by the group. This change had no impact on the overall group trading (loss)/profit.

¹ Adjusted EBITDA is a non-IFRS measure that represents operating profit/loss, as adjusted to exclude: depreciation; amortisation; retention option expenses linked to business combinations; other losses/gains – net, which includes dividends received from investments, profits and losses on sale of assets, fair-value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities; cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and subsequent fair-value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes, as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the group has a cash cost on settlement with participants).

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

4. Segmental review (continued)

	Trading (loss)/profit ¹		
	Year ended 31 March		
	2021	Restated*	%
	US\$'m	2020	change
		US\$'m	
<i>Ecommerce</i>	(429)	(782)	45
- Classifieds	9	34	(74)
- Payments and Fintech	(68)	(67)	(1)
- Food Delivery	(355)	(624)	43
- Etail	68	(20)	>100
- Travel	-	(22)	100
- Other*	(83)	(83)	-
<i>Social and Internet Platforms</i>	6 154	4 699	31
- Tencent	6 126	4 601	33
- Mail.ru	28	98	(71)
Corporate segment*	(110)	(140)	21
Total economic-interest	5 615	3 777	49
<i>Less: Equity-accounted investments</i>	(5 778)	(4 198)	(38)
Total consolidated	(163)	(421)	61

* During the current year, the way that corporate costs are presented to the CODM has been changed. Corporate costs, previously allocated and disclosed in the 'Other Ecommerce' subsegment, are now included in the 'Corporate segment'. This provides more clarity on the total corporate costs incurred by the group. This change had no impact on the overall group trading (loss)/profit.

¹ Trading (loss)/profit is a non-IFRS measure that refers to adjusted EBITDA adjusted for depreciation, amortisation of software and interest on capitalised lease liabilities. It is considered a useful measure to analyse operational profitability.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

4. Segmental review (continued)

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

	Year ended 31 March	
	2021 US\$'m	2020 US\$'m
Consolidated adjusted EBITDA¹	(53)	(324)
Depreciation	(93)	(80)
Amortisation of software	(7)	(9)
Interest on capitalised lease liabilities	(10)	(8)
Consolidated trading loss²	(163)	(421)
Interest on capitalised lease liabilities	10	8
Amortisation of other intangible assets	(131)	(94)
Other (losses)/ gains - net	(87)	16
Retention option expense	(62)	(61)
Remeasurement of cash-settled share-based incentive expenses ³	(594)	(25)
Share-based incentives for share options settled in Naspers Limited shares ⁴	(13)	(16)
Consolidated operating loss	(1 040)	(593)

¹ Adjusted EBITDA is a non-IFRS measure that represents operating profit/loss, as adjusted to exclude: depreciation; amortisation; retention option expenses linked to business combinations; other losses/gains – net, which includes dividends received from investments, profits and losses on sale of assets, fair-value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities; cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and subsequent fair-value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the group has a cash cost on settlement with participants).

² Trading (loss)/profit is a non-IFRS measure that refers to adjusted EBITDA adjusted for depreciation, amortisation of software and interest on capitalised lease liabilities. It is considered a useful measure to analyse operational profitability.

³ Represents the previous period's differential between share-based incentives measured on a cash-settled basis at the Prosus group level and the incentives valued on an equity-settled basis at a Naspers group level. The CODM reviews share-based incentives on an equity-settled basis at both a Naspers and Prosus group level.

⁴ Refers to share-based incentives settled in equity instruments of the Naspers group, where the Prosus group has no obligation to settle the awards with participants, i.e. they are settled by Naspers.

On 24 April 2020, the Naspers board (the board) approved a prospective change in the settlement mechanism for the group's SARs plans from settlement in Naspers N ordinary shares to using cash resources for settlement. Accordingly, going forward these plans have been classified as cash-settled share-based payment expenses at both Prosus and Naspers. The change in settlement mechanism is at a Naspers group level, and had no impact on the Prosus results as these plans have been cash-settled SARs since the formation of the Prosus group.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

4. Segmental review (continued)

In October 2020, the board approved a change to the group's definition to adjusted EBITDA and trading profit/(loss) related to the treatment of SAR share-based compensation benefits. Adjusted EBITDA and trading profit/(loss) now include the impact of the group's SAR share-based compensation expenses based on the grant date fair value for cash-settled share-based compensation benefits. The non-IFRS measures therefore exclude the subsequent remeasurement of the group's cash-settled share-based compensation benefits. These non-IFRS measures are aimed to reflect a stable measure of the group's operations. From April 2020, since the change in the settlement mechanism, the CODM reviews these two non-IFRS measures to include the impact of the grant date fair value of the group's cash-settled share-based compensation benefits. The CODM reviews these measures, excluding the subsequent remeasurement because the volatility in the fair value of our Ecommerce portfolio may distort the operating performance of the group's segments. While this presentation is different from what was reported for the six months ended 30 September 2020, the CODM simultaneously reviewed segment information for these non-IFRS measures without the subsequent fair-value remeasurement during this period. Accordingly, in October 2020, subsequent to the board approval of the change to the definition of these non-IFRS measures, the September 2020 results were restated. This ensured that these non-IFRS measures were presented on a similar basis for the financial year. Including only the grant date fair value of the group's cash-settled share-based compensation benefits is consistent with how the CODM reviewed these measures prior to the modification of the SARs to a cash-settled scheme and as a result the prior period presented does not require restatement. The group has applied this new definition for adjusted EBITDA and trading profit from April 2020 in these summarised consolidated financial statements.

On an economic-interest basis, this non-IFRS measure will continue to include the group's proportionate share of its associate cash-settled share-based compensation expenses and excludes the share of its associate equity-settled share-based compensation expenses.

5. Headline earnings

Headline earnings represent net profit for the year attributable to the group's equity holders, excluding certain defined separately identifiable remeasurements relating to, among others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains and losses on acquisitions and disposals of investments as well as assets, dilution gains and losses on equity-accounted investments, remeasurement gains and losses on disposal groups classified as held for sale and remeasurements included in equity-accounted earnings, net of related taxes (both current and deferred) and the related non-controlling interests. These remeasurements are determined in accordance with Circular 1/2019, headline earnings, as issued by the South African Institute of Chartered Accountants, at the request of the JSE Limited in relation to the calculation of headline earnings and disclosure of a detailed reconciliation of headline earnings to the earnings numbers used in the calculation of basic earnings per share in accordance with the requirements of IAS 33 *Earnings per Share*, under the JSE Listings Requirements.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

5. **Headline earnings** (continued)

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

Calculation of headline earnings

	Year ended 31 March	
	2021 US\$'m	Restated* 2020 US\$'m
Net profit attributable to shareholders	7 449	3 771
<i>Adjusted for:</i>		
- impairment of goodwill and other intangible assets	68	10
- gain recognised on loss of control	-	(17)
- gain recognised on loss on of significant influence	-	(13)
- gains recognised on disposals of investments	(359)	(447)
- remeasurement of previously held interest	-	(73)
- dilution (gains)/losses on equity-accounted investments	(1 000)	52
- remeasurements included in equity-accounted earnings ¹	(101)	(622)
- impairment of equity-accounted investments	30	21
	6 087	2 682
Total tax effects of adjustments	(173)	11
Total adjustment for non-controlling interest	(74)	49
Headline earnings²	5 840	2 742

* Refer to note 2 for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

¹ Remeasurements included in equity-accounted earnings of US\$1.1bn (2020: US\$841.9m) relate to gains arising on acquisitions and disposals by associates and US\$932.5m (2020: US\$226.7m) relating to impairment of assets recognised by associates.

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

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

6. Revenue from contracts with customers

	Reportable segment(s) where revenue is included	Year ended 31 March	
		2021 US\$m	2020 US\$m
Online sale of goods revenue	Classifieds and Etail	2 826	1 539
Classifieds listings revenue	Classifieds	715	772
Payment transaction commissions and fees	Payments and Fintech	513	380
Mobile and other content revenue	Other Ecommerce	147	173
Food Delivery revenue	Food Delivery	733	310
Advertising revenue	Various	71	91
Comparison shopping commissions and fees	Other Ecommerce	-	22
Other revenue	Various	111	43
		5 116	3 330

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

7. Finance (cost)/income

	Year ended 31 March	
	2021 US\$m	Restated* 2020 US\$m
Interest income	83	201
- loans and bank accounts	61	198
- other ¹	22	3
Interest expense	(262)	(223)
- loans and overdrafts	(245)	(208)
- capitalised lease liabilities	(10)	(8)
- other	(7)	(7)
Other finance income - net	177	61
- on translation of assets and liabilities	55	32
- fair-value adjustments on derivative financial instruments	122	29

¹ Includes interest received on tax. Refer to note 11.

* Refer to note 2 for details of the group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current year.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

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	
	2021 US\$'m	2020 US\$'m
Depreciation of property, plant and equipment	93	80
Amortisation	138	103
- software	7	9
- other intangible assets	131	94
Impairment losses on financial assets measured at amortised cost	15	16
Net realisable value adjustments on inventory, net of reversals¹	-	1
Other (losses)/gains - net	(87)	16
- impairment of goodwill and other intangible assets	(68)	(10)
- dividends received on investments	4	5
- fair-value adjustments on financial instruments	(4)	4
- gain recognised on loss of significant influence	-	13
- Covid-19 donation	(13)	-
- other	(6)	4
Net gains on acquisitions and disposals	309	434
- gains on disposal of investments - net	241	447
- gains recognised on sale of business - net	118	-
- gains recognised on loss of control transactions	-	17
- transaction-related costs ²	(51)	(85)
- securities tax on internal restructuring	-	(18)
- remeasurement of previously held interest	-	73
- other	1	-

¹ Net realisable value writedowns relate primarily to the Etail segment.

² Includes transaction-related cost regarding acquisition and disposal transactions. The prior year also includes transaction-related cost for the listing of Prosus.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

9. Goodwill

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

	Year ended 31 March	
	2021 US\$'m	2020 US\$'m
Goodwill		
- cost	2 263	2 269
- accumulated impairment	(94)	(234)
Opening balance	2 169	2 035
- foreign currency translation effects	31	(265)
- acquisitions of subsidiaries and businesses	42	566
- disposals of subsidiaries and businesses	(72)	(5)
- transferred to assets classified as held for sale	-	(152)
- impairment	(68)	(10)
Closing balance	2 102	2 169
- cost	2 261	2 263
- accumulated impairment	(159)	(94)

Goodwill is tested annually as at 31 December or more frequently if there is a change in circumstance that indicates that it might be impaired. The group assessed its goodwill impairment calculations as well as the appropriateness of the recoverable amounts, taking into account the impact of the Covid-19 pandemic. The group's 10-year budgets and forecasts consisted of cash flow projections and included the anticipated impact of the pandemic. These budgets and forecasts were used to calculate discounted cash flow valuations to identify whether there were any indicators that goodwill allocated to various CGUs was impaired. The value-in-use amounts used were considered appropriate based on the budgets and forecasts taking into account the impact of the pandemic.

Covid-19 has had a broad impact on the group, with the restrictions impacting some businesses negatively, particularly in the first half of the financial year where they were unable to operate and on the other hand, having a positive impact on the group's other major business operations. The positive impact on the group's major business operations was predominantly from regions where online services and sale of goods were the primary solutions for social distancing measures imposed. The impairment loss recognised as at 31 March 2021, therefore, takes into account the impact of the pandemic on the group and its CGUs which is the group's best estimate amid this current uncertain economic environment. The group recognised goodwill impairment of US\$67.6m (31 March 2020: US\$9.6m) primarily related to Silver Indonesia JVCo B.V. and Aasaanjobs Private Limited in the Classifieds segment, which had shown a decline in performance from the prior year. The group will continue to monitor the performance of its businesses as circumstances change and/or information becomes available that may indicate that the goodwill may be impaired.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

10. Investments in associates

The movement in the carrying value of the group's investments in associates for the year are detailed in the table below:

	Year ended 31 March	
	2021 US\$m	2020 US\$m
Opening balance	22 233	19 746
- Associates acquired – gross consideration	2 342	437
- Associates disposed of	(20)	(575)
- Share of current-year changes in OCI and NAV	6 819	129
- Share of equity-accounted results	7 114	3 952
- Impairment	(9)	(21)
- Dividends received	(458)	(377)
- Foreign currency translation effects	1 546	(1 000)
- Dilution gains/(losses) ¹	989	(58)
Closing balance	40 556	22 233

¹ The total dilution gains/(losses) presented in the income statement of US\$989.4m (2020: a net dilution loss US\$57.8m) relates primarily to a 4% dilution in the group's interest in Delivery Hero of US\$834.7m as a result of a share issue, the reclassification of a portion of the group's foreign currency translation reserves following shareholding dilutions and the partial disposal of associates.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

11. 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	
	2021 US\$'m	2020 US\$'m
Commitments	92	116
- capital expenditure	3	-
- other service commitments	76	103
- lease commitments ¹	13	13

¹ Lease commitments include the group's short-term lease arrangements as well as other contractual lease agreements whose commencement date is after 31 March 2021. Short-term lease commitments relate to leasing arrangements with lease terms of 12 months or less that are not recognised on the statement of financial position.

The group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. The group had an uncertain tax position of US\$170.8m at 31 March 2020 related to amounts receivable from tax authorities. In the financial year ended 31 March 2019, the group concluded that this uncertain tax position was not probable and reflected the uncertainty in the tax expense recognised during that financial year. In September 2020, the group received this amount and has recognised it in 'Taxation' in the summarised consolidated income statement, where it was originally recognised. The receipt of the amount has evidenced that no taxation was payable on the transaction, and therefore this cash flow has been classified consistently with the underlying transaction in the summarised consolidated statement of cash flows.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

12. Assets classified as held for sale

In July 2020, the group contributed the assets and liabilities of the US letgo business in exchange for an equity interest in OfferUp Inc., a US online marketplace. The assets and liabilities of the US letgo business were classified as held for sale as at 31 March 2020. The transaction was concluded in July 2020. Refer to note 13.

In March 2020, the assets and liabilities of the group's subsidiary, Wavy Global Holdings B.V. (Wavy), were classified as held for sale as the group signed an agreement to sell its investment to Stockholm-based customer engagement platform, Sinch AB. The transaction was concluded in February 2021. Refer to note 13.

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

	Year ended 31 March	
	2021 US\$m	2020 US\$m
Assets		202
Property, plant and equipment		4
Goodwill and other intangible assets		152
Trade and other receivables		27
Cash and cash equivalents		19
Liabilities		26
Long-term liabilities		3
Provisions		1
Trade payables		4
Accrued expenses and other current liabilities		18

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

13. Business combinations, other acquisitions and disposals

The following relates to the group's significant transactions related to business combinations and equity-accounted investments for the year ended 31 March 2021:

In April 2020, OLX Global B.V. (OLX) contributed its subsidiary, Dubizzle Limited (BVI) (Dubizzle), the leading classifieds platform for users in the UAE, for an interest in EMPG. EMPG owns and operates bespoke classifieds portals in different emerging markets across the world, including Bayut in Dubai, Zameen in Pakistan, and Mubawab in Morocco, North Africa. The total consideration was US\$390.5m, including cash of US\$75.0m. On disposal of Dubizzle, the group recognised a gain of US\$113.5m in 'Net gains on acquisitions and disposals' in the income statement, including the recycling of the foreign exchange translation reserve. This gain on disposal recognised from the contribution of Dubizzle is to the extent of the external parties' interest in EMPG.

Following the transaction, the group holds a 39% effective and fully diluted interest in EMPG. The group accounts for its interest in EMPG as an investment in associate.

In July 2020, OLX merged its US letgo business with OfferUp, two of America's most popular apps to buy and sell in the US. OLX contributed its US letgo business. The total consideration was US\$360.0m, including cash of US\$100.0m. On disposal of the US letgo business, the group recognised a gain of US\$114.8m in 'Net gains on acquisitions and disposals'. This gain on disposal recognised from the contribution of the US letgo business is to the extent of the external parties' interest in OfferUp.

Following the transaction, the group holds a 38% effective (35% fully diluted) interest in OfferUp. The group accounts for its interest in OfferUp as an investment in associate.

In August and October 2020, the group made an additional investment in Remitly Global, Inc. (Remitly) amounting to US\$52.5m and US\$14.3m respectively. Remitly is an international remittances company focused on the consumer segment, primarily in the US, the UK and Canada. Following this investment, the group holds a 24% effective (20% fully diluted) interest in Remitly. The group continues to account for its interest in Remitly as an investment in an associate.

In September 2020, Eruditus Learning Solutions Private Limited (Eruditus), a learning platform that partners with top-tier universities across the US, Europe, Latin America, India and China, announced the successful completion of its Series D funding round, totalling US\$113.0m (including secondary sales). The group, through Naspers Ventures B.V. (Prosus Ventures) participated in the funding round with a US\$59.9m cash contribution. Following the transaction, the group holds a 9% effective (8% fully diluted) interest in Eruditus. The group accounts for its interest in Eruditus as an investment in associate as a result of the group's board representation.

In September 2020, the group made an additional investment amounting to US\$25.0m, in Mail.ru, a leading Russian social networks and instant messaging service. Following this investment, the group holds a 27% effective interest in Mail.ru. The group continues to account for its interest in Mail.ru as an investment in an associate.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

13. Business combinations, other acquisitions and disposals (continued)

In October 2020, the group made an additional investment in its joint venture Silver Brazil JVCo B.V. (OLX Brazil) amounting to US\$89.0m. Furthermore, the group provided loan financing to OLX Brazil amounting to US\$171.0m. The capital and loan provided were to finance the joint venture's investment acquisitions. The funding was provided jointly by the group and its partner in the joint venture Adevinata ASA (Adevinata). Accordingly, the group's effective shareholding in this investment subsequent to the additional investment remained unchanged. The additional contribution to OLX Brazil is included in the carrying value of the investment.

In December 2020, Naspers, through its subsidiary, MIH Treasury Services Proprietary Limited, sold Homefind24 Proprietary Limited (Property24) to the Prosus group for US\$71.0m. The transaction was accounted for as an acquisition of a subsidiary under common control.

In March 2020, MIH Mobile Holding B.V. (Mobile) signed an agreement to sell its subsidiary, Wavy Global Holdings B.V. (Wavy) to Stockholm-listed customer engagement platform, Sinch AB, in exchange for cash and the issue of 1 534 582 new shares in Sinch AB (which represents at the reporting date a 2% equity investment). The transaction obtained regulatory approval and was closed in February 2021. The total proceeds on disposal of Wavy was US\$310.2m, including cash of US\$63.4m. On disposal of Wavy, the group recognised a total gain of US\$275.8m, comprising of US\$101.3m recognised in 'Net gains on acquisitions and disposals' and a gain of US\$174.5m recognised in 'Other finance income - net' as a result of the exposure to the fair-value gains on 1 534 582 Sinch AB listed shares from the signing date of the agreement until the closing date. The gain on disposal recognised in 'Net gains on acquisitions and disposals' includes the recycling of the foreign exchange translation reserve. The group recognised its interest in Sinch AB as an investment at fair value through other comprehensive income.

The following transactions were entered into in March 2021:

IF-JE participações S.A. (iFood) contributed its 100% subsidiary Come Ya S.A.S. (Come Ya) for a 51% effective interest in Inversiones CMR S.A.S. (Domicilios.com) for a total consideration of US\$44.0m, including cash of US\$7.0m. Domicilios.com is an online food-delivery platform in Colombia. On disposal of Come Ya, the group recognised a gain of US\$18.6m in 'Net gains on acquisitions and disposals'. This gain on disposal recognised from the contribution of the Come Ya is to the extent of the external parties' interest in Domicilios.com.

Following the transaction, the group holds a 51% effective (51% fully diluted) interest in Domicilios.com. The group accounts for its interest in Domicilios.com as a joint venture as, contractually, the decisions over its operations require unanimous consent of both shareholders.

Prosus acquired approximately 20.37 million shares in Delivery Hero for US\$2.6bn by 31 March 2021 to offset current and potential future dilutions in the investment. The acquisition increased the group's shareholding by 8% to approximately 24.99%, which continues to position the group as the largest shareholder of Delivery Hero. At 31 March 2021, while legal ownership had transferred for the 8% additional interest, the access to the returns associated with the ownership had not fully transferred for 4% of this interest. Accordingly, the effective interest in Delivery Hero recognised at 31 March 2021 was 21% with the remaining 4% amounting to US\$1.2bn recognised as a contractual right to receive the shares or cash which is included in 'Other investments' on the statement of financial position. At 31 March 2021, the 4% was recognised as a financial instrument at fair value through profit or loss. The fair value recognised represents the consideration paid for this interest in the investment which was subsequently included in the effective interest of the investment when access to the returns associated with the ownership had transferred. Refer to note 17.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

14. Significant financing transactions

Bonds issued during the year ended 31 March 2021

In August 2020, the group issued bonds totalling US\$2.18bn. These bonds consist of 30-year US\$1.00bn notes carrying a semi-annual fixed interest rate of 4.027% due in 2050, eight-year €500m notes carrying a fixed interest rate of 1.539% per annum due in 2028, and 12-year €500m notes carrying a fixed interest rate of 2.031% per annum due in 2032.

In December 2020, the group issued bonds totalling US\$2.23bn. These bonds consist of 30-year US\$1.50bn carrying a semi-annual fixed interest rate of 3.832% due in 2051, a tap of €350m due in 2028, and a tap of €250m of its existing notes due in 2032. The 2028 notes were offered at an issue price yield of 1.211% and will be treated as a single class of the group's existing €500m 1.539% senior notes due in 2028. The 2032 notes were offered at an issue price yield of 1.742% and will be treated as a single class of the group's existing €500m 2.031% senior notes due in 2032.

The current favourable market backdrop enabled the group to further enhance its average debt maturity profile while reducing its average cost of funding. The purpose of this offering was to raise proceeds for general corporate purposes, including potential future M&A activity, and to further augment the group's liquidity position. The bonds are listed on the Irish Stock Exchange (Euronext Dublin).

Share repurchase programme

In October 2020, the group announced its intention to acquire up to US\$5.0bn of Prosus N ordinary shares and Naspers N ordinary shares. This was implemented through acquiring up to US\$1.4bn Prosus N ordinary shares and up to US\$3.6bn Naspers N ordinary shares on the open market. The Prosus N ordinary share repurchase was completed in February 2021 and the 11 874 493 N ordinary shares will be cancelled after obtaining shareholder approval in August 2021. At 31 March 2021, the group acquired US\$2.4bn Naspers N ordinary shares. At 31 March 2021, the group acquired 10 568 947 Naspers N ordinary shares for US\$2.4bn, and classified the shares as an investment measured at fair value through other comprehensive income. Refer to note 17 for additional Naspers N ordinary shares acquired subsequent to year-end.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

15. 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 annual consolidated financial statements and should be read in conjunction with the group's risk management information disclosed in note 40 of the consolidated financial statements, published in the annual report of Prosus for the year ended 31 March 2021. There have been no material changes in the group's credit, liquidity, market risks or key inputs used in measuring fair value since 31 March 2020.

The fair values of the group's financial instruments that are measured at fair value at each financial year-end presented, are categorised as follows:

	Fair-value measurements at 31 March 2021 using:			
	Carrying value US\$m	Quoted prices in active markets for identical assets or liabilities (level 1) US\$m	Significant other observ- able inputs (level 2) US\$m	Significant unobserv- able inputs (level 3) US\$m
Assets				
Financial assets at fair value through other comprehensive income	4 122	3 985	4	133
Financial assets at fair value through profit or loss	1 258	–	1 242	16
Forward exchange contracts	3	–	3	–
Derivatives contained in lease agreements	9	–	–	9
Derivatives contained in acquisition agreements	15	15	–	–
Cash and cash equivalents ¹	996	–	996	–
Liabilities				
Forward exchange contracts	2	–	2	–
Earn-out obligations	13	–	–	13
Derivatives embedded in leases	2	–	–	2
Cross-currency interest rate swap	30	–	30	–

¹ Relates to short-term bank deposits which are money market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised ratings agencies.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

15. Financial instruments (continued)

Fair-value measurements at 31 March 2020 using:

	Quoted prices in active markets for identical assets or liabilities (level 1) US\$m	Significant other observ- able inputs (level 2) US\$m	Significant unobserv- able inputs (level 3) US\$m	
Assets				
Financial assets at fair value through other comprehensive income	792	704	3	85
Financial assets at fair value through profit or loss	13	-	-	13
Cash and cash equivalents ¹	650	-	650	-
Derivatives contained in lease agreements	6	-	-	6
Cross-currency interest rate swap	49	-	49	-
Liabilities				
Forward exchange contracts	38	-	38	-
Earn-out obligations	22	-	-	22
Interest rate and cross-currency swaps	2	-	-	2

¹ Relates to short-term bank deposits which are money market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised ratings agencies.

There have been no transfers between levels 1 or 2 during the reporting period, nor were there any significant changes to the valuation techniques and inputs used in measuring fair value.

Valuation techniques and key inputs used to measure significant level 2 and level 3 fair values Level 2 fair-value measurement

Forward exchange contracts – in measuring the fair value of forward exchange contracts, the group makes use of market observable quotes of forward foreign exchange rates on instruments that have a maturity similar to the maturity profile of the group's forward exchange contracts. Key inputs used in measuring the fair value of forward exchange contracts include: current spot exchange rates, market forward exchange rates and the term of the group's forward exchange contracts.

Cross-currency interest rate swap – the fair value of the group's interest rate and cross-currency swaps is determined through the use of discounted cash flow techniques using only market observable information. Key inputs used in measuring the fair value of interest rate and cross-currency swaps include: spot market interest rates, contractually fixed interest rates, foreign exchange rates, counterparty credit spreads, notional amounts on which interest rate swaps are based, payment intervals, risk-free interest rates as well as the duration of the relevant interest rate and cross-currency swap arrangement.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

15. Financial instruments (continued)

Valuation techniques and key inputs used to measure significant level 2 and level 3 fair values (continued)

Level 2 fair-value measurement (continued)

Cash and cash equivalents – relate to short-term bank deposits, which are money market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised ratings agencies. The fair value of these deposits is determined by the amounts deposited and the gains or losses generated by the funds as detailed in the statements provided by these Institutions. The gains/losses are recognised in the income statement.

Financial assets at fair value – relates to a contractual right to receive shares or cash. The fair value is based on a listed share price on the date the transaction was entered into.

Level 3 fair-value measurements

Financial assets at fair value – relate predominantly to unlisted equity investments. The fair value of these investments is based on the most recent funding transactions for these investments.

Derivatives contained in lease agreements – relate to foreign currency forwards embedded in lease contracts. The fair value of the derivatives is based on forward foreign exchange rates that have a maturity similar to the lease contracts and the contractually specified lease payments.

Earn-out obligations – relate to amounts that are payable to the former owners of businesses now controlled by the group provided that contractually stipulated post-combination performance criteria are met. These are remeasured to fair value at the end of each reporting period. Key inputs used in measuring fair value include: current forecasts of the extent to which management believe performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

15. Financial instruments (continued)

Valuation techniques and key inputs used to measure significant level 2 and level 3 fair values
(continued)

Level 3 fair-value measurement (continued)

The following table shows a reconciliation of the group's level 3 financial instruments:

	31 March 2021			
	Financial assets at FVOCI ¹ US\$m	Financial assets at FVPL ² US\$m	Earn-out obligations US\$m	Derivatives embedded in leases US\$m
Balance at 1 April 2020	85	13	(22)	4
Additions	76	3	(1)	3
Total gains recognised in the income statement	-	-	(10)	-
Total gains recognised in other comprehensive income	23	-	-	-
Settlements/disposals	(51)	-	20	-
Balance at 31 March 2021	133	16	(13)	7

	31 March 2020			
	Financial assets at FVOCI ¹ US\$m	Financial assets at FVPL ² US\$m	Earn-out obligations US\$m	Derivatives embedded in leases US\$m
Balance at 1 April 2019	44	-	(6)	1
Additions	76	13	(20)	3
Total losses recognised in other comprehensive income	(14)	-	-	-
Settlements/disposals	(21)	-	5	-
Foreign currency translation effects	-	-	(1)	-
Balance at 31 March 2020	85	13	(22)	4

¹ Financial assets at fair value through other comprehensive income.

² Financial assets at fair value through profit or loss.

The carrying value of financial instruments is a reasonable approximation of their fair values except for the publicly traded bonds detailed below:

	31 March 2021		31 March 2020	
	Carrying value US\$m	Fair value US\$m	Carrying value US\$m	Fair value US\$m
Financial liabilities				
Publicly traded bonds	7 827	7 935	3 450	3 183

The fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments as at the end of the reporting period. The fair values of the publicly traded bonds are level 2 financial instruments. The publicly traded bonds are listed on the Irish Stock Exchange (Euronext Dublin).

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

16. 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.

	Year ended 31 March	
	2021 US\$'m	2020 US\$'m
Sale of goods and services to related parties¹		
EMPG Holdings Limited	18	–
MakeMyTrip Limited ²	–	5
MIH Holdings Proprietary Limited	15	9
Bom Negocio Atividades de Internet Ltda (OLX Brazil)	3	–
Various other related parties	1	2
	37	16

¹ The group receives revenue from a number of its related parties in connection with service agreements. The nature of these related party relationships is that of equity-accounted investments and subsidiaries of Naspers outside of the group.

² Revenue earned from MakeMyTrip Limited, relates to payment services provided by PayU, when MakeMyTrip was an associate of the group.

	Year ended 31 March	
	2021 US\$'m	2020 US\$'m
Services received from related parties¹		
MIH Holdings Proprietary Limited	11	9
MIH Ecommerce Holdings Proprietary Limited	–	4
Various related parties	–	1
	11	14

¹ The group receives corporate and other services rendered by a number of its related parties. The nature of these related party relationships is that of entities under the common control of the group's ultimate controlling parent, Naspers Limited.

	Year ended 31 March	
	2021 US\$'m	2020 US\$'m
Dividends paid as part of distribution¹		
MIH Holdings Proprietary Limited	–	215
Dividends paid to holding company		
Naspers Limited	155	–
	155	215

¹ Relates to distributions as a result of common control transactions by MIH Ming He Holdings Limited, the group's former parent company prior to its formation.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

16. 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	
	2021	2020
	US\$'m	US\$'m
Loans and receivables¹		
MIH Treasury Services Proprietary Limited	7	–
Myriad/MIH (Malta) Limited	4	8
MIH Holdings Proprietary Limited	35	9
Bom Negocio Atividades de Internet Limitada (OLX Brazil) ²	171	–
MIH Internet Holdings B.V. Share Trust ³	169	66
Zoop Tecnologia e Meios de Pagamento Limitada (Zoop)	–	6
Honor Technology, Inc	–	8
Tencent Technology (Shenzhen) Co Limited	–	90
Other	14	3
Less: Allowance for impairment of loans and receivables ⁴	–	–
Total related party receivables	400	190
Less: Non-current portion of related party receivables	(356)	(81)
Current portion of related party receivables	44	109
The movement in the allowance for impairment of related party receivables during the year was as follows:		
Opening balance	–	58
Allowances utilised	–	(58)
Closing balance	–	–
Payables		
MIH Holdings Proprietary Limited	7	6
Myriad/MIH (Malta) Limited	1	4
Mail.ru Group Limited	2	2
Other	–	4
Total related party payables	10	16
Less: Non-current portion of related party payables	(2)	(3)
Current portion of related party payables	8	13

¹ The group provides services and loan funding to a number of its related parties.

² OLX Brazil acquired an interest in Grupo ZAP in the current year. The acquisition was partially funded via a contribution and loan funding from the group. Refer to note 13. The loan is repayable by October 2035 and interest free until April 2022. Subsequently interest is charged annually at SELIC+2%.

³ Relates to related party loan funding provided to Naspers group share trust for equity compensation plans. The loan is interest free and repayable in 2031, or upon winding up of the trust if earlier. Cash flows for this transaction are disclosed as investing activities on the summarised consolidated cash flow statement.

⁴ Impairment allowance for related parties is based on a 12-month expected credit loss model and was not material.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

16. Related party transactions and balances (continued)

Terms of significant related party current receivables and payables:

These above current receivables and payables relate primarily to cost recharges to/by entities under the common control of Naspers Limited, the group's ultimate controlling parent. These current receivables and payables are interest free.

Shares held in holding company:

The group acquired US\$2.35bn shares in Naspers. These shares are classified as fair value through other comprehensive income investments. Refer to note 14. The group recognised a fair value gain in OCI for this investment amounting to US\$115.3m.

Group contributions to Naspers share trusts:

The group made contributions to Naspers share trusts amounting to US\$78.8m (2020: nil) during the current year.

17. Events after the reporting period

The following transactions were entered into by the group subsequent to 31 March 2021 up until the date of signing these summarised consolidated financial statements (19 June 2021):

MIH Ventures B.V. (MIH Ventures), agreed to subscribe for US\$100m of newly issued common shares of Churchill Capital Corp II (Churchill), a special-purpose acquisition company listed on the New York Stock Exchange. In connection to this transaction, Churchill granted MIH Ventures a 30-day option (the MIH option) to subscribe for up to an additional US\$400m of newly issued common shares. At the same time, Churchill entered into agreements to acquire: (i) Software Luxembourg Holding S.A. (Skillsoft) in a transaction valued at approximately US\$1.3bn (the Skillsoft Merger); and (ii) Albert DE Holdings Inc. for a consideration valued at approximately US\$233m.

The group announced that it exercised the MIH option to invest an additional US\$400m in Churchill's planned acquisition of Skillsoft. This gives MIH Ventures newly issued common shares, representing up to 35% of the issued and outstanding Churchill common shares after giving effect to the Skillsoft acquisition. MIH Ventures also entered into a strategic support agreement to provide certain business development and investor relations support services to Churchill. The group expects to account for its interest in Churchill as an investment in an associate. The obligation of MIH Ventures to complete its subscription for shares of Churchill is conditional on receipt of certain regulatory approvals and the completion of the Skillsoft merger by Churchill. Following the closing of this transaction, the group acquired a 37.6% effective interest (approximately 31.1% fully diluted) in Churchill for a total consideration of US\$500m.

The group sold 2% of Tencent Holdings Limited's (Tencent) total issued share capital. The sale reduced its stake in Tencent from approximately 31% to 29%, yielding US\$14.6bn in proceeds and a dilution gain of approximately US\$13bn. Prosus intends to use the proceeds of the sale to increase its financial flexibility to invest in growth, plus for general corporate purposes.

The group acquired a 14% effective (and fully diluted) interest for US\$120m in Kolonial.no (Kolonial), Norway's largest online grocery business. The group will account for this investment as an equity-accounted associate on account of its significant influence on the board of directors.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

17. Events after the reporting period (continued)

The group made an additional investment amounting to US\$273m, in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food-delivery marketplace in India. Following this investment, the group holds a 40% effective interest (36% fully diluted) in Swiggy. The group continues to account for its interest in Swiggy as an investment in an associate.

The group made an additional investment amounting to US\$30m, in NText Transportation Services Private Limited (ElasticRun), a software and technology platform for providing transportation and logistics services in India. Following this investment, the group holds a 24% effective interest (23% fully diluted) in ElasticRun. The group continues to account for its interest in ElasticRun as an investment in an associate.

The group made an additional investment, amounting to US\$62m, in Meesho Inc. (Meesho), a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalogue of goods and services to sell. Meesho also provides logistics and payment tools on its platform. Following this investment, the group holds a 14% effective interest (12% fully diluted) in Meesho. The group continues to account for its interest in Meesho as an investment in an associate on account of its significant influence on the board of directors.

The group acquired a 16% effective interest (15% fully diluted) for US\$191m in API Holdings Private Limited (PharmEasy). API Holdings Private Limited owns India's largest integrated digital healthcare platforms. The group will account for this investment as an equity-accounted associate on account of its significant influence on the board of directors.

The group made an additional investment amounting to US\$153m, in Think & Learn Private Limited (BYJU), India's largest education company and the creator of India's largest personalised learning app. Following this investment, the group holds a 11% effective interest (10% fully diluted) in BYJU. The group continues to account for its interest in BYJU as an investment in an associate on account of its significant influence on the board of directors.

The group acquired the share capital held by non-controlling shareholders of its subsidiary Frontier Car Group Inc. (FCG), for US\$43.6m. Following the acquisition, the group holds a 99% effective and fully diluted interest in FCG resulting in the cancellation of the written put option liability for this subsidiary which will be derecognised. The group is assessing the impact of this transaction in equity.

The group acquired a 4% effective (and fully diluted) interest for US\$84m in UrbanClap Technologies India Private Limited (Urban Company). Urban Company is one of the largest home services platform in Asia, with representation in India, UAE, Singapore and Australia. The group will account for this investment at fair value through other comprehensive income.

The group completed bilateral trades that resulted in an additional investment in Delivery Hero. The group acquired an additional investment in Delivery Hero in March 2021, which increased its shareholding by 8% to approximately 24.99%. The additional investment was acquired via the market and bilateral trades. At 31 March 2021, while legal ownership had transferred for this 8% additional interest, the access to the returns associated with the ownership had not fully transferred for 4% of this interest. Accordingly, the effective interest in Delivery Hero recognised at 31 March 2021 was 21% with the remaining 4% amounting to US\$1.2bn recognised as a contractual right to receive the shares or cash. In May 2021, the bilateral trades for the remaining 4% were completed, resulting in an increase in the effective shareholding of Delivery Hero to 24.99% as the access to the returns associated with the ownership for these shares have been transferred. The group paid an additional US\$188.0m for the increase in share price for this interest between March and May 2021. In addition, the financial asset amounting to US\$1.2bn recognised at 31 March 2021 for the right to receive this interest or cash was derecognised against carrying value of the investment.

Notes to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

17. Events after the reporting period (continued)

The group acquired a 62% effective interest (61% fully diluted) for US\$259m in Good Investco B.V. (GoodHabitz). GoodHabitz BV provides educational information online, offering commercial, management, and technical training services in the Netherlands. The group will account for this investment as a subsidiary.

The group entered into an agreement to acquire a 100% effective interest for US\$1.8bn in Stack Overflow. Stack Overflow is a leading knowledge sharing platform for the global community of developers and technologist. The group expects to account for this investment as a subsidiary. The transaction is subject to regulatory approval and customary closing conditions and is expected to close in the first half of the 2022 financial year.

The group acquired a 13% effective interest (12% fully diluted) for US\$84m in Flink SE (Flink). Flink is a German-based instant grocery delivery company. The group will account for this investment as an equity-accounted associate on account of its significant influence on the board of directors.

The group acquired a total of 15 570 029 Naspers N ordinary shares as part of the share purchase programme announced in November 2020. A total of 10 568 947 N ordinary shares for US\$ 2.4bn were acquired as at 31 March 2021 (refer to note 14) and a further 5 001 082 Naspers N ordinary shares for US\$1.1bn were acquired between April and 15 June 2021. The group expects to complete the Naspers share purchase programme by the end of June 2021 for a total purchase consideration of approximately US\$3.6bn.

The group announced its intention to implement a voluntary share exchange offer to Naspers shareholders, where Naspers shareholders will be invited to tender their existing Naspers N ordinary shares for newly issued Prosus N ordinary shares at an exchange ratio of 2.27. Prosus intends to acquire 45.4% of the issued Naspers N ordinary shares in exchange for newly issued Prosus N ordinary shares, which would take its overall interest in Naspers to 49.5%, given the Naspers shares Prosus already owns. In addition, Prosus will issue newly created class B ordinary shares to Naspers which, together with the N ordinary shares held, will give it more than 70% of the voting rights of Prosus. Due to the resulting cross-holding, the transaction would more than double the Prosus free float's effective economic-interest in the group's underlying businesses to around 60%. The proposed transaction will be subject to a minimum acceptance condition of 45.4% of the issued Naspers N ordinary shares. The group intends to account for this transaction primarily within equity as a transaction with shareholders.

Independent auditor's report 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 2021 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 19 June 2021. 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 summarised 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 2021. These summarised consolidated financial statements contain the information required by IAS 34 Interim Financial Reporting (IAS 34) with the exception of IAS 34.20(b) 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 were conducted in accordance with Dutch law, including the Dutch Standard 810, 'Engagements to Report on Summary Financial Statements'.

Amsterdam, 19 June 2021

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 2021

A. Non-IFRS financial measures and alternative performance measures

A.1 Core headline earnings

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

Impact of voluntary change in accounting policy for the subsequent measurement of written put option liabilities

Effective 1 April 2020, the group made a voluntary change to its accounting policy regarding the subsequent measurement of written put option arrangements with non-controlling shareholders. Subsequent changes in the carrying value of written put option liabilities previously recognised in the income statement in 'Other finance income - net' are now recognised through equity. Remeasurements of written put option liabilities previously recognised in the income statement were adjusted from headline earnings to derive core headline earnings. Consequently, the change in accounting policy has no impact on core headline earnings.

Impact of share-based compensation expenses on core headline earnings

Effective April 2020, the group changed the definition of core headline earnings related to the treatment of the group's SAR share-based compensation benefits. Core headline earnings include the impact of the group's SAR share-based compensation expenses based on the grant date fair value for cash-settled share-based compensation benefits. The CODM reviews core headline earnings to include the impact of share-based compensation expenses based on the grant date fair value for all of the group's SAR share-based compensation benefits. The non-IFRS measure therefore excludes the remeasurement portion of the group's cash-settled share-based compensation benefits. Including only the grant date fair value of the group's cash-settled share-based compensation benefits is consistent with how the CODM reviewed these measures prior to the modification of the SARs to a cash-settled scheme and, as a result, the prior period presented does not require restatement.

On an economic-interest basis this non-IFRS measure will continue to include the group's proportionate share of its associate cash-settled share-based compensation expenses and excludes the share of its associate equity-settled share-based compensation expenses.

Other information to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

A Non-IFRS financial measures and alternative performance measures (continued)

A.1 Core headline earnings (continued)

Reconciliation of core headline earnings

	Year ended 31 March	
	2021 US\$m	Restated* 2020 US\$m
Headline earnings (refer to note 5)	5 840	2 742
<i>Adjusted for:</i>		
- equity-settled share-based payment expenses	746	583
- remeasurement of cash-settled share-based incentive expenses	594	25
- reversal of deferred tax assets	6	-
- amortisation of other intangible assets	440	363
- fair-value adjustments and currency translation differences	(2 896)	(619)
- retention option expense	62	56
- transaction-related costs	47	93
- Covid-19 donations	13	114
- Other ¹	7	-
Core headline earnings	4 859	3 357
Per share information for the year		
Core headline earnings per ordinary share (US cents)	299	207
Diluted core headline earnings per ordinary share (US cents) ²	291	203
Net number of ordinary shares issued ('000)		
- weighted average for the year	1 623 157	1 625 354
- diluted weighted average for the year	1 623 157	1 625 354

¹ Other adjustments relate mainly to the increase in provisions related to disposals.

² The diluted core headline earnings per share include a decrease of US\$139.3m (2020: US\$65.2m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.

Other information to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

A. Non-IFRS financial measures and alternative performance measures (continued)

A.1 Core headline earnings (continued)

Equity-accounted results

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

	Year ended 31 March	
	2021 US\$m	2020 US\$m
Share of equity-accounted results	7 095	3 930
- gains on acquisitions and disposals	(1 132)	(842)
- impairment of investments	933	227
Contribution to headline earnings	6 896	3 315
- amortisation of other intangible assets	355	301
- equity-settled share-based payment expenses	735	556
- fair-value adjustments and currency translation differences	(2 734)	(552)
- Covid-19 donations	-	114
Contribution to core headline earnings	5 252	3 734
Tencent	5 721	4 174
Mail.ru	(34)	70
MakeMyTrip	-	(13)
Delivery Hero	(230)	(167)
Other	(205)	(330)

The group applies an appropriate lag period of not more than three months in reporting the results of equity-accounted investments.

Other information to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

A. Non-IFRS financial measures and alternative performance measures (continued)

A.2 Growth in local currency, excluding acquisitions and disposals

The group applies certain adjustments to segmental revenue and trading profit reported in the 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	
	2021	2020
South African rand (ZAR)	0.0614	0.0667
Euro (EUR)	1.1691	1.1103
Chinese yuan renminbi (CNY)	0.1479	0.1433
Brazilian real (BRL)	0.1830	0.2398
Indian rupee (INR)	0.0135	0.0141
Polish zloty (PLN)	0.2593	0.2569
Russian rouble (RUB)	0.0134	0.0152
British pound sterling (GBP)	1.3152	1.2702
Turkish lira (YTL)	0.1344	0.1692
Romanian lei (RON)	0.2405	0.2330
Hungarian forint (HUF)	0.0033	0.0033

- 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 2021

A. Non-IFRS financial measures and alternative performance measures (continued)

A.2 Growth in local currency, excluding acquisitions and disposals (continued)

The following significant changes in the composition of the group during the respective reporting periods have been adjusted for in arriving at the pro forma financial information:

Year ended 31 March 2021

Transaction	Basis of accounting	Reportable segment	Acquisition/disposal
Acquisition of the group's interest in Shipper	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Eruditus	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 Klar	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in EMPG	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in OfferUp	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in DotPe	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Finwizard	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Carsmile	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Kiwi Finance	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Honor	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in HCL	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Grupo ZAP	Joint Venture	Ecommerce	Acquisition
Acquisition of the group's interest in Brainly	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Encuentra	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in P24	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Max Poster	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Iyzico	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Wibmo	Subsidiary	Ecommerce	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
Increase of the group's interest in Brainly	Associate	Ecommerce	Acquisition
Increase of the group's interest in Udemy	Associate	Ecommerce	Acquisition
Increase in the group's interest in Swiggy	Associate	Ecommerce	Acquisition
Increase of the group's interest in Remitly	Associate	Ecommerce	Acquisition
Step up of the group's interest in Zoop	Subsidiary	Ecommerce	Disposal/ acquisition
Step up of the group's interest in Frontier Car Group	Subsidiary	Ecommerce	Disposal/ acquisition
Step up of the group's interest in PaySense	Subsidiary	Ecommerce	Disposal/ acquisition

Other information to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

A. Non-IFRS financial measures and alternative performance measures (continued)

A.2 Growth in local currency, excluding acquisitions and disposals (continued)

The following significant changes in the composition of the group during the respective reporting periods have been adjusted for in arriving at the pro forma financial information:

Year ended 31 March 2021

Transaction	Basis of accounting	Reportable segment	Acquisition/disposal
Disposal of the group's interest in Apontador	Subsidiary	Ecommerce	Disposal
Disposal of the group's interest in TruckPad	Associate	Ecommerce	Disposal
Disposal of the group's interest in Dubizzle	Subsidiary	Ecommerce	Disposal
Disposal of the group's interest in WeCashAnyCar	Subsidiary	Ecommerce	Disposal
Disposal of the group's interest in BuscaPé	Subsidiary	Ecommerce	Disposal
Disposal of the group's interest in Wavy	Subsidiary	Ecommerce	Disposal
Disposal of the group's interest in letgo	Subsidiary	Ecommerce	Disposal
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 SimilarWeb	Associate	Ecommerce	Disposal
Dilution of the group's interest in Delivery Hero	Associate	Ecommerce	Disposal
Dilution of the group's interest in Tencent	Associate	Social and Internet Platforms	Disposal
Dilution of the group's interest in Mail.ru	Associate	Social and Internet Platforms	Disposal

The net adjustment made for all acquisitions and disposals on continuing operations that took place during the year ended 31 March 2021 amounted to a positive adjustment of US\$20m on revenue and a negative adjustment of US\$15m on trading profit. These adjustments include a change in estimate related to Mail.ru's deferred revenue in the prior year.

Other information to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

A. Non-IFRS financial measures and alternative performance measures (continued)

A.2 Growth in local currency, excluding acquisitions and disposals (continued)

The adjustments to the amounts, reported in terms of IFRS, that have been made in arriving at the pro forma financial information are presented in the table below:

	Year ended 31 March							
	2020	2021	2021	2021	2021	2021	2021	2021
	A	B	C	D	E	F ²	G ³	H ⁴
	Group composi- tion disposal adjustment IFRS ¹ US\$'m	Group composi- tion acquisition adjustment US\$'m	Group composi- tion acquisition adjustment US\$'m	Foreign currency adjustment US\$'m	Local currency growth US\$'m	IFRS ¹ US\$'m	Local currency growth %	IFRS %
Revenue								
<i>Ecommerce</i>	4 266	(354)	489	(282)	2 111	6 230	54	46
- Classifieds	1 281	(115)	318	(91)	206	1 599	18	25
- Payments and Fintech	428	(11)	37	(28)	151	577	36	35
- Food Delivery	751	(17)	6	(189)	935	1 486	>100	98
- Etail	1 363	(11)	95	67	736	2 250	54	65
- Travel	146	(146)	-	-	-	-	-	(100)
- Other	297	(54)	33	(41)	83	318	34	7
<i>Social and Internet</i>								
<i>Platforms</i>	17 189	(115)	-	736	4 716	22 526	28	31
- Tencent	16 779	(54)	-	786	4 644	22 155	28	32
- Mail.ru	410	(61)	-	(50)	72	371	21	(10)
Corporate	-	-	-	-	-	-	-	-
Group economic-interest	21 455	(469)	489	454	6 827	28 756	33	34

¹ Figures presented on an economic-interest basis as per the segmental review.

² A + B + C + D + E.

³ $[E/(A + B)] \times 100$.

⁴ $[(F/A) - 1] \times 100$.

Other information to the summarised consolidated financial statements (continued)

for the year ended 31 March 2021

A. Non-IFRS financial measures and alternative performance measures (continued)

A.2 Growth in local currency, excluding acquisitions and disposals (continued)

	Year ended 31 March							
	2020	2021	2021	2021	2021	2021	2021	2021
	A	B	C	D	E	F ²	G ³	H ⁴
	Group composi- tion disposal adjustment	Group composi- tion acquisition adjustment	Foreign currency adjustment	Local currency growth		Local currency growth		IFRS
	IFRS ¹ Restated* US\$'m	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m	%	%
Trading profit								
<i>Ecommerce</i>	(782)	101	(44)	(20)	316	(429)	46	45
- Classifieds	34	45	(33)	(26)	(11)	9	(14)	(74)
- Payments and Fintech	(67)	5	(7)	(3)	4	(68)	6	(1)
- Food Delivery	(624)	17	(3)	(2)	257	(355)	42	43
- Etail	(20)	8	(2)	3	79	68	>100	>100
- Travel	(22)	22	-	-	-	-	-	100
- Other*	(83)	4	1	8	(13)	(83)	(16)	-
<i>Social and Internet</i>								
<i>Platforms</i>	4 699	(72)	-	190	1 337	6 154	29	31
- Tencent	4 601	(15)	-	194	1 346	6 126	29	33
- Mail.ru	98	(57)	-	(4)	(9)	28	(22)	(71)
Corporate*	(140)	-	-	-	30	(110)	21	21
Group economic-interest	3 777	29	(44)	170	1 683	5 615	44	49

* During the current year, the way that corporate costs are presented to the CODM has been changed. Corporate costs, previously allocated and disclosed in the 'Other Ecommerce' subsegment, are now included in the 'Corporate segment'. This provides more clarity on the total corporate costs incurred by the group. This change had no impact on the overall group trading (loss)/profit.

¹ Figures presented on an economic-interest basis as per the segmental review.

² A + B + C + D + E.

³ $[E/(A + B)] \times 100$.

⁴ $[(F/A) - 1] \times 100$.

Refer to note 4 for details of the group's change to the definition of trading profit/(loss).

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, 24 August 2021, for the purposes of considering the following business:

1. To discuss the annual report*.
2. To approve the directors' remuneration report*.
3. To adopt the annual accounts for the financial year ending 31 March 2021.
4. To make a distribution in relation to the financial year ending 31 March 2021.
5. To facilitate the making of a (capital) distribution for future financial years.
6. To discharge executive directors from liability.
7. To discharge non-executive directors from liability.
8. To adopt the remuneration policy of the executive and non-executive directors.
9. To appoint Mrs Angelien Kemna as a non-executive director.
10. To reappoint the following non-executive directors:
 - 10.1 Mr HJ Du Toit
 - 10.2 Mr CL Enenstein
 - 10.3 Mr FLN Letele
 - 10.4 Mr R Oliveira de Lima
11. To reappoint PricewaterhouseCoopers Accountants N.V. as the auditor for the financial year ending 31 March 2023.
12. To designate the Board of Directors as the Company body to issue shares.
13. To authorise the board to resolve that the Company acquires shares in its own capital.
14. To reduce the share capital by cancelling own shares.
15. Closing.

* *Non-voting item*

* *Advisory vote*

Due to the continued impact of the Covid-19 pandemic and the associated health risks, the annual general meeting will be held virtually without the option for shareholders to participate in person in accordance with the Temporary Act Covid-19 Justice and Safety (the Temporary Act). Should the Temporary Act no longer apply on 24 August 2021, the annual general meeting will take place on the same date and the same time at the offices of ABN AMRO Bank N.V. (ABN AMRO), Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands, subject to applicable restrictions on in-person visits. We will in any event ensure virtual access to the annual general meeting in a manner consistent with the arrangements for a virtual meeting. Virtual participation will be subject to the Prosus Policy regarding General Meetings of Shareholders.

Meeting documents

The agenda, including explanatory notes, and the annual report 2021, including financial statements as well as the other meeting documents, are available upon request and free of charge at the office of Prosus, Gustav Mahlerplein 5, 1082 MS Amsterdam, email: GeneralMeeting@prosus.com or via www.prosus.com/investors/agm. These documents can also be digitally provided via ABN AMRO by email: ava@nl.abnamro.com.

Notice of virtual annual general meeting (continued)

Record date

In accordance with the statutory provisions, eligible meeting participants and persons entitled to vote at the annual general meeting are those persons who on Tuesday, 27 July 2021 (the Record Date), after processing of all entries and deletions as of that date are recorded in a (sub)register designated by the Board of Directors.

Registration

Holders of 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) or via their intermediaries at which their shares are administered, following the Record Date and no later than Tuesday, 17 August 2021, at 17:30 CET at the latest. Not later than Wednesday, 18 August 2021 (before 12.00 noon CET) the intermediaries are to provide ABN AMRO via www.abnamro.com/intermediary with an electronic statement that includes the number of shares held on the Record Date by the shareholder concerned and 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 login details for attending the meeting virtually and/or to vote virtually.

Holders of shares registered in Prosus's shareholders register (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 not later than Tuesday, 17 August 2021, at 17:30 CET.

Virtual attending and voting

Shareholders can attend and vote at the meeting on all 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 to log into the online voting platform. After successful login and confirmation of the login via two-factor authentication (by SMS verification), the shareholder is automatically logged into the meeting. Further instructions may be provided via www.abnamro.com/evoting.

You will be able to log in for virtual admission to the meeting on Tuesday, 24 August 2021 via 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.

The Prosus Policy regarding General Meetings of Shareholders can be found at www.prosus.com (with the meeting documents). Virtual voting entails risks. If you wish to avoid such risks you should choose to give a proxy with voting instructions.

Voting by proxy

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. By doing so, voting instructions are given to Ms JJCA 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 or her voting instructions electronically, these may also be given in writing. The proxy form can be found on the Prosus website at www.prosus.com/investors/aggm. The proxy form must be completed and received by ABN AMRO on Tuesday, 17 August 2021, at 17:30 CET at the latest.

Notice of virtual annual general meeting (continued)

Written questions and information

Shareholders (who registered) have the opportunity to submit questions in writing, by sending them to GeneralMeeting@prosus.com before 21 August 2021, at 14:00 CET. The relevant questions and answers will be published on the Company's website (www.prosus.com/investors/agma). Only shareholders who submitted questions in accordance with the procedures set forth above will be given the opportunity to submit follow-up questions during the meeting for which they will receive separate instructions.

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 the financial year ended 31 March 2021.

A full Q&A session will be held on all matters tabled for this meeting during this agenda item.

Shareholders that have submitted questions timely in advance and in accordance with the Prosus Policy regarding General Meetings of Shareholders may ask follow-up questions during this agenda item.

2. To approve the directors' remuneration report (advisory vote)

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.

The directors' remuneration report is put to the general meeting of shareholders for a non-binding advisory vote. It is proposed to approve the directors' remuneration report.

Please refer to the directors' remuneration report that is included in the Prosus annual report on pages 134 to 161. A copy of the remuneration policy, which was approved by shareholders at the annual general meeting in 2020, is available on our website at www.prosus.com.

3. To adopt the annual accounts (voting item)

To consider and adopt the annual accounts for the twelve (12) months ended 31 March 2021 as included in the Prosus annual report on pages 163 to 258.

4. To make a distribution in relation to the financial year ending 31 March 2021 (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 as follows:

- (i) if the exchange offer transaction announced by Prosus on 12 May 2021 is implemented and settlement thereof occurs prior to the AGM, a distribution in the form of a terminal economics distribution (as outlined in the amended articles of association) is made to: (A) the holders of ordinary shares N of 14 euro cents per share, (B) the holder of ordinary shares B of 0.000014 euro cents per share and (C) the holders of ordinary shares A1 an amount per share equal to the outcome of the formula set forth in article 30.4 of the amended articles of association, in each case in accordance with articles 30.2

Notice of virtual annual general meeting (continued)

through 30.6 of the amended articles of association; consequently the distribution on the ordinary shares N held by Naspers will be capped at Naspers's effective economic interest percentage of the total distribution as outlined in the amended articles of association; and

- (ii) if either the exchange offer transaction is not implemented or settlement does not occur prior to the AGM, a distribution is made to (i) the holders of ordinary shares N of 14 euro cents per share and (ii) the holders of ordinary shares A1 of an amount per share equal to the outcome of the formula set forth in Article 30.5 of the current articles of association with the Free Float Percentage determined at 29 October 2021, in each case in accordance with articles 30.2 and 30.5 of the current articles of association.

Amended articles of association means the articles of association in place following the execution of the deed of amendment to the articles of association as resolved upon in the EGM of 9 July 2021. Current articles of association means the articles of association as they read since 10 November 2021, assuming the resolution of the EGM of 9 July 2021 has not yet been effectuated as per the date of the AGM.

Holders of ordinary shares N can elect whether they want to receive their distribution in the form of a regular dividend out of net profit, 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.

Thereto, this proposal to make a distribution in relation to the financial year ended 31 March 2021, consists of two elements, being the distribution of a dividend out of net profit and the distribution of repaid capital. The latter implies a resolution to formally reduce the capital of the Company (*kapitaalvermindering*) to be effectuated after the conclusion of a formal capital reduction process, including a two-month opposition period for creditors. To be able to make a distribution in the form of repaid capital, two subsequent changes to the articles of association have to be made, by first increasing the nominal value of the ordinary shares N with 14 euro cents, thus increasing the issued share capital of the Company at the charge of the share premium reserve and secondly, by decreasing 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. The balance will be added to the share premium reserve of the Company. Reference is made to the texts of the proposals to amend the articles of association in English and Dutch, which can be found on the website, for both alternatives (i) and (ii) above.

Consequently, the proposal consists of three parts:

- (i) the proposal to distribute a dividend as set out above;
- (ii) the proposal to amend the articles of association of the Company by an increase of the nominal value of the ordinary shares N from €0.05 to €0.19, thus increasing the issued share capital of the Company at the charge of the share premium reserve; and
- (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 from €0.19 to the current nominal value of €0.05, thus decreasing the issued share capital of the Company, which decrease is partly paid to the shareholders who have opted (or implicitly opted) for the repaid capital option and the balance is added to the share premium reserve of the Company.

Notice of virtual annual general meeting (continued)

The proposal to amend the articles of association of either alternative includes authorising 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 individually, to have the deeds of amendment to the articles of association executed.

For those holders holding their shares in South Africa via Strate, the proposed distribution as denominated in euro will be translated to South African rand at the exchange rate prevailing on the date of approval at the 2021 annual general meeting.

The resolution adopted under 4B of the annual general meeting held on 18 August 2020 is revoked and consequently that the proposed amendment to the articles will no longer be effectuated.

5. To make a distribution in relation to the financial year ending 31 March 2022 and onwards

It is Prosus's intention to put the same distribution election option on the annual general meeting agenda for 2022 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, 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-month opposition period for creditors. In order to avoid the delay in payments, 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-month opposition period for creditors is finalised prior to or shortly after the 2022 annual general meeting, so that the 2022 payment date need not be delayed.

As the amount of dividend for the financial year 2022 (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 2022 (and onwards), and for which amount, and consequently the amount of repaid capital to be repaid to shareholders, will only be resolved upon in the 2022 annual general meeting (and onwards). The balance will be added (back) to the share premium reserve.

The proposal 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 from €0.05 to €0.55, thus increasing the issued share capital of the Company at the charge of the share premium reserve.
- 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 from €0.55 to the current nominal value of €0.05, 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

Notice of virtual annual general meeting (continued)

the amount resolved upon in the 2022 annual general meeting, and the balance is added to the share premium reserve of the Company.

Both amendments of the articles of association for the financial year 2022 (and onwards) will only be executed and come into full force and effect, following the statutory capital reduction process and taking into account a mandatory two-month opposition period for creditors. As the precise amount of the 2022 distribution will only be known following the 2022 annual general meeting, figures cannot be given at this stage, but it is clear that the balance between the 2022 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 2022, 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.

The proposed changes are set out in the Proposed Amendments to the Articles of Association dated 19 June 2021, taking into account the two alternatives (i) and (ii) set out under agenda item 4, available at www.prosus.com.

The process of the capital increase and capital decrease proposed under this agenda item 5 will only start after having completed the full process of agenda item 4.

The proposal also includes authorising 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 two deeds of amendment of the articles of association for the financial year 2022 (and onwards) executed.

6. To discharge the executive directors from liability (voting item)

It is proposed that the executive directors in office for the year ended 31 March 2021 be discharged from liability for their fulfilment of their tasks in the 2021 financial year.

7. To discharge the non-executive directors from liability (voting item)

It is proposed that the non-executive directors for the year ended 31 March 2021 be discharged from liability for their fulfilment of their tasks in the 2021 financial year.

8. To adopt the remuneration policy of the non-executive directors (voting item)

In accordance with Sections 2:135, 2:135a 2:145(2) of the Dutch Civil Code, 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. The remuneration policy has been approved by the board on recommendation from the human resources and remuneration committee.

Notice of virtual annual general meeting (continued)

The approval of the remuneration of the non-executive directors for the year ending 31 March 2022 being sought is as follows, based on an increase of up to 5% on the remuneration approved at the annual general meeting on 18 August 2020⁵.

			31 March 2022¹ (total proposed fee payable by Naspers and Prosus)	31 March 2022¹ (proposed amount payable by Prosus)
1.	Chair ²		2.5 times member	US\$366 270
2.	Member		US\$209 297	US\$146 508
	All members: Daily fees when travelling to and attending meetings outside home country		US\$3 500	US\$2 450
	Committees			
3.	Audit committee	Chair	2.5 times member	US\$90 241
4.		Member	US\$51 566	US\$36 096
5.	Risk committee	Chair	2.5 times member	US\$53 601
6.		Member	US\$30 629	US\$21 440
7.	Human resources and remuneration committee	Chair	2.5 times member	US\$63 413
8.		Member	US\$36 236	US\$25 365
9.	Nomination committee	Chair	2.5 times member	US\$34 178
10.		Member	US\$19 530	US\$13 671
11.	Social, ethics and sustainability committee	Chair	2.5 times member	US\$46 909
12.		Member	US\$26 805	US\$18 764
	Other			
13.	Trustee of group share schemes/ other personnel funds		R56 448	R39 514

¹ Following the listing of Prosus on Euronext Amsterdam, Prosus non-executive directors serve on the boards of both Naspers Limited and Prosus. As a result of the non-executive directors assuming these dual responsibilities, the proposed fees will be split between Naspers and Prosus, on a 30/70 basis.

² The chair of Prosus does not receive additional remuneration for attending meetings or being a member of or chairing any committee of the board.

⁵ The remuneration report on pages 134 to 161 of the annual report set out details of the shareholders' advisory vote on the remuneration report for FY20 as well as information on stakeholder engagement on remuneration.

Notice of virtual annual general meeting (continued)

Due to the fact that Naspers and Prosus directors have assumed dual responsibilities and to ensure that Naspers's and Prosus's non-executive board remuneration is aligned, the approval of the remuneration of the non-executive directors for the year ending 31 March 2023 being sought is as follows:

			31 March 2023¹ (total proposed fee payable by Naspers and Prosus)	31 March 2023¹ (proposed amount payable by Prosus)
1.	Chair ²		2.5 times member	US\$384 583
2.	Member		US\$219 762	US\$153 833
	All members: Daily fees when travelling to and attending meetings outside home country		US\$3 500	US\$2 450
	Committees			
3.	Audit committee	Chair	2.5 times member	US\$94 753
4.		Member	US\$54 144	US\$37 901
5.	Risk committee	Chair	2.5 times member	US\$56 281
6.		Member	US\$32 160	US\$22 512
7.	Human resources and remuneration committee	Chair	2.5 times member	US\$66 584
8.		Member	US\$38 048	US\$26 633
9.	Nomination committee	Chair	2.5 times member	US\$35 886
10.		Member	US\$20 507	US\$14 355
11.	Social, ethics and sustainability committee	Chair	2.5 times member	US\$49 254
12.		Member	US\$28 145	US\$19 702
	Other			
13.	Trustee of group share schemes/ other personnel funds		R59 270	R41 489

9. To appoint Mrs A Kemna as a non-executive director (voting item)

In accordance with the articles of association, the board of directors proposes to appoint Angelien Kemna as a non-executive director.

Angelien Kemna (63) is an independent board member and chair of the audit committee of Friesland Campina; senior independent board member of AXA Investment Managers and independent director and member of the audit committee of AXA Group; and independent board member and chair of the risk committee of NIBC Holding. She was previously a member of the executive board of APG Group in the Netherlands, first as chief investment officer and then chief finance and risk officer. In addition, she was part-time professor in corporate governance at Erasmus University, Rotterdam. She holds an MSc in operations research and a PhD in finance from Erasmus University. She was a visiting scholar at Sloan School MIT (Boston, USA).

She does not hold any ordinary shares N or ordinary shares A.

Notice of virtual annual general meeting (continued)

Due to the extensive experience that Angelién has in executive and non-executive roles in the investment industry and elsewhere, as well as her financial literacy and knowledge of corporate governance practices, the board unanimously recommends that Angelién 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 2024.

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 2024.

a. Mr HJ du Toit

Hendrik du Toit (59) is an independent non-executive director. Hendrik is founder and chief executive officer of Ninety One. He entered the asset management industry in 1988 and joined Investec Group in 1991, founding Investec Asset Management which rebranded to Ninety One in 2020. He also served as joint chief executive officer of the Investec Group from October 2018 until the demerger and listing of Ninety One in March 2020. Hendrik is a World Benchmarking Alliance ambassador. Previously, he served as a non-executive director of the Industrial Development Corporation of South Africa. He has also served on the advisory boards of the Sustainable Development Solutions Network, the expert board of HM Treasury's Belt and Road Initiative, the UN business and human security initiative, the Impact Investing Institute, and commissioner of the Business and Sustainable Development Commission. Hendrik holds an MPhil in economics and politics of development from Cambridge University, and an MCom in economics (cum laude) from Stellenbosch University. Due to the wealth of experience that he has, combined with his investment knowledge, the board unanimously recommends that he be reappointed.

b. Mr CL Enenstein

Craig Enenstein (52) is an independent non-executive director. He is also the chief executive officer of Corridor Capital LLC, an operationally intensive private equity firm focused on the lower-middle market. Founded by Craig in 2005, Corridor Capital is based in Los Angeles, USA. He is a member of the Wharton Graduate executive board. He holds an MBA in finance from the Wharton School of Business of the University of Pennsylvania, an MA in international studies from the Lauder Institute, University of Pennsylvania and a BA from University of California, Berkeley. Due to the wealth of experience that he has, combined with his investment knowledge, the board unanimously recommends that he be reappointed.

c. Mr FLN Letele

Nolo Letele (71) is an independent non-executive director. He joined M-Net in 1990 and pioneered MultiChoice's expansion outside South Africa. In 1995 he moved to the Republic of Ghana where he served as MultiChoice's West African regional general manager. In 1999, he was appointed chief executive officer of MultiChoice South Africa Holdings Proprietary Limited, and later served as the MultiChoice group chief executive officer until 2010, when he was appointed executive chair of MultiChoice South Africa. He is currently non-executive chair. He has won several awards including Media Man of the Year in 2001 (Saturday Star—Business Report); Media Owner of the Year in 2003 (Financial Mail Adfocus); and the Lifetime Africa Achievement Prize for media development in Africa (Millennium Excellence Foundation). He holds a BScHons in electronic engineering from the University of Southampton. Due to the wealth of experience that he has, combined with his media expertise, the board unanimously recommends that he be reappointed.

d. Mr R Oliveira de Lima

Roberto Oliveira de Lima (70) is an independent non-executive director. He developed his career at companies like Accor S.A., Rhone Poulenc S.A. (now part of Sanofi S.A.) and Compagnie de Saint-Gobain S.A. in the information technology and finance areas. He was chair and chief executive officer of Credicard Group (a Citigroup company), chief executive officer of Vivo S.A., the largest mobile telecommunications company in Brazil (a Telefónica SA and Portugal Telecom company), chair of Publicis Brazil and president of Natura S.A. He was previously a board member of Edenred S.A. in France, Pão de Açúcar S.A. (Casino), Natura S.A. and BR Distribuidora (Petrobras company) in Brazil. He is a board member of RNI Negócios Imobiliários S.A. and AES Tietê SA. In April 2019, he left the board of Telefónica Brasil S.A. after 14 years, having served six of those years as president and chief executive officer and eight years as a board member as well as quality and services committee member. He holds a BA and an MA in business management from Fundação Getúlio Vargas in Brazil and an MA from Institut Supérieur des Affaires at Jouy en Josas, France. Due to the wealth of experience that he has, combined with his emerging-economies business knowledge, the board unanimously recommends that he be reappointed.

The above directors were first appointed to the board of Prosus on 14 August 2019 and retire by rotation and, being eligible, offer themselves for re-election as directors of Prosus.

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 virtual annual general meeting remotely.

11. To reappoint PricewaterhouseCoopers Accountants N.V. as the auditor charged with the auditing of the annual accounts for the year ending 31 March 2023 (voting item)

To reappoint, on the recommendation of Prosus's audit committee, PricewaterhouseCoopers Accountants N.V. as independent registered auditor of Prosus for the financial year ending 31 March 2023.

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

12. To designate the Board of Directors as the Company body to issue shares (voting item)

To designate the board as the corporate body authorised to resolve on the issue of shares in the capital of Prosus, and the granting of rights to subscribe for shares.

Up to 10% of the issued capital in aggregate as per the date of the annual general meeting, with the power to the board to decide which class(es) of shares is/are 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 from the date of the annual general meeting for general purposes.

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. Upon adoption of this resolution, the current designation of the board given on 18 August 2020 is cancelled.

Notice of virtual annual general meeting (continued)

13. To authorise the board to resolve that the Company acquires shares in its own capital (voting item)

It is proposed that the shareholders authorise the board, for a period of eighteen (18) months from the date of the AGM, as the competent body of the Company 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 AGM, provided that the Company will hold no more shares in its own capital than a maximum of 50% of the issued capital, 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 trading day of the repurchase or the agreement to acquire the shares is entered into plus 10%.

Upon adoption of the resolution, the current authorisation to the board given on 18 August 2020 or 9 July 2021 as the case may be, lapses.

14. To reduce the share capital by cancelling own shares

It is proposed to cancel any or all shares in the share capital of the Company held or repurchased by the Company under the authorisation adopted in the extraordinary general meeting of 9 July 2021, to the extent that such shares are not used to cover obligations under employee equity option plans. This cancellation may be executed in one or more tranches. The number of ordinary shares that will be cancelled (whether or not in a tranche) will be determined by the board, but may not exceed 20% of the issued share capital at the date of the annual general meeting. Pursuant to the relevant statutory provisions, cancellation will only be effected after the resolution of the board determining the number of shares has been adopted and publicly announced, and following the statutory capital reduction process taking into account a mandatory two months opposition period for creditors.

By order of the board



Gillian Kisbey-Green

Company secretary

19 June 2021

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)

Virtual annual general meeting of shareholders

Virtual annual general meeting of shareholders of the Company to be held at ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands at 14:00 (Central European time) on Tuesday, 24 August 2021.

The undersigned,

Individual		
Name		
Address		
Country and postal code		
Representative of a company, trust or other association		
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)	

to represent the principle at the virtual annual general meeting 2021 and to vote in respect of the items on the agenda for the virtual annual general meeting, in the manner set out overleaf:

Power of attorney (continued)

		In favour of	Against	Abstain
Ordinary resolutions				
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 for the financial year ending 31 March 2021			
4.	To make a distribution in relation to the financial year ending 31 March 2021			
5.	To facilitate the making of a (capital) distribution for future financial years			
6.	To discharge executive directors from liability			
7.	To discharge non-executive directors from liability			
8.	To adopt the remuneration policy of the executive and non-executive directors			
9.	To appoint A Kemna as a non-executive director			
10.	To reappoint the following non-executive directors:	N/A	N/A	N/A
10.1	HJ Du Toit			
10.2	CL Enenstein			
10.3	FLN Letele			
10.4	R Oliveira de Lima			
11.	To reappoint PricewaterhouseCoopers Accountants N.V. as the auditor for the financial year ending 31 March 2023			
12.	To designate the Board of Directors as the Company body to issue shares			
13.	To authorise the board to resolve that the Company acquires shares in its own capital			
14.	To reduce the share capital by cancelling own shares			
15.	Closing	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 _____ 2021

Signature _____ Assisted by (where applicable) _____

Please return, including a copy of your proof of registration, on or before Tuesday, 17 August 2021, 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.

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

JP Bekker (chair), B van Dijk (chief executive),
EM Choi, HJ du Toit, CL Enenstein,
M Girotra, RCC Jafra,
FLN Letele, D Meyer, R Oliveira de Lima,
SJZ Pacak, V Sgourdos, MR Sorour,
JDT Stofberg, BJ van der Ross, Y Xu

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

Auditor

PricewaterhouseCoopers Accountants N.V.
Thomas R. Malthusstraat 5, 1066 JR Amsterdam

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

Investec Bank Limited
(Registration number: 1969/004763/06)
PO Box 785700
Sandton 2146
South Africa
Tel: +27 (0)11 286 7326
Fax: +27 (0)11 286 9986

ADR programme

The Bank of New York Mellon maintains a GlobalBuyDIRECTSM plan for Prosus N.V. For additional information, please visit The Bank of New York Mellon's website at www.globalbuydirect.com or call shareholder relations at 1-888-BNY-ADRS or 1-800-345-1612 or write to:
The Bank of New York Mellon, Shareholder Relations Department – GlobalBuyDIRECTSM, Church Street Station, PO Box 11258, New York, NY 10286-1258, USA.

Attorneys

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1077 AB Amsterdam
The Netherlands

Investor relations

Eoin Ryan
InvestorRelations@prosus.com
Tel: +1 347-210-4305

Important information

This report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995. Words such as 'believe', 'anticipate', 'intend', 'seek', 'will', 'plan', 'could', 'may', 'endeavour' and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and should be considered in light of various important factors. While these forward-looking statements represent our judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. The key factors that could cause our actual results performance, or achievements to differ materially from those in the forward-looking statements include, among others, changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; ongoing and future acquisitions; changes to domestic and international business and market conditions such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political conditions; the occurrence of labour disruptions; and industrial action and the effects of both current and future litigation. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements contained in this report, whether as a result of new information, future events or otherwise. We cannot give any assurance that forward-looking statements will prove to be correct and investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

**...by building leading
consumer internet companies that
address societal needs**