IMPORTANT NOTICE

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

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

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

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

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

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

2) the email address that you gave to us and to which the Base Prospectus has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States or the District of Columbia.

You are reminded that this Base Prospectus has been delivered to you on the basis that you are a person into whose possession this Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Base Prospectus to any other person.

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

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

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

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

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

BASE PROSPECTUS



PROSUS N.V.

(incorporated under the laws of the Netherlands)

U.S.$6,000,000,000
Global Medium Term Note Program

Under this U.S.$6,000,000,000 Global Medium Term Note Program (the "**Program**"), Prosus N.V. (the "**Issuer**" or the "**Company**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealers (as defined below).

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

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Program will not exceed U.S.$6,000,000,000 (or its equivalent in other currencies calculated as described in the Distribution Agreement (as defined and described herein)), subject to increase as described herein.

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

This base prospectus (the "**Base Prospectus**") has been approved by the Central Bank of Ireland (the "**Central Bank**"), as the competent authority under Regulation (EU) 2017/1129, as amended or superseded (the "**Prospectus Regulation**") as a base prospectus issued in compliance with the Prospectus Regulation. The Central Bank has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer as the subject of this Base Prospectus nor as an endorsement of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes. Furthermore, such approval relates only to Notes which are to be admitted to trading on a regulated market for the purposes of the Prospectus Regulation and/or which are to be offered to the public in any Member State of the European Economic Area ("**EEA**"). This Base Prospectus is valid for a period of twelve months from the date of approval. Following the publication of this Base Prospectus, a supplement may be prepared by us and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus that is capable of affecting the assessment of the Notes, except that such supplement will not be required when the validity of the Base Prospectus expires on July 12, 2021.

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

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

The Notes will constitute direct, unconditional, unsecured and unsubordinated general obligations of the Issuer. The Notes will rank *pari passu* among themselves, without any preference of one over the other by reason of priority of date of issue or otherwise and at least equally with all other present and future unsecured and unsubordinated general obligations of the Issuer from time to time outstanding (save to the extent that laws affecting creditors' rights generally in a bankruptcy, winding up, administration or other insolvency procedure may give preference to any of such other obligations). Application may be made to the Irish Stock Exchange Plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes (other than the Exempt Notes) to be admitted during the period of twelve months after the date hereof to listing on the official list (the "**Official List**") and to trading on the regulated market thereof. Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**MiFID II**"). The Program also permits Notes, including the Exempt Notes, to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems at the option of the Issuer.

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

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

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

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

Arranger
Citigroup

The date of this Prospectus is July 13, 2020

NOTICE TO INVESTORS

Responsibility for this Base Prospectus

Prosus N.V. (the "**Issuer**") accepts responsibility for the information contained in this Base Prospectus and any Final Terms, Pricing Supplement or Drawdown Prospectus, as applicable. To the best of the Issuer's knowledge, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

Final Terms/Drawdown Prospectus/Pricing Supplement

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

Any applicable pricing supplement in relation to any Tranche of Notes for which no prospectus is required to be published under the Prospectus Regulation ("**Exempt Notes**"), may specify terms and conditions other than those set out herein which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions herein, replace or modify the terms and conditions of the Notes stated herein for the purpose of such Exempt Notes. Such Exempt Notes do not form part of this Base Prospectus and the Central Bank of Ireland has neither approved nor reviewed information contained in this Base Prospectus in connection with the Exempt Notes. In the case of Exempt Notes only and if appropriate, a supplementary prospectus and/or a pricing supplement (together, a "**Pricing Supplement**") will be published which will describe the effect of the agreement reached in relation to, and the terms and conditions, of such Notes.

Other Relevant Information

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

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

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

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

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

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

Unauthorized Information

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

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

Restrictions on Distribution

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

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

MiFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms, Pricing Supplement or Drawdown Prospectus, as applicable, in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or

recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

Prohibition of sales to EEA and U.K. Retail Investors

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

Each Arranger and Dealer has represented and agreed, and each further Arranger and Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of any offering contemplated by this Base Prospectus as completed by any Final Terms or Pricing Supplement, as the case may be, in relation thereto to any retail investor in the EEA and the U.K. For the purposes of this provision:

a) the expression "**retail investor**" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation; and

b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

BENCHMARKS REGULATION

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

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

Program Limit

The maximum aggregate principal amount of Notes outstanding at any one time under the Program will not exceed U.S.$6,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes). The maximum aggregate principal amount of Notes that may be outstanding and guaranteed at any one time under the Program may be increased from time to time, subject to compliance with the relevant provisions of the Distribution Agreement as defined under "*Subscription and Sale*".

Certain Definitions

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

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

Rounding

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

Ratings

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

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

Stabilization

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

Relevant Date

Unless otherwise noted, all disclosures regarding the state of our business refer to the date of this Base Prospectus.

IMPORTANT NOTICE

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

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

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

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

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

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

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

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

To purchase the Notes, investors must comply with all applicable laws and regulations in force in any jurisdiction in which investors purchase, offer or sell the Notes or possess or distribute this Base Prospectus. Investors must also

obtain any consent, approval or permission required for investors to purchase, offer or sell any of the Notes under the laws and regulations in force in any jurisdiction to which investors are subject or in which investors make a purchase, offer or sale. None of the Issuer, its affiliates or the Arranger and the Dealers will have responsibility therefor.

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

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OVERVIEW OF THE PROGRAM

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

Issuer	Prosus N.V.
Description	Global Medium Term Note Program.
Arranger	Citigroup Global Markets Limited
Fiscal and Paying Agent	Citibank, N.A., London Branch, whose address is Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom.
Size	The aggregate principal amount of Notes outstanding at any time shall not exceed U.S.$6,000,000,000. The Issuer may increase the amount of the Program from time to time without the consent of the Noteholders.
Currency	U.S. dollars, Euro, Pounds Sterling or another currency, in each case as indicated in the applicable Final Terms, Drawdown Prospectus or, in the case of Exempt Notes, the applicable Pricing Supplement.
Maturities	Any maturity as indicated in the applicable Final Terms, Drawdown Prospectus or, in the case of Exempt Notes, the applicable Pricing Supplement.
Issue Price	Notes will be issued at an issue price which is at par or at a discount to, or premium over, par, as specified in the applicable Final Terms, Drawdown Prospectus or, in the case of Exempt Notes, the applicable Pricing Supplement.
Form of Notes	Notes offered and sold in reliance on Regulation S, which will be sold outside the United States, will be represented by one or more Global Notes in registered form. Copies of the Global Notes will be available for inspection at the specified office of the Fiscal and Paying Agent. Global Notes will (a) in the case of a Global Note that is not intended to be held under the New Safekeeping Structure (the "**NSS**"), either (i) be deposited with a custodian for, and registered in the name of a nominee of, the Depository Trust Company ("**DTC**") or (ii) registered in the name of a nominee for, and deposited on or about the issue date with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or (b) in the case of a Global Note intended to be held under the NSS, registered in the name of a nominee for, and deposited on or about the issue date with, a common safekeeper for Euroclear and/or Clearstream.
Denomination of Notes	The Notes will be issued in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof, Euro Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof and GBP Notes will be issued in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof, or an equivalent or higher denomination in any currency agreed between the Issuer and the relevant Dealer, as stated in the applicable Final Terms, Drawdown Prospectus or, in the case of Exempt Notes, the applicable Pricing Supplement.
Status of the Notes	The Notes will be direct, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* with all other direct, unsecured and unsubordinated obligations (except for those obligations preferred by statute or operation of law) of the Issuer.

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

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

RISK FACTORS

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

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

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

RISKS RELATED TO THE ISSUER'S BUSINESS

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

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

RISKS RELATING TO OUR BUSINESS

We operate in highly competitive and rapidly changing market sectors. Increased competition could have a negative impact on our business, financial condition, results of operations and prospects.

The consumer internet sector continues to evolve rapidly. Owing to increased internet penetration in growth markets and growing adoption of online retail among internet users in the markets where we operate, competition has intensified. The level of competition may intensify further in the future, particularly as innovations in internet technologies continue to reduce existing barriers to entry. To be successful, our businesses must achieve scale by deepening and broadening user engagement, achieving adoption across a large user base and creating network effects on our platforms. Some of our consumer internet businesses may not be able to compete successfully or to generate the level of user engagement or acceptance needed to achieve or maintain scale.

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

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

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

The continuing impacts of COVID-19 are highly unpredictable and could be significant, and may have an adverse effect on our business, financial condition, results of operations and prospects.

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

Some of our business segments and industries in which we operate have been adversely impacted by the COVID-19 pandemic. Factors that have adversely impacted, or may in the future adversely impact, our businesses and results of operations include, but are not limited to, the following:

- decreased revenues and user levels in our Classifieds businesses as consumers avoid (or are prohibited from) personal contact needed to exchange goods and postpone large purchases, such as cars and real estate, as a result of financial or economic uncertainty; sellers experience reduced appetite to pay for listings; and restrictions force remote working, affecting recruitment activity and therefore job listings;
- a reduction in transaction volumes in our Payments and Fintech segment, for verticals such as airlines and hotels, as a result of governmental authorities imposing travel restrictions and instituting various lockdown measures in response to COVID-19, including in India, which represents more than 50% of the Payments and Fintech business's transaction volumes;
- an increase in non-performing loans in our credit businesses, stemming from a general economic downturn associated with the various lockdown measures in response to COVID-19, predominantly in India;
- volatility in user and revenue growth rates across all businesses, which may not be indicative of long-term trends or results, and which may place strain on managerial and technological resources;
- the manner and severity of governmental policies and regulations with respect to food delivery services and the food and beverage industry at large, may change rapidly and vary significantly by country and locality. For example, while Swiggy has been permitted to do business at the national level in India, some municipalities have enforced more stringent restrictions at the local level and the general disruption to society has created challenges for both supply (including labor shortages as migrant workers return to their home villages) and demand (as higher-income consumers substituted meals made in-home for delivery meals) for food delivery services. If additional localities or countries were to adopt similarly stringent restrictions, or if such restrictions remain in place for a prolonged period of time, our Food Delivery businesses could be adversely affected, as we have experienced with Swiggy during the lockdown period in India;
- increased risk of potential disruptions to or failure by third-party vendors, service providers, strategic partners and banking partners to operate their business and meet the expectations of customers and users during the pandemic, all of which could be disruptive to our businesses, which rely to varying degrees on such third parties. For example, our Food Delivery and Etail segments rely on third parties such as restaurants and various suppliers to provide food products and merchandise, as well as delivery. Any disruption or failure in the services we receive from these providers could result in an inability to meet customer demands, business interruption, brand and reputational damage, or significant liabilities for the businesses in our Food Delivery or Etail segment. In addition, COVID-19 may affect the ability of banks to honor commitments made under committed credit facilities to us, our subsidiaries, associated companies and joint ventures. If such access to capital is disrupted,

our access to bank financing, as well as distributions from our subsidiaries, associated companies and joint ventures, may be disrupted. The effects of COVID-19 have in some business areas increased, and may continue to increase, the risk of disruptions to the services these third parties provide;

- increased cyber and payment fraud risk, especially in our Payments and Fintech segment as cybercriminals attempt to profit from the disruption in light of increased online banking, ecommerce and other online activity;
- disruptions to planned growth and expansion, including delays in product development or releases, as a result of an unpredictable and weakened business environment;
- significant foreign exchange volatility, which could materially impact our revenues or cost elements that are denominated in foreign currencies, our ability or strategy to hedge our foreign exchange exposure. Additionally, volatility in debt and equity markets could affect the values of our debt and equity holdings and the realized gains or losses on the disposition of those holdings.

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

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

We operate in a rapidly evolving environment. Any failure to adapt to technological change or changes in consumer preferences could negatively impact our businesses.

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

In addition, changes in user behavior resulting from technological developments or the availability of alternative services or products may also affect our businesses. Our ability to remain competitive and develop successful services and products depends on our ability to predict accurately and to anticipate such changes in user behavior and demand, which we may not be able to do successfully, or at all. We may be required to continue to invest significant resources and to increase our capital expenditures to further adapt to these changes.

Our long-term success depends on the continued development and use of the internet as a commercial medium as well as increasing high-speed internet and mobile phone penetration. Critical issues affecting these trends, including concerns about data security (including personal and financial information), network reliability, costs and capacity constraints potentially resulting in delays, transmission errors and other difficulties, may impact the growth of internet platforms and ecommerce. These and other issues affecting the internet sector may be aggravated in countries with less developed internet and mobile network infrastructure (for instance, India and in Southeast Asia) in which we currently conduct, or may in the future conduct, our businesses. If internet access or mobile phone penetration in these markets develops slower than expected or any of the abovementioned factors materialize, our growth strategy could be adversely affected.

The relative success of Tencent's operations and the market price of Tencent's shares will have a material impact on our results of operations on an economic-interest basis and our financial condition.

As of March 31, 2020, we held a 31.0% effective interest in Tencent Holdings Limited ("**Tencent**"), representing 52% of our total assets on a carrying value basis as at that date. Our share of Tencent's revenue, on an economic-interest basis, represented 78% and 79% of our total revenue, during FY 2020 and FY 2019, respectively. The fair value of our interest in Tencent is subject to fluctuations in the market value of Tencent's ordinary shares, which are listed on the main board of the Hong Kong Stock Exchange, a market operated by the Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"). Following our sale of approximately 6% of our interest in Tencent (or approximately 2% of Tencent's issued share capital) in March 2018, we announced that we will not sell further Tencent shares for at least three years from such date. As a result of the relative size of our investment in Tencent, the relative success of Tencent's operations, the market price of Tencent shares and dividends paid by Tencent will continue to have a material impact on us and will have a material impact on our results of operations on an economic-interest basis, financial condition and liquidity.

In particular, because Tencent's business and operations are substantially in China and Hong Kong, its business and the market price of Tencent's shares and Tencent's ability to pay dividends may be influenced to a significant degree by political, economic and social conditions in China and Hong Kong generally, including weak economic growth or a recession in China, including due to the effects of the COVID-19 pandemic. See "*—The continuing impacts of COVID-19 are highly unpredictable and could be significant, and may have an adverse effect on our business, financial condition, results of operations and prospects*". Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and regulatory policies and the expected or perceived overall economic growth rate in China. The United States and China have in recent years been involved in controversy over trade barriers that threaten a trade war between the two countries and have implemented or proposed to implement tariffs on certain imported products. Sustained tension between the United States and China over trade policies and the ongoing impact of COVID-19 could significantly undermine the stability of the global and Chinese economy. Any prolonged slowdown in the global and Chinese economy may reduce the demand for Tencent's services and materially and adversely affect the market price of Tencent's shares or the ability of Tencent to pay dividends and, in turn, our financial condition or our ability to pay interest on the Notes. See "*—Risks Relating to Markets in Which We Operate—Global and regional economic and financial conditions could have a material adverse effect on our business, financial condition, results of operations and prospects*".

In addition, Tencent derives a significant portion of its revenue from the online game industry, which is rapidly evolving and its growth is subject to a high degree of uncertainty. The regulatory bodies of the online game industry in the PRC suspended the registration of, and approvals for the publication of, online games for most of 2018, resulting in an estimated backlog of 8,000 online games applications. In December 2018, the Online Games Ethics Committee of the PRC was established to carry out moral assessments of online games to provide reference for the decision-making process of the regulatory bodies of the online game industry. Consequently, there is no assurance that Tencent will continue to obtain approvals for its new online games in the future. Any failure, delay or other limitations in obtaining regulatory approvals for its new online games could materially and adversely affect Tencent's business and the market price of Tencent's shares or the ability of Tencent to pay dividends and, in turn, our financial condition or our ability to pay interest on the Notes.

Our investment in Tencent is also subject to Chinese regulations that place limitations on foreign ownership in companies that provide value-added telecommunications services and other related services in China. Currently, Tencent conducts its value-added telecommunications businesses in China through certain domestic Chinese companies that are licensed to operate these services (the "**OpCos**"). Although Tencent does not own any equity interest in these OpCos, through a series of contractual arrangements (together, the "**Structure Contracts**"), Tencent exercises effective control over these OpCos and receives substantially all the economic benefit of the business and operations of these OpCos in the form of consulting, licensing, revenue sharing, technical support and other fees. For additional information, see "*Business—Tencent Structure Contracts*". In Tencent's 2019 Annual Report, it is stated that Tencent's PRC legal advisers are of the view that the Structure Contracts arrangement does not violate applicable existing PRC laws and regulations, but that there are substantial uncertainties regarding the interpretation and application of the currently applicable PRC laws, rules and regulations, and it is possible that the PRC regulatory authorities and PRC courts may in the future take a view that is contrary to the position of Tencent's PRC legal advisers.

Our investment in Tencent is also subject to other risks, including those related to the legal and regulatory environment in China as well as capital controls or other measures that may restrict the payment of dividends. See "*—Legal and regulatory risks—We are required to comply with numerous, complex, constantly evolving and sometimes conflicting legal and regulatory requirements in multiple jurisdictions, and could suffer financial, operational or reputational loss due to non-compliance*", "*—Risks relating to our financial condition—We depend on access to cash flows from our subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect our business, financial condition, results of operations and prospects*" and "*—Final Terms, Pricing Supplements and Drawdown Prospectuses—Tencent Public Disclosures*". Tencent's operations and investments outside China may also be impacted by restrictions directed at foreign and/or specifically Chinese companies, such as India's foreign direct investment policy which was amended in April 2020 to require that investments from countries sharing a land border with India (which include China) are subject to government approval and a recent ban imposed by the Indian government of 59 apps developed by Chinese firms, including Tencent's WeChat and QQ platforms.

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

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

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

Since the enactment of the Foreign Investment Law of the PRC (the Foreign Investment Law) in March 2019, it remains unclear whether Tencent's contractual arrangements will cause its affiliated Chinese entities to be interpreted and deemed as foreign investment under the Foreign Investment Law. If either the Chinese regulatory authorities or the Chinese courts find that the Structure Contracts do not comply with Chinese laws and regulations, or if existing laws and

regulations or the interpretation of these laws and regulations change in the future, Tencent could be subject to penalties and could be forced to relinquish its interest in its value-added telecommunications services business and related business in China, which would have a material adverse effect on Tencent's business and the market price of Tencent's shares. See "*—Risks Relating to Markets in Which We Operate—Uncertainties exist with respect to the Foreign Investment Law and its potential impact on our investment in Tencent and the viability of Tencent's current corporate structure, corporate governance and business operations*" and "*Business—Regulation—Recent Significant Regulatory Developments*".

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

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

- the effectiveness of our marketing efforts to promote our platforms;
- the popularity of our platforms, products and services among users, and consequent ability of those platforms to achieve scale and monetize their service offerings;
- competition from new or superior technologies, especially where such products are offered at lower cost or for free;
- government regulation constraining activities or imposing onerous requirements, such as in the areas of data privacy and online payments;
- internet and mobile penetration rates or consumers' acceptance of the use of the internet for consumer transactions; and
- technical failures or difficulties with platforms, data or infrastructure upon which we depend and any instances of cyber-attacks.

The business models of most of our businesses, including those in our Classifieds, Payments and Fintech, Food Delivery and Etail segments, typically require scale to achieve profitability, as scale creates a sufficient user base to generate and sustain network effects. Achieving scale for platforms operated by these businesses may require substantial marketing efforts as well as a significant investment of our resources and capital over a long period of time. There is no assurance such marketing efforts will be successful or that we will be able to monetize these businesses. We cannot predict whether such platforms will ultimately yield a return on our investment. We may ultimately fail to recoup our investment in such platforms or businesses. We have, for example, had to incur impairment charges in respect of certain of our businesses in the periods presented in this Base Prospectus. In FY 2018, impairment charges amounted to U.S.$73 million (on a combined basis), primarily due to impairments of investments in associated companies, in particular our Classifieds joint venture in Bangladesh (which was wound up), our Classifieds brand in Thailand (which was disposed of) as well as a patent for the Russian Classifieds business (which was no longer used). In FY 2019, impairment charges amounted to U.S.$95 million (on both a consolidated basis and a combined basis), primarily due to impairments of investments in associated companies, in particular, our investments focused on consumer lending and financial services in the Payments and Fintech segment, as well as other smaller venture investments, where performance of the investments fell behind management's expectations. In FY 2020, impairment charges (on a consolidated basis) amounted to U.S.$31 million, primarily due to impairments of investments in associated companies where performance of the investments fell behind management's expectations as well as goodwill impairment losses related primarily to the Classifieds business in smaller markets, where results of operations were adversely affected by the COVID-19 pandemic and as such they were below management's expectations. Similar or higher levels of impairment may recur in future periods.

A number of our businesses, such as those in our Classifieds, Payments and Fintech, Food Delivery and Etail segments, require significant investment to drive growth and have not reached sufficient scale to record trading profits. Although trading losses in respect of individual businesses generally decrease as the business scales up and becomes profitable, trading losses are incurred and investments are made, in most instances, over a multiple-year period and there is a risk that we will not recover such losses or realize the desired return on our investments. In addition, even when our businesses achieve profitability, such as our Classifieds businesses which became profitable in FY 2019, there can be no

assurance such businesses will be able to sustain profitability or that the value of our businesses will not decrease, whether due to general changes in valuations for internet companies or otherwise.

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

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

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

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

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

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

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

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

Our businesses, particularly our consumer lending and financial services businesses in the Payments and Fintech segment, process a large volume of personal data (including user identity and contact information), transaction data (including listings, records of purchases and payment method data, including credit card information), analytics and other

confidential business partner, customer and employee information. Numerous operational platforms also leverage our artificial intelligence capabilities and diverse technologies. We and our businesses are responsible for safeguarding personal or other confidential data and must comply with strict data protection and privacy laws when dealing with personal data in the jurisdictions in which we operate. Complying with the numerous and complex regulations to which we are subject in the event of unauthorized access may be expensive and difficult, and failure to comply with these regulations could subject us to increased regulatory scrutiny and additional liability, including in jurisdictions with historically varied approaches to regulatory enforcement. Although we seek to ensure that procedures are in place for compliance with relevant data protection and privacy laws within our businesses and any third-party service providers, such measures may not be effective in all cases. Certain jurisdictions in which we operate may modify regulatory requirements in short periods of time, which may result in practical and technical obstacles to maintaining real-time compliance with such obligations.

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

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

We do not exercise control over our minority investments, and the value and liquidity of our stakes in such investments could decrease.

As of March 31, 2020, we hold minority investments in a number of companies, including a 31.0% effective interest in Tencent, a 27.9% effective interest in the Mail.ru Group Limited (the "**Mail.ru Group**"), a 21.2% effective interest in Delivery Hero SE ("**Delivery Hero**"), a 40.0% effective interest in Bundl Technologies Private Limited ("**Swiggy**") and a 5.1% effective interest in Trip.com Group Limited (formerly Ctrip.com International Limited) ("**Trip.com**"). Our minority voting position precludes us from controlling these businesses, limits our ability to implement strategies that we favor and allows the businesses to adopt strategies and take actions which may, in some cases, be contrary to our preferred strategies and actions. In addition, where we do not hold controlling interests in businesses, we may not be able to control or influence such businesses' dividend policies. Our results of operations and financial condition are significantly affected by the performance of these non-controlled associated companies. Any significant impairments, asset sales, changes in operational performance, loss of founders or other key personnel or changes in dividend policy of its associated companies or joint ventures could have a significant impact on our business, financial condition, results of operations and prospects. See "*—Risks relating to our financial condition—We depend on access to cash flows from our subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect our business, financial condition, results of operations and prospects*" and "*—Loss of key personnel could have a negative impact on our operations and the operation of our businesses*".

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

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

Our strategy focuses on consumer internet solutions that address major societal needs in high-growth markets. Accordingly, we need to identify relevant trends and business concepts early, understand them and the associated risks, and identify local businesses in high-growth markets to execute the relevant solution. We may not be able to identify large

consumer trends or suitable business concepts in the future. Even if we successfully identify such trends or suitable business concepts, we may fail to fully understand them or their associated risks, and the business plans or market estimates underlying our decision to invest may prove to be inaccurate. We may also be unable to distinguish between business concepts with potential for long-term success and those with only limited potential. We may realize, only after having identified and invested in a particular business concept, that such business concept is not likely to be successful or no longer fits within our core strategy.

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

We are also focused on expanding our product footprint and expanding to verticals that complement our existing businesses, which may alter our risk profile. For example, the Payments and Fintech segment is seeking to increase access to credit in markets where the population is underserved by the traditional financial system. In addition, within our Classifieds segment we have expanded into transactions adjacent to some of our classifieds verticals; for example, we have invested into a few cash-my-car type businesses which offer customers who may otherwise consider selling their car through our classifieds platform, a safe and convenient alternative to bring it to an inspection center and receive an instant cash offer for their vehicle. Such cars are subsequently sold within a short timeframe through various sales channels including car dealer networks present on our classifieds platforms. As a result of this expansion, we take inventory risk for vehicles held by us for a short period of time. Furthermore, expanding into these services could subject us to new or heightened risks, such as increased exposure to counterparty credit risk, and we could become subject to new categories of regulation, such as capital or liquidity requirements, either of which would impose additional cost or compliance burdens on us.

Furthermore, we compete with financial investors to identify and acquire or invest in suitable consumer internet businesses. Competition among financial investors, such as investment funds, venture capital, private equity and other firms, has increased significantly in recent years, and there have been concerns that valuations of certain consumer internet businesses do not reflect present or potentially achievable future fair values. Some of the financial investors with which we compete may have substantially greater resources than us and there can be no assurance we will be able to invest in suitable companies on commercially reasonable terms, or at all. Increasing competition may also reduce the number of available businesses which satisfy our strict investment criteria and may drive up prices for assets more generally.

Any inability to execute our strategy could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

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

marketplaces or search engine results than our platforms, we may be unable to maintain or increase the user base or utilization of our platforms. Any of the foregoing risks could adversely affect our business, financial condition, results of operations and prospects.

We generate a portion of our revenue from advertising and the loss of marketers, or reduction in spending by marketers, could harm our business.

We currently generate a portion of our total revenue from third parties advertising on our platforms, particularly in our Classifieds and Food Delivery segments. Our advertising revenue comprised 2.7% of our consolidated revenue in FY 2020 (3.8% in FY 2019, and 3.8% and 4.3% of our combined revenue in FY 2019 and 2018, respectively), excluding advertising revenue of our associated companies and joint ventures. Many of our marketers spend a relatively small portion of their overall advertising budget with us. Marketers will not continue to do business with us, or they will reduce the prices they are willing to pay to advertise with us, if we do not deliver advertisements in an effective manner, provide sufficient exposure for their products or services, or if they do not believe that their investment in advertising with us will generate a competitive return relative to other alternatives.

Our advertising revenue could be adversely affected by a number of factors, including:

- decreases in user engagement, including time spent on our platforms;
- product changes or inventory management decisions that we may make that reduce the size, frequency or relative prominence of ads displayed on our platforms;
- our inability to increase the quality of ads shown to users, particularly on mobile devices;
- loss of advertising market share to our competitors, including if such competitors offer more integrated products; and
- the impact of macroeconomic conditions and conditions in the advertising industry in general.

Any loss of marketers, or reduction in spending by marketers, could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

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

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

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

Our Food Delivery and Etail segments rely on third parties such as restaurants and various suppliers to provide food products and merchandise, as well as delivery. Within the Food Delivery segment, if restaurants experience difficulty servicing customer demands, producing quality food or meeting other requirements or standards, the reputation and brand of our businesses could be damaged. Similarly, within the Etail segment, if the supply of merchandise from vendors were

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

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

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

Any failure or inability of our businesses to maintain relationships with our third-party vendors, service providers and strategic partners could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

Certain of the delivery personnel in our Food Delivery businesses are engaged as independent contractors rather than employees. The legal status of delivery personnel is being challenged in court cases in several countries, including a case brought by the Labor Prosecution Office of the State of São Paulo against iFood, our Food Delivery business in Brazil. In addition, municipal, state and federal governments and authorities in various countries are considering whether to pass new laws or regulations, in some cases with a view to tightening the requirements for independent contractor status or increasing benefits and legal protections for personnel regardless of status. If personnel currently engaged as independent contractors would be reclassified as employees, either as a result of a court decision or changes to laws or regulations, or if personnel benefits or legal protections would be increased, this could increase costs for the relevant business and adversely affect our results of operations and could require adjustments to our current business models in the applicable businesses.

Loss of key personnel could have a negative impact on our operations and the operation of our businesses.

We rely on a number of experienced employees with detailed knowledge of our business and the markets in which we operate. Unanticipated losses of key employees or the inability to identify, attract and retain qualified personnel in the future could adversely affect our business operations. There is a global shortage of suitable talent in relation to our sectors and the technologies we utilize, particularly with respect to digital skills, including software developers, product designers, machine learning and artificial intelligence specialists, which could constrain our ability to develop our business or achieve the desired scale for our operations. In addition, some of our businesses depend on the knowledge,

expertise and services of the respective founders of such businesses for our success. If one or more of such founders were unable or unwilling to continue to remain in their positions, those businesses and operations could be disrupted and their growth potential could be impaired.

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

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

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

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

Certain of our businesses are subject to inventory risk.

Certain of our businesses, particularly within the Etail segment, sell products directly to consumers. In addition, within our Classifieds segment we have expanded into transactions adjacent to some of our classifieds verticals; for example, we have invested into a few cash-my-car type businesses which offer customers who may otherwise consider selling their cars through our classifieds platform the alternative of bringing them to an inspection center and receiving a cash offer for their vehicles. Such cars are subsequently sold within a short timeframe through various sales channels including car dealer networks present on our classifieds platforms. As a result of this expansion, we take inventory risk for vehicles held by us for a short period of time. Businesses such as these are faced with the constant challenge of balancing inventory levels with the ability to meet consumer demand. Our businesses make inventory decisions based on internally generated projections. These projections are based on many assumptions about consumer demand, preferences, trends, product availability or supply chain lag, price sensitivity and pricing, which may prove to be incorrect. If these inventory projections are too high, such businesses' inventory levels may be too high, which may result in lower-than-planned profitability and gross margins, as price reductions may be required to sell through stock. Conversely, if inventory projections underestimate consumer demand, such businesses may experience inventory shortages, resulting in missed sales and lost revenue.

RISKS RELATING TO OUR FINANCIAL CONDITION

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

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

example, dividends and cash extractions received from our subsidiaries, associated companies, joint ventures and other investments, excluding our discontinued video entertainment operations, increased by 18% between FY 2020 and FY 2019 and increased by 63% between FY 2019 and FY 2018.

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

In addition, our businesses may face funding and liquidity restrictions under the terms of the financing arrangements upon which we depend. Each of our businesses with external funding relies on our own separate credit facility and financing, to the extent that our business's balance sheet allows for financing. Several of our financing arrangements, including our U.S.$2.5 billion multi-currency revolving credit facility (the "**Revolving Credit Facility**"), contain financial covenants and other ongoing undertakings and requirements. For example, the availability of amounts under the Revolving Credit Facility is subject to financial covenants requiring us and our consolidated subsidiaries to maintain an Interest Coverage Ratio of not less than 4.5:1 and a Leverage Ratio of not greater than 2.75:1 (each as defined in "*Description of Prosus N.V.—Additional Information—Material Agreements—The Revolving Credit Facility*"). As at the date of this Base Prospectus, we are in compliance with all covenants. If these covenants, undertakings or requirements are not complied with, the financing may not be available and the relevant business unit could face liquidity difficulties. In addition, many of our other local credit facilities must be renewed annually by the relevant lenders, and such extensions may not be available on commercially reasonable terms, or at all. Any liquidity constraints or lack of financing faced by us or our businesses could have an adverse effect on our business, financial condition, results of operations and prospects.

We may incur more debt in the future.

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

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

A number of our businesses require significant investment. We currently utilize funding through a combination of our operating cash flow from our subsidiaries, associated companies and joint ventures, divestments of holdings in certain companies, bank financing and liquidity from the capital markets. The availability and pricing of such funding is subject to market conditions and other factors that are beyond our control, particularly with respect to bank financing and liquidity from the capital markets. In addition, we have a significant amount of debt, with our total debt amounting to U.S.$3.8 billion as of March 31, 2020 (with an additional U.S.$2.5 billion of additional undrawn capacity under our Revolving Credit Facility). Our debt levels could increase our sensitivity to such market conditions and other factors.

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

- *Foreign exchange:* Our activities and businesses expose us to fluctuations in currency exchange rates, in particular the U.S. dollar against the Chinese Yuan Renminbi, Euro, Russian Ruble, Indian Rupee, Brazilian Real, Turkish Lira and Polish Zloty. A substantial portion of our businesses and investments have revenue and expenses denominated in the local currency of the countries in which they operate, while our financial statements are prepared in U.S. dollars. Accordingly, a depreciation of these local currencies against the U.S. dollar can have an adverse effect on our results of operations as it decreases the value of our profits generated in these local currencies in U.S. dollar terms. In particular, as a result of our substantial stake in Tencent, and our reliance on Tencent for 78% of our revenue on an economic-interest basis in FY 2020, we are exposed to the risk of a deterioration in value of the Chinese Yuan Renminbi (the functional currency of Tencent's subsidiaries in the PRC) and the Hong Kong Dollar (owing to our annual dividend from Tencent) against the U.S. dollar. In addition, following the acquisition of our stake in Delivery

Hero during FY 2018, we are exposed to foreign exchange translation risk as a result of this investment being denominated in Euro, which may result in losses when translated to U.S. dollars in our financial statements. Any such fluctuations in currency exchange rates could negatively affect our profitability and impair our ability to invest in our businesses or execute our strategy.

- *Liquidity:* Although we seek to maintain sufficient liquidity through a combination of our cash reserves, operating cash flow from our subsidiaries, dividends received from associated companies and joint ventures, divestments of holdings in certain companies, bank financing and liquidity from capital markets, the occurrence of unforeseen events, such as deteriorating conditions in global or regional economies and/or the financial markets, including due to the COVID-19 pandemic, could result in us not being able to obtain financing for expansions of our existing businesses, acquisitions or other elements of our strategy. If we are unable to obtain financing on acceptable terms, or the economic climate deteriorates, our ability to invest in our businesses or execute our strategy could be impaired. See also "*—We depend on access to cash flows from our subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect our business, financial condition, results of operations and prospects*".

- *Interest rates:* Our financial debt and short-term investments expose us to fluctuations in interest rates. As of March 31, 2020, almost all of our gross outstanding financial debt accrued interest at a fixed rate, while the floating rate Revolving Credit Facility was undrawn. As of March 31, 2020, we had U.S.$7,206 million invested in term deposits for periods of up to 12 months to secure fixed interest rates on our surplus cash. We also use interest rate swaps from time to time to convert floating rates into fixed rates. As of March 31, 2020, there were no interest rate swaps outstanding. Unfavorable market movements in interest rates could have a negative effect on our earnings and cash flows, as increasing interest rates would have a negative impact on the finance costs related to the unhedged portion of our indebtedness, while decreasing interest rates would have a negative impact on our income on our deposits. If such movements, or their impact on our earnings and cash flows, were significant, our ability to invest in our businesses and execute our strategy could be impaired.

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

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

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

Our Annual Combined Carve-out Financial Statements may not be indicative of our future results of operations, and the audit opinion related to our Annual Combined Carve-out Financial Statements includes an emphasis of matter paragraph relating to the preparation of our Annual Combined Carve-out Financial Statements.

As we did not operate as a stand-alone public entity prior to September 11, 2019, but previously functioned as a private holding company subsidiary of Naspers, the Annual Combined Carve-out Financial Statements may not be indicative of our future performance and what our combined results of operations, financial position and cash flows would have been, had we operated as a public entity subsidiary of Naspers for the periods presented.

The unqualified opinion for the Annual Combined Carve-out Financial Statements includes an emphasis of matter paragraph, in which our auditors noted that:

"As described in note 1 of the combined carve-out financial statements, the Group did not operate as an entity separate from Naspers Limited in the past. Therefore, these combined carve-out financial statements may not be indicative of the Group's future performance and what its combined results of operations, financial position and cash flows would have been, had the Group operated as a separate entity from Naspers Limited for the periods presented. Rather than the

legal structure, the economic activities under common management and the perimeter agreed as the structure of the future Group have been considered the main factors in determining the perimeter of the combined carve-out financial statements.

Furthermore, the combined carve-out financial statements and our audit report thereon are intended solely for presenting the financial position, results of operations and cash flows of the Group on a stand-alone basis in accordance with the purpose included in note 1 of the combined carve-out financial statements and for no other purpose." See note 1 of the Annual Combined Carve-out Financial Statements included elsewhere in this Base Prospectus.

LEGAL AND REGULATORY RISKS

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

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

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

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

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

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

For example, certain of our platforms in India are subject to new regulations on foreign direct investment in the ecommerce sector, which imposes stricter conditions and limitations on activities of our platforms, on our commercial relationships with our subsidiaries and in our interaction with vendors. Such revisions may impact our business model in India and could reduce the size of our addressable market. In addition, we have made, and are likely to make in the future, investments in businesses located in the United States. As a result, we could be subject to risks related to the authority of the Committee on Foreign Investment in the United States ("**CFIUS**"), whose jurisdiction and authority were expanded under the recently enacted Foreign Investment Risk Review Modernization Act of 2018 ("**FIRRMA**"). Under FIRRMA and its implementing regulations, CFIUS is authorized to review non-controlling foreign investments in certain U.S. businesses involved with critical technology, critical infrastructure, or sensitive personal data, in addition to its previously existing authority to review transactions that result in foreign "control" of a U.S. business. Certain of our investments in the United States may be subject to CFIUS's jurisdiction and, in some cases, mandatory filing requirements, which would increase the uncertainty and transaction costs of our future investments in the United States, inhibit our capacity to make certain investments or compete vis-á-vis local U.S. investors, and adversely affect our broader business and investment strategy. We may also be subject to regulation from the European Union Foreign Direct Investment Regulation, the Foreign Investment Law in China and the proposed regulation of "significant informational resources" ("**SIRs**") in Russia. We cannot predict to what extent any such limitations or requirements will be imposed, or the impact on our businesses, but any limitation or requirement could adversely impact our operations in these jurisdictions, or require us to divest from existing businesses at a suboptimal value resulting in a financial loss. See also "*—Uncertainties exist with respect to the newly enacted Foreign Investment Law and its potential impact on our investment in Tencent and the viability of Tencent's current corporate structure, corporate governance and business operations*", "*Risks relating to markets in which we operate—Our business interests in Russia are subject to legal risk and uncertainty due to the introduction of the SIR Bill*" and *"Additional Information—Regulation—Recent Significant Regulatory Developments*".

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

In addition, the competition regulatory frameworks of the jurisdictions in which we operate are subject to change, and regulatory authorities may increase their regulation of our businesses in these jurisdictions, and such increase in regulation may be compounded as a result of the COVID-19 pandemic and governmental responses thereto. See "*Risks relating to our business—The continuing impacts of COVID-19 are highly unpredictable and could be significant, and may have an adverse effect on our business, financial condition, results of operations and prospects.*" Where we have a leading position in the market, we may be subject to more stringent supervision by the relevant regulators or be subject to investigation for alleged abuse of our position in such markets, which could result in adverse regulatory action by the relevant authorities, including monetary fines and negative publicity.

Any such adverse regulatory action, including any challenge to the structures described above or other impairment in the functioning of such structures, new or stricter regulations on direct foreign investment or any change in the competition regulatory framework could negatively affect our operations and investments and could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

Our businesses conduct operations in, or may expand operations to, countries that present corruption risks and may have weak legal institutions or a lack of control and transparency. Our businesses may require approvals from, or complete certain formalities with, public officials. As a result, we are exposed to the risk that our employees, agents or authorized persons or our businesses could offer or make improper payments or offer or grant benefits in violation of anti-corruption laws and regulations. In addition, our businesses, and our Payments and Fintech segment in particular, are subject to various anti-money laundering and counter-terrorist financing laws and regulations that prohibit, among other things,

involvement in transferring the proceeds of criminal activities. These laws and regulations are constantly changing, including as a consequence of the implementation in the EU of the Fourth Anti-Money Laundering Directive ("**MLD4**") and the introduction of the Fifth Anti-Money Laundering Directive ("**MLD5**"). Although we have anti-money laundering and anti-bribery and anti-corruption policies in place, there can be no assurance that such policies will be effective or that incidents of non-compliance with applicable laws and regulations will not arise, any of which could result in damage to our or one of our businesses' reputation and repeated compliance failures could call into question the integrity of our or one of our businesses' operations.

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

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

Due to the international nature and scale of our operations, we may be subject to legal claims or governmental investigations relating to competition and antitrust law, labor law, data protection, commercial contracts, tax disputes, compliance matters, acquisitions, disposals, joint ventures and investments, and other matters arising in the ordinary course of business. We are subject to lawsuits and other disputes in various jurisdictions, and such litigation is subject to inherent uncertainties and adverse outcomes could occur. Adverse outcomes could include monetary damages, injunctive relief, loss of rights or permissions, or other remedies that could materially adversely affect our business. Even if legal claims are without merit, defending against significant lawsuits could be time-consuming, expensive and divert management's attention from other business concerns.

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

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

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

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

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

users, and requires us to spend substantial resources, to take additional protective measures or discontinue certain service offerings in order to combat these practices.

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

Government regulation of the internet and ecommerce sectors is evolving and may change in a manner that is unfavorable to our business, and we may fail to comply with applicable regulations due to the complexity of the regulatory field.

Government regulation and legal uncertainties may place administrative and financial burdens on our business. In addition to the regulations and laws that apply generally to businesses, we are subject to a number of laws and regulations specifically governing the internet and ecommerce and the marketing, sale and delivery of goods and services over the internet. These laws and regulations cover taxation, tariffs, data privacy, data security, anti-bribery, pricing, content, copyrights, trademarks, distribution, mobile and other communications, advertising practices, electronic contracts, sales procedures, automatic subscription renewals, credit card processing procedures, consumer protection, the provision of online payment services, cross-border transfers of intellectual property, the design and operation of websites, and the characteristics and quality of goods and services that are offered online. Furthermore, as the internet continues to change the nature of commercial relationships on a global scale, and as the use of the internet and mobile devices becomes more prevalent, these laws and regulations continue to evolve. Existing and future regulations and laws relating to the internet may impede the growth and availability of the internet and online services, inhibit our ability to grow our businesses, or adversely affect our businesses by increasing costs and administrative burdens.

In particular, privacy-related regulation of the internet is becoming more prevalent across countries and such regulations could interfere with our collection and use of personal information as part of our business operations. In particular, the European Union General Data Protection Regulation (the "**GDPR**") came into force on May 25, 2018 and imposes stricter conditions and limitations on the processing, use and transmission of personal data. Further, other jurisdictions have recently proposed or enacted laws similar to the GDPR, which would impose additional restrictions on our operations, such as the Brazilian General Data Protection Law, which will come into force in 2020, and the recently proposed Indian Personal Data Protection Bill. A number of such laws include stringent data residency requirements, such as the Indian Personal Data Protection Bill, which requires that certain categories of personal data be stored only within the country. In addition, our platforms may be subject to other regulations which affect key aspects of our operations, including Regulation (EU) 2019/1150 of the European Parliament and of the Council of June 20, 2019 on promoting fairness and transparency for business users of online intermediation services (the "**EU Platform-to-Business Relationships Regulation**"). Certain of our businesses, primarily in the Classifieds, Food Delivery and Etail segments, will be required to comply with the EU Platform-to-Business Relationships Regulation due to their operations in the EU, and, as a result, these platforms may need to revise their terms and conditions, provide enhanced disclosure and communication, and enhance their dispute resolution mechanisms and complaint handling tools for businesses on such platforms, which could result in additional costs and administrative burdens. See "*Business—Regulation—Recent Significant Regulatory Developments*".

Our businesses are already subject to a complex set of laws and regulations in multiple jurisdictions relating to ecommerce, data security and data protection and there can be no assurance that we have been in full compliance with these provisions in the past due to the complexity and pace of change of applicable regulations or for other reasons. In addition, because certain laws, regulations and legal requirements concerning the internet are relatively new and evolving, their interpretation and enforcement have yet to be determined and could materially impact how we conduct our business. Uncertainties relating to the regulation of internet businesses, such as evolving licensing practices, give rise to the risk

that permits, licenses or operations may be subject to challenge, which may be disruptive to our business or subject us to sanctions, requirements or other conditions.

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

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

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

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

We rely on trademark, copyright, trade secret, patent and other intellectual property laws and regulations as well as employment agreements and third party non-disclosure agreements to establish and protect our proprietary rights in our intellectual property. We conduct business in some jurisdictions, particularly in China, Latin America and Central and Eastern Europe, where it is more challenging to register intellectual property assets or where the extent of legal protection for our intellectual property rights is not well established or is uncertain. Even where the legal protection for our intellectual property rights is well established, our intellectual property rights may be challenged, limited, invalidated or circumvented. Despite patent, trademark and copyright protection, third parties may be able to copy, infringe or otherwise profit from our intellectual property rights without our authorization. We may also be unable to prevent or take remedial action against third parties from acquiring trademarks that are similar to, infringe upon or otherwise decrease the value of our trademarks or other proprietary rights. At the same time, we are subject to the risk that third parties may assert claims against us based on their patents and other intellectual property rights. In particular, the intellectual property field covering online and related technologies is rapidly evolving and surrounded by a great deal of uncertainty, and our technologies, processes or business models and methods may be found to infringe on the intellectual property rights of third parties. As a result, we may have to pay substantial damages if we are found to have infringed third party patents or other intellectual property rights. Failure to enforce or protect our proprietary rights, or to defend against allegations of infringement of proprietary rights of third parties, may result in loss of our proprietary rights, legal liability, the incurrence of substantial costs, damage awards, loss of business profits or royalties, and the diversion of other valuable resources.

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

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

RISKS RELATING TO MARKETS IN WHICH WE OPERATE

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

We are active in a large number of markets, including China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, the Middle East and Africa. Although we and our investments are diversified

across the individual markets where we see growth potential, these markets tend to be in growth markets, which are generally subject to greater risk than more developed markets. As a result, we are exposed to a variety of global and local economic, political, regulatory and social conditions, including, among others, currency fluctuations, high interest rates, civil unrest, political instability, health risks and regulations restricting or limiting foreign ownership, which could affect our strategy and have a material adverse effect on our business, financial condition, results of operations and prospects. See "*Legal and regulatory risks—Many countries have implemented, or are in the process of implementing, new or stricter regulations on foreign direct investment including new or stricter screening processes. This could make it more difficult for us to invest or operate in certain markets, which could negatively affect our growth and financial results*".

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

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

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

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

In addition, although we are invested in a large number of markets around the world, a significant proportion of our capital is invested in growth markets, particularly in China and India. The economies of countries that are experiencing high levels of growth are subject to rapid and significant change and are vulnerable to internal and external shocks, including the effects of the COVID-19 pandemic, potential domestic political uncertainty and changing investor sentiment due to monetary policy changes in developed countries and other factors. In addition, slowdowns or economic turmoil in global markets or in one growth market tends to affect the economies in other growth markets more acutely than countries which are perceived to have more developed or stable economies. The economies of many growth markets, including

China and India, differ from the economies of most developed countries in many respects, including in relation to levels of government involvement, level of development, economic growth rate and control of foreign currency terms. In recent years, many of these economies, including China and India, have undergone significant economic transitions and their respective governments have pursued economic reforms. There can be no assurance that these governments will continue to pursue economic reforms or that any such reforms will not have an adverse effect on our businesses.

In particular, although the Chinese economy has experienced significant growth over recent decades, there have recently been signs that the rate of China's economic growth is slowing. The annual growth rate of China's economy decreased from 6.6% in 2018 to 6.1% in 2019, according to the National Bureau of Statistics of China, and the recorded growth rate for the first quarter of 2020 was negative 6.8% (in part as a result of lockdowns imposed as a result of the COVID-19 pandemic). There have also been concerns about the relationship between China and the United States, following rounds of tariffs imposed by these countries on one another's goods. Controversies may arise in the future between these two countries and trade relationships between the two may change. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the economic conditions in China. Likewise, although the Indian economy has experienced significant economic growth in recent years, it faces major challenges in sustaining its growth, including the need for substantial infrastructure development and improving access to healthcare and education.

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

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

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

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

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

services business and related business in China, which would have a material adverse effect on Tencent's business and the market price of Tencent's shares.

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

Our business interests in Russia are subject to legal risk and uncertainty due to the introduction of the SIR Bill.

On July 26, 2019, the Russian State Duma introduced a draft law on amendments to the Information Law and the Personal Data Law (the "**SIR Bill**"), which, if enacted, would, among others, implement a new regulatory framework for the designation of certain websites, webpages, information systems and/or software as SIRs and also restrict the ability of foreign shareholders and their affiliates to, individually or collectively, own, manage or control, directly or indirectly, more than 20% of the shares in an entity that owns a SIR. Under this restriction, a foreign shareholder owning, managing or controlling more than 20% of an entity owning a SIR could only exercise its voting rights with respect to the shares not exceeding the 20% threshold. As originally drafted, the definition of SIR is broad, leaves significant discretion for the Russian government to identify consumer internet businesses as SIRs and could include our business interests in Russia (such as Mail.ru Group, Avito AB ("**Avito**") and PayU). If these businesses were recognized as SIRs, our ability to exercise our voting rights in these businesses could be affected, we could be forced to dispose of a portion of our interests in these businesses and these businesses could be subject to certain advertising restrictions, the occurrence of any of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Substantial uncertainties exist with respect to the SIR Bill and its interpretation, application and potential impact on us. The SIR Bill remains in the early stages of the legislative process and is currently under revision. It is unclear when, if ever, the SIR Bill would be passed, and whether the law that is ultimately passed would contain the same provisions as the SIR Bill. For additional information on the SIR Bill, see "*Additional Information—Regulation—Recent Significant Regulatory Developments*".

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

Our businesses and investments operate in a variety of jurisdictions, serving over 80 markets as of March 31, 2020. The tax laws and regulations in the jurisdictions in which we operate may change and there may be changes in enforcement of tax law. Additionally, tax laws and regulations are complex and subject to varying interpretations. We cannot be sure that our interpretations are accurate or that the responsible tax authority agrees with our views. If tax laws change or our tax positions are challenged by the tax authorities, we could incur additional tax liabilities, which could increase our costs of operations and have a material adverse effect on our business, financial condition and results of operations. In some instances, the tax authorities may seek to impose substantial penalties and interest charges, which may result in significantly higher costs if we are unsuccessful in defending the claim of negotiations or proceedings are protracted.

If the Notes become subject to a withholding tax on interest in the Netherlands, the Notes may be redeemed prior to their stated maturity.

The Netherlands is introducing a conditional withholding tax of 21.7% on interest payments as of January 1, 2021. The new withholding tax will generally apply to interest payments made by an entity tax resident in the Netherlands, such as the Issuer, to a 'related entity' tax resident in a 'listed jurisdiction'.

For these purposes, a jurisdiction is considered a 'listed jurisdiction' (a "**Listed Jurisdiction**") if it is listed in the yearly updated Dutch Regulation on low-taxing jurisdictions and non-cooperative jurisdictions for tax purposes (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), which includes (i) jurisdictions with a corporation tax on business profits with a general statutory rate of less than 9% and (ii) jurisdictions that are included in the EU list of non-cooperative jurisdictions.

For the fiscal year 2020, the following 21 jurisdictions qualify as Listed Jurisdictions: American Samoa, Anguilla, Bahamas, Bahrain, Barbados, Bermuda, the British Virgin Islands, the Cayman Islands, Fiji, Guam, Guernsey, Isle of Man, Jersey, Oman, Samoa, Trinidad and Tobago, Turkmenistan, Turks and Caicos Islands, Vanuatu, the United Arab Emirates, and the U.S. Virgin Islands.

Generally, an entity is considered a *related entity* if (i) such entity has a Qualifying Interest (as defined below) in the Issuer, (ii) the Issuer has a Qualifying Interest in such entity or (iii) a third party has a Qualifying Interest in both the Issuer and such entity.

The term "**Qualifying Interest**" means a directly or indirectly held interest—either individually or jointly as part of a collaborating group (*samenwerkende groep*)—that enables the holder of such interest to exercise a decisive influence over the decisions that can determine the activities of the entity in which the interest is held.

The new withholding tax may also apply in situations where artificial structures are put in place with the main purpose or one of the main purposes to avoid the Dutch withholding tax, e.g., where an interest payment to a Listed Jurisdiction is artificially routed via an intermediate entity in a non-Listed Jurisdiction.

In practice, the Issuer may not always be able to assess whether a Noteholder is related to the Issuer or located in a Listed Jurisdiction. The parliamentary history is unclear on the Issuer's responsibilities to determine the absence of affiliation in respect of notes issued in the market, like the Notes.

If the Notes become subject to the new withholding tax on interests, which becomes effective as of January 1, 2021, as a result of which the Issuer would become obliged to pay additional amounts as provided for in Condition 14 (Additional Amounts) of the Terms and Conditions of the Notes, the Issuer may redeem the Notes, in whole but not in part, at its option under Condition 6(b) (Redemption for Tax Reasons) of the Terms and Conditions of the Notes.

If the Notes are redeemed at the option of the Issuer, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

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

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

In addition, Russia's annexation of Crimea in March 2014 led the European Union and United States to place sanctions on certain Russian persons. Subsequently, the European Union and the United States have extended the list of sanctioned Russian entities and persons. If the scope or targets of these sanctions were to be changed in the future, we could be required to adjust our operations in order to remain in compliance with such sanctions. The failure to comply with European Union and U.S. sanctions could have a material adverse effect on our business, financial condition, results of operations and prospects.

RISKS RELATING TO THE SHAREHOLDER STRUCTURE

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

The Issuer's issued share capital currently comprises A1 Ordinary Shares and N Ordinary Shares (together, the "**Ordinary Shares**"), each carrying one vote per share, for so long as the Protection Structure (as defined below) has not been activated. As of the date of this Base Prospectus, Naspers holds 72.49% of the Ordinary Shares, which represents 72.49% of the voting rights in respect of the Ordinary Shares. Naspers has significant control over our management and affairs and will be able to control all matters requiring approval by our shareholders, including the election or removal of directors and approval of any significant corporate transaction, such as a merger or other sale of us or our assets. In addition, Naspers itself is controlled through a voting control structure, see "*—Legal and regulatory risks—Restrictions*

on foreign investment and laws which discriminate against foreign- owned or invested companies could make it more difficult for us to invest or operate in certain markets or cause financial loss." This concentrated control means a third party cannot acquire, or attempt to acquire, control over us without Naspers's support and may also discourage shareholder initiatives at changing our management or strategy.

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

RISKS RELATING TO THE NOTES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- incur additional indebtedness;
- create a security interest over any of our assets;

- engage in mergers, acquisitions or asset sales;
- engage in sale and leaseback transactions; and
- alter the business we conduct.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Holders of any Tranche of Notes will have a direct claim based on such Notes against the Issuer, but will not have a direct claim based on such Notes against any operating subsidiaries or Naspers. The right of Noteholders to receive payments under the Notes will be structurally subordinated to all liabilities of the operating subsidiaries, associated companies and joint ventures. In the event of a bankruptcy, liquidation, reorganization or similar proceeding relating to a subsidiary, the right of Noteholders to participate in a distribution of the assets of such subsidiary will rank behind such subsidiary's creditors as well as our associated companies' and joint ventures' creditors (including trade creditors) and preferred stockholders (if any), except to the extent that the Issuer has direct claims against such subsidiary. As of March 31, 2020, our subsidiaries had U.S.$2,953 million of total liabilities outstanding (excluding intercompany liabilities). In addition, pursuant to the expected terms of any Tranche of Notes, our subsidiaries are permitted to incur additional indebtedness.

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

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

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

Potential investors should not invest in the Notes unless they have the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of

such Notes and the impact this investment will have on the potential investor's overall investment portfolio. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities and each potential investor should consult their legal advisers or the appropriate regulators.

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

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

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

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

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

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

The Notes may be subject to interest rate risk.

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

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

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

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

LIBOR, EURIBOR and other indices which are deemed to be benchmarks are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented (see "*Uncertainty about the future of LIBOR and EURIBOR may adversely affect the return on the Notes and the price at which the Notes can be sold*" below). These reforms may cause such benchmarks to

perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a benchmark.

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

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

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

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

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

On July 27, 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. It is impossible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. At this time, no consensus exists as to what rate or rates may become accepted alternatives to LIBOR and it is impossible to predict the effect of any such alternatives on the value of LIBOR-based securities such as the Floating Rate Notes. Furthermore, in March 2017, the European Money Markets Institute (the "**EMMI**") (formerly EURIBOR-EBF) published a position paper referring to certain proposed reforms to EURIBOR, which reforms aim to clarify the EURIBOR specification, to develop a transaction-based methodology for EURIBOR and to align the relevant methodology with the Benchmarks Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. EMMI has since strengthened its governance framework and has developed a hybrid methodology for EURIBOR. On November 28, 2019, EMMI confirmed it has completed the transitioning of the panel banks from the quote-based EURIBOR methodology to the hybrid methodology. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR or EURIBOR may adversely affect LIBOR or EURIBOR rates during the term of the Notes and the return on the Notes and the trading market for LIBOR or EURIBOR-based securities. In the event that a published LIBOR or EURIBOR rate is unavailable after 2021, the rate on Floating Rate Notes using LIBOR or EURIBOR as a reference rate will be determined as set forth in Condition 4 of the "*Terms and Conditions of the Notes*".

Investors should be aware that, if LIBOR or EURIBOR (or any other benchmark) were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR or EURIBOR (or any other benchmark) will be determined for the relevant period by the fall-back provisions applicable to such Notes set out in the Terms and Conditions. Depending on the manner in which the rate of interest is to be determined under the Terms and Conditions, this may (i) be reliant upon the provision by reference banks of offered quotations which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of the rate of interest determined in relation to such Notes in respect of the preceding interest period. Any of the foregoing could have an

adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR or EURIBOR (or any other benchmark). If a Benchmark Event (as defined in the Terms and Conditions) occurs, there is a possibility that the Rate of Interest (as defined in the Terms and Conditions) could alternatively be set by an Independent Adviser or the Issuer (without a requirement for the consent or approval of Noteholders) by reference to a Successor Rate or an Alternative Rate (each as defined in the Terms and Conditions) and that such Successor Rate or Alternative Reference Rate may be adjusted by applying an Adjustment Spread (as defined in the Terms and Conditions) (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders arising out of the replacement of the relevant benchmark. If no Adjustment Spread is determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the relevant Rate of Interest.

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

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

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

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

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

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical Financial Data

Unless otherwise indicated, the financial information contained in this Base Prospectus has been prepared in accordance with IFRS. This Base Prospectus contains our audited annual consolidated financial statements as of, and for, the year ended March 31, 2020 and the related notes thereto (the "**Annual Consolidated Financial Statements**"), as well as our audited annual combined carve-out financial statements as of, and for, each of the years ended March 31, 2019, 2018 and 2017 and the related notes thereto (the "**Annual Combined Carve-out Financial Statements**" and, together with the Annual Consolidated Financial Statements, the "**Financial Statements**") beginning on page F-i of this Base Prospectus. The Annual Consolidated Financial Statements include comparative information as of, and for, the year ended March 31, 2019. Unless otherwise indicated, all FY 2019 information in this Base Prospectus has been derived from the Annual Consolidated Financial Statements. In this Base Prospectus, references to a particular "**Fiscal Year**" or "**FY**" refer to the year ended on March 31 of that year.

Prior to September 11, 2019, the Group did not exist as a reporting group, but previously functioned as a private holding company subsidiary of Naspers, and no separate (statutory) consolidated financial statements were therefore prepared in accordance with IFRS and Dutch law. The Annual Combined Carve-out Financial Statements have been derived from the consolidated financial statements of Naspers Limited for the years ended March 31, 2019, 2018 and 2017, which have been prepared in accordance with IFRS and interpretations of those standards as issued by the IASB. The Annual Combined Carve-out Financial Statements, the basis of preparation of which differs from the Annual Consolidated Financial Statements, have been prepared for the purpose of presenting the financial position, results of operations and cash flows of the Group on a stand-alone basis to enable the evaluation of the historical financial performance of Prosus. See the "*The Annual Consolidated Financial Statements*" and "*—Comparability of Financial Information*" below.

The Annual Consolidated Financial Statements have been audited by PricewaterhouseCoopers Accountants N.V. ("**PwC Netherlands**"), an independent registered public audit firm located at Thomas R. Malthusstraat 5, 1066 JR Amsterdam, The Netherlands. PwC Netherlands has not resigned, been removed or not been reappointed as our auditors during the year ended March 31, 2020. The auditor signing the auditor's report on behalf of PwC Netherlands is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

The Annual Combined Carve-out Financial Statements have been audited by PricewaterhouseCoopers Inc., an independent registered public audit firm located at 5 Silo Square, V&A Waterfront, Cape Town 8001, South Africa ("**PwC South Africa**"). PwC South Africa has not resigned, been removed or not been reappointed as our auditors during FY 2019, FY 2018 and FY 2017. The auditor signing the report on behalf of PwC South Africa is a registered auditor and member of the South African Institute of Chartered Accountants.

The Financial Statements should be read in conjunction with the accompanying notes thereto, the Annual Combined Carve-out Financial Statements should be read in conjunction with PwC South Africa's report thereon and the Annual Consolidated Financial Statements should be read in conjunction with PwC Netherland's report thereon.

The Annual Consolidated Financial Statements

For the year ended March 31, 2020, we have prepared consolidated financial statements based on applicable Dutch and EU law, including relevant comparative financial information for the year ended March 31, 2019, which is different in comparison to the Annual Combined Carve-out Financial Statements. In those consolidated financial statements for FY 2020 (including comparatives), the income statement does not include certain corporate allocations which were included in the Annual Combined Carve-out Financial Statements. Also, these consolidated financial statements include the assets and liabilities, income statement and cash flows of certain businesses of the Video-Entertainment business until its disposal on September 28, 2018, which were excluded from the Combined Carve-out Financial Statements. A further explanation and reconciliation of these differences is included in the other information section of these consolidated financial statements, including under the heading "*—Reconciliation to Combined Carve-out Financial Statements and the Consolidated Financial Statements*" elsewhere in this Base Prospectus. The Group does not have contingent liabilities relating to its organization as a public entity subsidiary of Naspers and consequently has made no related provisions in its consolidated financial statements.

The Annual Combined Carve-out Financial Statements

Prior to September 11, 2019, the predecessor of Prosus N.V. was exempt from preparing consolidated financial statements because it was an unlisted, wholly-owned subsidiary of Naspers. As a consequence, we were able to apply the consolidation exemption provided by Article 408 in Book 2 of the Dutch Civil Code and the requirements of such Article.

For purposes of our listing on Euronext Amsterdam and the JSE and in connection with this Base Prospectus and the Program, combined carve-out financial statements were prepared for our combined Group under IFRS for the year ended March 31, 2019 (including the years ended March 31, 2018 and 2017 as comparative financial statements), and for the three months ended June 30, 2019 (including the three months ended June 30, 2018 comparative financial statements), in accordance with the requirements of IAS 34 Interim Financial Reporting ("**IAS 34**"). In connection with this Base Prospectus, such annual combined carve-out financial statements were updated to describe events occurring subsequent to March 31, 2019.

As the Group did not operate as a stand-alone public entity prior to September 11, 2019, but previously functioned as a private holding company subsidiary of Naspers, the Annual Combined Carve-out Financial Statements may not be indicative of our future performance and what our combined results of operations, financial position and cash flows would have been, had we operated for the periods presented on the same basis as after September 11, 2019.

Within the Annual Combined Carve-out Financial Statements, we combine the international ecommerce and internet business as reported by the Naspers Group with certain other assets and liabilities and income and expense, which are directly attributed to the Group from the Naspers corporate segment. During the periods presented, we functioned as part of the larger group of companies controlled by Naspers. During those periods, Naspers performed certain corporate overhead services for the international ecommerce and internet business. These services included, but were not limited to, executive oversight, information management, control and accounting and investor relations. As of the date of this Base Prospectus, Naspers continues to provide executive oversight, information management, legal, treasury, control and accounting, human resources, taxes and investor relations services for us. For purposes of the Financial Statements, intragroup transactions, balances and unrealized gains and losses on transactions within our Group have been eliminated, while transactions between Naspers and us have been recognized in accordance with IFRS and disclosed as related party transactions. For further information, see note 1 of the Annual Combined Carve-out Financial Statements.

Emphasis of Matter

The unqualified opinion for the Annual Combined Carve-out Financial Statements includes an emphasis of matter paragraph, in which our auditors noted that:

"As described in note 1 of the combined carve-out financial statements, the Group did not operate as an entity separate from Naspers Limited in the past. Therefore, these combined carve-out financial statements may not be indicative of the Group's future performance and what its combined results of operations, financial position and cash flows would have been, had the Group operated as a separate entity from Naspers Limited for the periods presented. Rather than the legal structure, the economic activities under common management and the perimeter agreed as the structure of the future Group have been considered the main factors in determining the perimeter of the combined carve-out financial statements.

Furthermore, the combined carve-out financial statements and our audit report thereon are intended solely for presenting the financial position, results of operations and cash flows of the Group on a stand-alone basis in accordance with the purpose included in note 1 of the combined carve-out financial statements and for no other purpose."

Comparability of Financial Data

As described under "*—Historical Financial Data*" above, the Annual Consolidated Financial Statements and the Annual Combined Carve-out Financial Statements were prepared on different bases and for different purposes and therefore such Financial Statements may not be fully comparable.

In tables presenting the income statement, summary of statement of cash flows, summary of statement of financial position and other information as of, and for, each of the years ended March 31, 2020, 2019 and 2018 in this Base Prospectus, the information in the columns labelled "Consolidated Financial Year" or "Consolidated As at March 31" has been derived from the Annual Consolidated Financial Statements and the information in the

columns labelled "Combined Financial Year" or "Combined As at March 31" has been derived from the Annual Combined Carve-out Financial Statements.

Segmental Data

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

Within the Annual Combined Carve-out Financial Statements, the segments presented are the same as previously reported on by the Naspers Group, excluding the South African Ecommerce, Video-Entertainment and the Media businesses, which do not form part of the Group. In the Annual Combined Carve-out Financial Statements, we currently present nine operating segments based on our business by service or product as follows: Ecommerce, comprising Classifieds, Payments and Fintech, Food Delivery, Etail and Other Ecommerce, Social and Internet Platforms, comprising Tencent and the Mail.ru Group, and Corporate. Following a share swap transaction with Trip.com (formerly Ctrip (as described under "*Description of Prosus N.V.—History—Selected Significant Corporate Events—Travel—Trip.com*")), the Travel segment no longer exists and it will not be reported after FY 2020. For further information about our operating segments in the Annual Combined Carve-out Financial Statements, see note 1 of those financial statements.

Within the Annual Consolidated Financial Statements, the segmental data includes a further operating segment, the Video-Entertainment segment, which has been classified as a discontinued operation. For further information about our operating segments in the Annual Consolidated Financial Statements, see note 39 of those financial statements.

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

Non-IFRS Financial Measures and APMs

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

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

The Non-IFRS Measures should be considered in conjunction with the Financial Statements prepared in accordance with IFRS. The following discussion provides definitions of Non-IFRS Measures. For reconciliations of these Non-IFRS

Measures to their most directly comparable IFRS measures, see "*Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs*".

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

- **Trading profit/loss:** Trading profit/loss represents operating profit/loss, from continuing operations as adjusted to exclude: (i) amortization of intangible assets recognized in business combinations and acquisitions, as these expenses are not considered operational in nature; (ii) retention option expenses linked to business combinations; (iii) other losses/gains—net, which includes dividends received from investments, profits and losses on sale of assets, fair-value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities; and (iv) share-based payment expenses on transactions where there is no cash cost to the Group as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which we have a cash cost on settlement with participants).

- **EBITDA:** EBITDA represents operating profit/loss from continuing operations, as adjusted to exclude: (i) depreciation; (ii) amortization; (iii) retention option expenses linked to business combinations; (iv) other losses/gains—net, which includes dividends received from investments, profits and losses on sale of assets, fair-value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities; and (v) share-based payment expenses on transactions where there is no cash cost to the Group as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which we have a cash cost on settlement with participants).

- **Headline earnings:** Headline earnings represents net profit for the year attributable to our equity holders, excluding certain defined separately identifiable remeasurements relating to, amongst others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains and losses on acquisitions and disposals of investments as well as assets, dilution gains and losses on equity-accounted investments, remeasurement gains and losses on disposal groups classified as held for sale and remeasurements included in equity-accounted earnings, net of related taxes (both current and deferred) and the related non-controlling interests. These remeasurements are determined in accordance with Circular 1/2019, headline earnings, as issued by the South African Institute of Chartered Accountants, pursuant to the Johannesburg Stock Exchange Listing Requirements.

- **Core headline earnings:** Core headline earnings represent headline earnings excluding certain non-operating items. Specifically, headline earnings are adjusted for the following items to derive core headline earnings: (i) equity-settled share-based payment expenses on transactions where there is no cash cost to 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) deferred taxation income recognized on the first-time recognition of deferred tax assets as this generally relates to multiple prior periods and distorts current period performance; (iii) fair-value adjustments on financial instruments (including put option liabilities) and unrealized currency translation differences, as these items obscure our underlying operating performance; (iv) 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; (v) the amortization of intangible assets recognized in business combinations and acquisitions; and (vi) 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.

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

- **Growth in local currency excluding acquisitions and disposals:** We apply certain adjustments to the segmental revenue and trading profit reported in the Financial Statements to present the growth in such metrics

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

- Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted is calculated as the constant currency results, arrived at using the methodology outlined above, compared to the prior period's actual IFRS results. The relevant average exchange rates (relative to the U.S. dollar) used for our most significant functional currencies, were: Chinese Yuan Renminbi (FY 2020: 0.1433; FY 2019: 0.1485; FY 2018: 0.1517), Polish Zloty (FY 2020: 0.2569; FY 2019: 0.2684; FY 2018: 0.2794), Russian Ruble (FY 2020: 0.0152; FY 2019: 0.0153; FY 2018: 0.0173), Indian Rupee (FY 2020: 0.0141; FY 2019: 0.0143; FY 2018: 0.0155), and Brazilian Real (FY 2020: 0.2398; FY 2019: 0.2622; FY 2018: 0.3097).

- Adjustments made for changes in our composition relate to acquisitions, mergers and disposals of subsidiaries and equity-accounted investments, as well as to changes in our shareholding in our equity-accounted investments. For acquisitions, adjustments are made to remove the revenue and trading profit/(loss) of the acquired entity from the current reporting period and, in subsequent reporting periods, to ensure that the current reporting period and the comparative reporting period contain revenue and trading profit/(loss) information relating to the same number of months. For mergers, adjustments are made to include a portion of the prior period's revenue and trading profit/(loss) of the entity acquired as a result of a merger. For disposals, adjustments are made to remove the revenue and trading profit/(loss) of the disposed entity from the previous reporting period to the extent that there is no comparable revenue or trading profit/(loss) information in the current period and, in subsequent reporting periods, to ensure that the previous reporting period does not contain revenue and trading profit/(loss) information relating to the disposed business. In FY 2020, net adjustments made for all acquisitions and disposals during the relevant period amounted to a negative adjustment of U.S.$157 million on revenue and a negative adjustment of U.S.$27 million on trading profit. In FY 2019, net adjustments made for all acquisitions and disposals during the relevant period amounted to a negative adjustment of U.S.$985 million on revenue and a negative adjustment of U.S.$235 million on trading profit. In FY 2018, net adjustments made to continuing operations for all acquisitions and disposals during the relevant period amounted to a negative adjustment of U.S.$162 million on revenue from continuing operations and a negative adjustment of U.S.$11 million on trading profit from continuing operations.

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

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

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

Most major foreign associated companies and joint ventures do not have year-ends that are coterminous with ours, and our accounting policy is to account for an appropriate lag period in reporting our results. The maximum lag period is three months. Any significant transactions occurring in the lag period to our March year-end are taken into account. In this Base Prospectus, references to segmental revenue for the Group (whether on a combined or consolidated basis) refer to its external revenue only and do not include any inter-segmental revenue, which are eliminated on consolidation.

Certain Operational Metrics

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

Each of these metrics is defined below:

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

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

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

- **Internal rate of return:** is presented in this Base Prospectus for illustrative purposes only and is calculated based on the estimated valuations of our internet investments. The estimated valuations are calculated as of March 31, 2020 using a combination of: (i) prevailing share prices for stakes in listed assets; (ii) valuation estimates derived from the average of sell-side analysts currently covering Naspers for stakes in unlisted assets; and (iii) post-money valuations on transactions of these assets or from similar recent transactions for stakes in unlisted assets where analyst consensus is not available. In respect of (ii) above, we do not endorse, and did not participate in, or provide any information for purposes of the preparation of the market valuations calculated by third-party analysts. These valuation estimates have not been confirmed by an independent third-party expert, such as an accounting firm or an investment bank. Accordingly, these valuation estimates may not reflect past, present or future fair values, or any potentially achievable fair value in the future and no reliance can be placed on these valuation estimates.

Rounding and Negative Amounts

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

In preparing the financial information included in this Base Prospectus, most numerical figures are presented in millions of U.S. dollars. For the convenience of the reader of this Base Prospectus, certain numerical figures in this Base

Prospectus are rounded to the nearest million. Accordingly, figures shown for the same category presented in different tables may vary slightly, and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

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

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

Currency

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

- "**Brazilian Real**" or "**BRL**" are references to the lawful currency of Brazil;
- "**Chinese Yuan Renminbi**" or "**RMB**" are references to the lawful currency of China;
- "**Euro**" or "**€**" are references to the single currency introduced at the start of the third stage of the European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 on May 3, 1998 on the introduction of the Euro, as amended;
- "**Hong Kong Dollar**" or "**HK$**" are references to the lawful currency of Hong Kong;
- "**Indian Rupee**" are references to the lawful currency of India;
- "**Polish Zloty**" are references to the lawful currency of Poland;
- "**Pounds Sterling**" or "**£**" are references to the lawful currency of England;
- "**Russian Ruble**" or "**RUB**" are references to the lawful currency of Russia;
- "**South African Rand**" or "**ZAR**" are references to the lawful currency of South Africa;
- "**Turkish Lira**" are references to the lawful currency of Turkey; and
- "**U.S. dollar**" or "**U.S.$**" are references to the lawful currency of the United States.

Market and Industry Data

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

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

This Base Prospectus contains statistics, data and other information relating to markets, market positions, market shares, market sizes and other industry data pertaining to our business and markets. The information in this Base Prospectus that has been sourced from third parties has been accurately reproduced with reference to these sources in the

relevant paragraphs and, as far as we are aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information provided inaccurate or misleading.

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

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

SELECTED FINANCIAL AND OTHER INFORMATION

The following tables set out our consolidated and combined income statement, summary of consolidated and combined statement of financial position, summary of consolidated and combined statement of cash flows and certain other financial data as at the dates and for the periods indicated. The selected consolidated financial information set out below has been derived from and should be read together with the Annual Consolidated Financial Statements beginning on page F-1, including the notes thereto and the selected combined financial information set out below has been derived from and should be read together with the Annual Combined Carve-out Financial Statements beginning on page F-144, including the notes thereto.

In addition, the selected combined and consolidated financial information set out below is a summary only. It may not contain all of the information that is important to prospective investors and, accordingly, should be read in conjunction with "*Presentation of Financial and Other Information*" and "*Risk Factors*".

Income Statement

	Consolidated Fiscal Year		Combined Fiscal Year	
	2020	2019	2019	2018
	(U.S.$ in millions)			
Revenue from contracts with customers	3,330	2,655	2,654	2,303
Cost of providing services and sale of goods	(2,177)	(1,600)	(1,596)	(1,384)
Selling, general and administration expenses	(1,762)	(1,437)	(1,436)	(1,507)
Other gains/(losses)—net	16	(40)	(40)	(27)
Operating loss	**(593)**	**(422)**	**(418)**	**(615)**
Interest income	201	265	265	34
Interest expense	(223)	(200)	(200)	(195)
Other finance income/(costs)—net	114	114	114	(330)
Share of equity-accounted results	3,930	3,409	3,408	3,292
Impairment of equity-accounted investments	(21)	(88)	(88)	(46)
Dilution (losses)/gains on equity-accounted investments	(52)	(182)	(182)	9,224
Net gains on acquisitions and disposals	434	1,610	1,610	30
Profit before taxation	**3,790**	**4,506**	**4,509**	**11,394**
Taxation	(75)	(258)	(258)	(39)
Profit from continuing operations	**3,715**	**4,248**	**4,251**	**11,355**
Loss from discontinued operations	—	(738)	—	—
Profit for the year	**3,715**	**3,510**	**4,251**	**11,355**
Attributable to:				
Equity holders of the Group	3,824	3,581	4,307	11,485
Non-controlling interests	(109)	(71)	(55)	(130)

Summary of Statement of Financial Position

	Consolidated As at March 31		Combined As at March 31	
	2020	2019	2019	2018
ASSETS		*(U.S.$ in millions)*		
Goodwill and other intangible assets	3,013	2,829	2,829	3,139
Investments in associates	22,233	19,746	19,746	16,669
Investments in joint ventures	72	95	95	74
Other non-current assets	1,337	351	211	205
Inventory	213	148	148	139
Trade receivables	111	135	135	169
Other current assets	731	515	531	376
Short-term investments	3,873	7,037	7,037	—
Cash and cash equivalents	4,181	2,135	2,131	10,809
TOTAL ASSETS	**35,764**	**32,991**	**32,863**	**31,580**
EQUITY AND LIABILITIES				
Total equity	29,314	27,382	27,249	24,356
Total debt[(1)]	3,807	3,274	3,274	3,285
Other non-current liabilities[(2)]	591	790	790	1,244
Trade payables	291	244	244	290
Other current liabilities	1,761	1,301	1,306	2,405
TOTAL EQUITY AND LIABILITIES	**35,764**	**32,991**	**32,863**	**31,580**

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

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

Summary of Statement of Cash Flows

	Consolidated Fiscal Year		Combined Fiscal Year	
	2020	2019	2019	2018
	(U.S.$ in millions)			
Cash from operations	(475)	(372)	(268)	(311)
Dividends received from investments and equity-accounted companies	382	342	343	248
Cash (utilized in)/generated from operating activities	**(93)**	**(30)**	**75**	**(63)**
Interest income received	224	201	198	33
Interest costs paid	(230)	(215)	(202)	(180)
Taxation paid	(110)	(101)	(94)	(69)
Net cash utilized in operating activities	**(209)**	**(145)**	**(23)**	**(279)**
Net capital expenditures	(97)	(106)	(100)	(69)
Investments in subsidiaries, associates, joint ventures and businesses	(865)	(1,397)	(1,397)	(1,980)
Disposals of subsidiaries, associates and businesses	109	1,821	1,985	9,901
Acquisition of short-term investments[(1)]	(3,866)	(8,591)	(6,967)	—
Maturity of short-term investments[(1)]	7,010	1,624	—	—
Other investment activities	(21)	(4)	(2)	(6)
Net cash generated from/(utilized in) investing activities	**2,270**	**(6,653)**	**(6,481)**	**7,846**
Net proceeds from/(repayment of) loans, related party funding and capitalized leases	166	(390)	(563)	135
Transactions relating to existing subsidiaries	(64)	(1,607)	(1,603)	(98)
Non-controlling shareholder transactions	127	56	58	(43)
Dividends paid to non-controlling shareholders	(1)	(16)	(16)	(25)
Dividends paid to holding company	(215)	—	—	—
Other financing activities	4	2	—	—
Net cash generated from/(utilized in) financing activities	**17**	**(1,955)**	**(2,124)**	**(31)**
Net movement in cash and cash equivalents	**2,078**	**(8,753)**	**(8,628)**	**7,536**

(1) Relates to short-term cash investments with maturities of more than three months from the date of acquisition. See note 37 of the Annual Consolidated Financial Statements and note 33 of the Annual Combined Carve-out Financial Statements for more information.

Summary Segmental Data

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

	Revenue		Trading (loss)/profit[1]	
	Consolidated Fiscal Year		Consolidated Fiscal Year	
	2020	2019	2020	2019
	(U.S.$ in millions)			
Ecommerce comprising:				
—Classifieds	1,281	857	34	(6)
—Payments and Fintech	428	360	(67)	(43)
—Food Delivery	751	377	(624)	(171)
—Etail	1,363	1,529	(20)	(101)
—Travel	146	234	(22)	(37)
—Other	297	239	(219)	(217)
Total Ecommerce	**4,266**	**3,596**	**(918)**	**(575)**
Social and Internet Platforms comprising:				
—Tencent	16,779	14,457	4,601	3,929
—Mail.ru	410	287	98	23
Total Social and Internet Platforms	**17,189**	**14,744**	**4,699**	**3,952**
Corporate services	—	—	(4)	—
Total (economic interest)	**21,455**	**18,340**	**3,777**	**3,377**
Less:				
Equity-accounted investments	(18,125)	(15,685)	(4,198)	(3,683)
Total from continuing operations	**3,330**	**2,655**	**(421)**	**(306)**
Total from discontinued operations[2]	—	644	—	(154)
Total from consolidated group	**3,330**	**3,299**	**(421)**	(460)

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

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

	Revenue		Trading (loss)/profit[1]	
	Combined Fiscal Year		Combined Fiscal Year	
	2019	2018	2019	2018
	(U.S.$ in millions)			
Ecommerce comprising:				
—Classifieds	857	614	(6)	(120)
—Payments and Fintech	360	294	(43)	(64)
—Food Delivery	377	166	(171)	(30)
—Etail	1,529	1,838	(101)	(223)
—Travel	234	211	(37)	(61)
—Other	239	219	(194)	(154)
Total Ecommerce	**3,596**	**3,342**	**(552)**	**(652)**
Social and Internet Platforms comprising:				
—Tencent	14,457	12,024	3,929	3,675
—Mail.ru	287	257	23	51
Total Social and Internet Platforms	**14,744**	**12,281**	**3,952**	**3,726**
Corporate services	—	—	(17)	(14)
Total (economic interest)	**18,340**	**15,623**	**3,383**	**3,060**
Less:				
Equity-accounted investments	(15,686)	(13,320)	(3,683)	(3,446)
Total from continuing operations	**2,654**	**2,303**	**(300)**	**(386)**
Total from discontinued operations	—	—	—	—
Total from combined group	**2,654**	**2,303**	**(300)**	**(386)**

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

Non-IFRS Financial Measures and APMs

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

	Consolidated Fiscal Year		Combined Fiscal Year	
	2020	2019	2019	2018
	(U.S.$ in millions)			
Trading loss from continuing operations[(1)]	(421)	(306)	(300)	(386)
EBITDA from continuing operations[(2)]	(324)	(265)	(259)	(354)
Headline earnings[(3)]	2,795	3,806	3,808	1,784
Core headline earnings[(3)]	3,357	3,090	3,094	2,524
Free cash flow[(4)]	(338)	(258)	(120)	(202)
Total segmental revenue (economic interest)[(5)]	21,455	18,340	18,340	15,623
Total segmental trading profit (economic interest)[(5)]	3,777	3,377	3,383	3,060
Total debt[(*)]	3,807	3,274	3,274	3,285
Net cash/(debt)[(**)]	4,247	5,898	5,894	7,524

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

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

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

	Consolidated Fiscal Year		Combined Fiscal Year	
	2020	2019	2019	2018
	(U.S.$ in millions)			
Operating loss from continuing operations	(593)	(422)	(418)	(615)
Adjusted for:				
Finance costs on capitalized lease liabilities	(8)	—	—	—
Amortization of other intangible assets[(a)]	94	87	78	89
Other losses/(gains)-net[(b)]	(16)	40	40	27
Retention option expenses	61	11	11	7
Share-based incentives calculated on a cash-settled basis[(c)]	25	(45)	(35)	77
Share-based incentives settled in Naspers N ordinary shares[(d)]	16	23	24	29
Trading loss from continuing operations	(421)	(306)	(300)	(386)

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

(b) Other losses/(gains)-net comprise profits and losses on the disposal of assets, impairment losses related to goodwill, other intangible assets and other assets, and fair-value adjustments on financial instruments. See note 24 of the Annual Combined Carve-out Financial Statements and note 28 of the Annual Consolidated Financial Statements for more information.

(c) Represents the differential between share-based incentives valued on a cash-settled basis at Group level and share-based incentives valued on an equity-settled basis at Group level. The CODM reviews share-based incentives on an equity-settled basis at both a Naspers and Group level.

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

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

	Consolidated Fiscal Year		Combined Fiscal Year	
	2020	2019	2019	2018
	(U.S.$ in millions)			
Operating loss from continuing operations	(593)	(422)	(418)	(615)
Impact of operating loss between continuing and discontinued operations	—	8	—	—
Depreciation	80	25	25	24
Amortization	103	95	94	97
Other losses/(gains)—net[a]	(16)	40	40	27
Retention option expenses	61	11	11	7
Share-based incentives calculated on a cash-settled basis[b]	25	(45)	(35)	77
Share-based incentives settled in Naspers N ordinary shares[c]	16	23	24	29
EBITDA from continuing operations	**(324)**	**(265)**	**(259)**	**(354)**

(a) Other losses/(gains)-net comprise profits and losses on the disposal of assets, impairment losses related to goodwill, other intangible assets and other assets, and fair-value adjustments on financial instruments. See note 24 of the Annual Combined Carve-out Financial Statements and note 28 of the Annual Consolidated Financial Statements for more information.

(b) Represents the differential between share-based incentives valued on a cash-settled basis at Group level and share-based incentives valued on an equity-settled basis at the Group level. The CODM reviews share-based incentives on an equity-settled basis at both a Naspers and Group level.

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

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

	Consolidated Fiscal Year		Combined Fiscal Year	
	2020	2019	2019	2018
	(U.S.$ in millions)			
Net profit attributable to shareholders from continuing operations	3,824	4,303	4,307	11,485
Adjusted for (net of tax effects and non-controlling interests):				
Impairment of property, plant and equipment and other assets	—	5	—	24
Impairment of goodwill and other intangible assets	10	1	5	3
Loss/(profit) on sale of assets	—	—	1	1
(Gains)/losses on disposal of investments	(394)	(1,437)	(1,442)	(41)
(Profit)/loss on sale of investments held by equity-accounted investments	(616)	670	672	(528)
Dilution losses/(gains) on equity-accounted investments	52	182	182	(9,206)
Gain recognized on loss of control transactions	(17)	—	—	—
Gain recognized on loss of significant influence	(12)	—	—	—
Remeasurements of previously held interest	(73)	(6)	(5)	—

	Consolidated Fiscal Year		Combined Fiscal Year	
	2020	2019	2019	2018
	(U.S.$ in millions)			
Impairment/(reversal of impairment) of equity-accounted investments	21	88	88	46
Headline earnings	**2,795**	**3,806**	**3,808**	**1,784**
Adjusted for:				
Equity-settled share-based payment expenses	608	514	517	443
Amortization of other intangible assets[(a)]	363	283	283	175
Fair-value adjustments and currency translation differences[(b)]	(672)	(1,544)	(1,545)	100
Retention option expense	56	10	11	6
Donations related to COVID-19[(c)]	114	—	—	—
Business combination transaction costs[(d)]	93	21	20	16
Core headline earnings	**3,357**	**3,090**	**3,094**	**2,524**
Headline earnings per share (*US cents*)[(e)]	**172**	**234**	**234**	**—**

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

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

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

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

(e) Headline earnings per share is calculated by dividing headline earnings by the weighted average number of N Ordinary Shares for each respective period. For purposes of the calculation of headline earnings per share, the weighted average number of N Ordinary Shares for FY 2020 was assumed to be 1,625 million (FY 2019: 1,625 million) N Ordinary Shares.

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

	Consolidated Fiscal Year		Combined Fiscal Year	
	2020	2019	2019	2018
	(U.S.$ in millions)			
Cash from continuing operations	(475)	(372)	(268)	(311)
Capital expenditure[a]	(97)	(106)	(100)	(69)
Capital leases repaid, gross	(29)	(21)	(1)	(1)
Interest on capitalized leases	(9)	—	—	—
Dividends received	382	342	343	248
Taxation paid	(110)	(101)	(94)	(69)
Free cash flow	**(338)**	**(258)**	**(120)**	**(202)**

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

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

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

	Consolidated Fiscal Year							
	2019 A[1]	2020 B[2]	2020 C[3]	2020 D	2020 E[4]	2020 F[1][5]	2020 G[6]	2020 H[7]
	Total	Group composition disposal adjustment	Group composition acquisition adjustment	Foreign currency adjustment	Local currency growth	Total	Local currency growth	Total period-over-period growth
	(U.S.$ in millions)						*(% Change)*	
	Unaudited							
Segmental revenue (economic interest)								
—Payments and Fintech	(43)	6	(17)	(1)	(12)	(67)	(32)%	(56)%
—Food Delivery	(171)	(7)	(91)	28	(383)	(624)	(215)%	(265)%
—Etail	(101)	57	—	3	21	(20)	48%	80%
—Travel	(37)	9	—	—	6	(22)	21%	41%
—Other	(217)	18	(18)	2	(4)	(219)	(2)%	(1)%
Total Ecommerce	(575)	84	(157)	47	(317)	(918)	(65)%	(60)%
Social and Internet Platforms comprising:								
—Tencent	3,929	(10)	—	(170)	852	4,601	22%	17%
—Mail.ru	23	—	56	(1)	20	98	87%	326%
Total Social and Internet Platforms	3,952	(10)	56	(171)	872	4,699	22%	19%
Corporate services	—	—	—	(1)	(3)	(4)	(100)%	(100)%
Trading profit from continuing operations (economic interest)	**3,377**	**74**	**(101)**	**(125)**	**552**	**3,777**	**16%**	**12%**
Trading loss from discontinued operations (economic interest)	(154)	154	—	—	—	—	—	(100)%
Total segmental trading profit/(loss) (economic interest)	**3,223**	**228**	**(101)**	**(125)**	**552**	**3,777**	**16%**	**17%**

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

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

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

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

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

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

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

	Combined Fiscal Year							
	2018 A[1]	2019 B[2]	2019 C[3]	2019 D	2019 E[4]	2019 F[5]	2019 G[6]	2019 H[7]
	Total	Group composition disposal adjustment	Group composition acquisition adjustment	Foreign currency adjustment	Local currency growth	Total	Local currency growth	Total year-on-year growth
	(U.S. $ in millions)						*(% Change)*	
	Unaudited							
Segmental revenue (economic interest)								
Ecommerce comprising:								
—Classifieds	614	(1)	85	(67)	226	857	37%	40%
—Payments and Fintech	294	(1)	25	(40)	82	360	28%	22%
—Food Delivery	166	—	149	(33)	95	377	57%	127%
—Etail	1,838	(488)	4	(77)	252	1,529	19%	(17)%
—Travel	211	(15)	—	(1)	39	234	20%	11%
—Other	219	—	12	(34)	42	239	19%	9%
Total Ecommerce	**3,342**	**(505)**	**275**	**(252)**	**736**	**3,596**	**26%**	**8%**
Social and Internet Platforms comprising:								
—Tencent	12,024	(753)	—	(348)	3,534	14,457	31%	20%
—Mail.ru	257	(2)	—	(38)	70	287	27%	12%
Total Social and Internet Platforms	**12,281**	**(755)**	**—**	**(386)**	**3,604**	**14,744**	**31%**	20%
Corporate and intergroup eliminations	—	—	—	1	(1)	—	—	—
Total segmental revenue (economic interest)	**15,623**	**(1,260)**	**275**	**(637)**	**4,339**	**18,340**	**30%**	17%
Segmental trading profit/(loss) (economic interest)								
Ecommerce comprising:								
—Classifieds	(120)	2	(14)	—	126	(6)	107%	95%
—Payments and Fintech	(64)	—	(20)	(2)	43	(43)	67%	33%
—Food Delivery	(30)	—	(56)	12	(97)	(171)	(323)%	(470)%
—Etail	(223)	100	(1)	7	16	(101)	13%	55%
—Travel	(61)	(7)	—	—	31	(37)	46%	39%
—Other	(154)	—	(9)	5	(36)	(194)	(23)%	(26)%
Total Ecommerce	(652)	95	(100)	22	83	(552)	15%	15%
Social and Internet Platforms comprising:								
—Tencent	3,675	(230)	—	(72)	556	3,929	16%	7%
—Mail.ru	51	—	—	(3)	(25)	23	(49)%	(55)%
Total Social and Internet Platforms	**3,726**	**(230)**	**—**	**(75)**	**531**	**3,952**	**15%**	**6%**
Corporate services	(14)	—	—	5	(8)	(17)	(57)%	(21)%
Total segmental trading profit/(loss) (economic interest)	**3,060**	**(135)**	**(100)**	**(48)**	**606**	**3,383**	**21%**	**11%**

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

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

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

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

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

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

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

INFORMATION INCORPORATED BY REFERENCE

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

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document that is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Where only certain sections of a document referred to above are incorporated by reference in this Base Prospectus, the parts of the document that are not incorporated by reference are either not applicable to prospective investors in the Notes or covered elsewhere in this Base Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Tencent Public Disclosures

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

No Incorporation of Website

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

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

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

These forward-looking statements and other statements contained in this Base Prospectus regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing us. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Important factors that could cause our actual results to so vary include, but are not limited to:

- competitive pressures, rapid technological innovation, changes in consumer preferences and the development of the internet;
- the relative success of Tencent's operations, market price of Tencent's shares and other concerns related to Tencent's contractual arrangements;
- the effect of the COVID-19 pandemic on our business, financial condition, results of operations and prospects, including the effect of governmental lockdowns, restrictions and new regulations on our investments, subsidiaries, associated companies and joint ventures;
- levels of investment, trading losses and impairments in respect of our businesses that are still developing;
- reliance on access to cash flows from our subsidiaries, associated companies and joint ventures;
- any failure to maintain or improve, or any disruption in, our technology infrastructure and our ability to safeguard its data and the data of its users;
- financial risks, including our level of debt, liquidity, fluctuations in exchange rates and interest rates, as well as our reliance on cash flows from subsidiaries, associated companies and joint ventures;
- our lack of control over companies in which we have made minority investments and other risks associated with such investments;
- adverse legal or regulatory developments or changes in accounting standards;
- actual or alleged non-compliance with applicable law or regulations and any legal claims or government investigations in respect of our businesses;
- economic, social and political risks in the markets in which we and our businesses operate;
- dependence on third-party vendors, service providers, partners, application marketplaces and search engines;
- reliance on advertising revenue;
- difficulties associated with successfully completing acquisitions and integrating acquired businesses;
- the loss of key personnel;

- difficulties in maintaining our brand recognition and protecting its intellectual property rights or domain names;
- limitations or restrictions on foreign investment and ownership;
- adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations;
- costs, business disruptions and reputational damage associated with information technology failures, cybersecurity incidents and/or information security breaches; and
- other risks associated with any offering of Notes, our financial profile, the Notes and our structure.

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

FINAL TERMS, PRICING SUPPLEMENTS AND DRAWDOWN PROSPECTUSES

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

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

For a Tranche of Notes that is the subject of Final Terms or Pricing Supplement, those Final Terms or Pricing Supplement, as applicable, will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes that is the subject of Final Terms or Pricing Supplement are the Conditions described in the relevant Final Terms or Pricing Supplement, as applicable, as completed to the extent described in the relevant Final Terms or Pricing Supplement. A Pricing Supplement will only be issued for Exempt Notes (the Issuer may use a pricing term sheet in connection with the offering of Notes).

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

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

FORMS OF THE NOTES

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

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

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

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

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

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

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

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

instructions of any holder of an interest in such Global Note) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

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

TERMS AND CONDITIONS OF THE NOTES

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

In these Terms and Conditions, the expression "**Notes**" shall mean (i) in relation to any Notes represented by a Global Note (as defined below), units of the lowest Specified Denomination (as defined below) of the relevant Notes, (ii) definitive Notes issued in exchange for a Global Note and (iii) any Global Note issued under, and with the benefit of, the Amended and Restated Fiscal and Paying Agency Agreement dated on or around July 13, 2020 (as it may be further updated, supplemented and/or restated from time to time, the "**Fiscal and Paying Agency Agreement**"), among the Issuer and Citibank, N.A., London Branch, as fiscal and paying agent (the "**Fiscal and Paying Agent**").

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

Notes may be issued at such times as shall be agreed between the Issuer and the relevant Dealer(s) pursuant to a distribution agreement dated on or around July 13, 2020 between the Issuer and the Dealers named therein or as determined by the Issuer if no Dealer will be appointed in respect of an offering of a Tranche (as defined below) of Notes. The provisions of the Notes to be issued shall be indicated in the applicable Final Terms, Drawdown Prospectus or, in the case of Exempt Notes (as defined below), the applicable Pricing Supplement.

Any applicable Pricing Supplement in relation to any Tranche of Notes for which no prospectus is required to be published under the Prospectus Regulation ("**Exempt Notes**"), may specify terms and conditions other than those set out herein which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify the terms and conditions of the Notes stated herein for the purpose of such Exempt Notes. Such Exempt Notes do not form part of this Base Prospectus and the Central Bank of Ireland has neither approved nor reviewed information contained in this Base Prospectus in connection with the Exempt Notes. In the case of Exempt Notes only and if appropriate, a supplementary prospectus and/or a pricing supplement (together, a "**Pricing Supplement**") will be published which will describe the effect of the agreement reached in relation to, and the terms and conditions, of such Notes.

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

The following summaries of certain provisions of the Notes and the Fiscal and Paying Agency Agreement do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the

relevant Notes and the related Final Terms, Drawdown Prospectus or, in the case of Exempt Notes, the applicable Pricing Supplement. Copies of the Fiscal and Paying Agency Agreement (which contains the forms of the Notes), together with copies of the applicable Final Terms, Drawdown Prospectus or, in the case of Exempt Notes, the applicable Pricing Supplement for each issue of Notes, will be available for inspection, free of charge, during normal business hours, at the registered office of the Fiscal and Paying Agent, being at the date hereof at Citigroup Centre, Canada Square, Canary Wharf London E14 5LB, United Kingdom and at the specified office of each of the Paying Agents. The Noteholders will be deemed to have notice of all the provisions of the Fiscal and Paying Agency Agreement, which will be binding on them. Words and expressions defined in the Fiscal and Paying Agency Agreement shall have the same meanings where used herein unless the context otherwise requires or unless otherwise stated.

1 General

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

2 Form, Denomination, Title and Transfer

(a) Form, Denomination and Title

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

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

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

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

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

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

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

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

(b) *Transfers and Exchanges of Notes*

(i) *Transfers of Interests in Global Notes*

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

(ii) *Transfers of Definitive Notes*

Subject to the provisions of paragraph (v) below and to compliance with all applicable legal and regulatory restrictions, upon the terms and subject to the conditions set forth in the Fiscal and Paying Agency Agreement, including the transfer restrictions contained therein, a definitive Note may be transferred in whole or in part (in the Specified Denominations). In order to effect any such transfer, (A) the Noteholder or Noteholders must (1) surrender the Note for registration of the transfer of the Note (or the relevant part of the Note) at the specified office of the Registrar, with the form of transfer thereon duly executed by the holder or holders thereof or his, her or their attorney or attorneys duly authorized in writing and (2) complete and deposit such other certifications specified in the Fiscal and Paying Agency Agreement and as may be required by the Registrar and (B) the Registrar must, after due and careful inquiry, be satisfied

with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in the Fiscal and Paying Agency Agreement). Subject to the provisions above, the Registrar will, within three (3) business days (being for this purpose a day on which banks are open for business in the city where the specified office of such Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new definitive Note of a like aggregate nominal amount to the Note (or the relevant part of the Note) transferred. In the case of the transfer of only part of a definitive Note, a new definitive Note in respect of the balance of the Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(iii) *Registration of Transfer Upon Partial Redemption*

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

(iv) *Costs of Registration*

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

(v) *Exchanges and Transfers of Notes Generally*

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

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

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

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

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

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

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

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

3 Status of the Notes

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

4 Interest

(a) *Interest on Fixed Rate Notes*

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

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

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

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

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

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

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

(b) *Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) *Rate of Interest*

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

(iii) *ISDA Determination for Floating Rate Notes*

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

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

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

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

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

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

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

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

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

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

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

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

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

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

determined as at the last preceding Interest Determination Date; though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period.

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

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

(v) *Linear Interpolation*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

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

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

(ix) *Certificates to be Final*

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

(c) *Accrual of Interest*

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

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

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

(d) *Benchmark Replacement*

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

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

(2) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date in accordance with subparagraph (1) above, then the Issuer, acting in good faith, may determine a Successor Rate or, if the Issuer determines that there is no Successor Rate, an Alternative Reference Rate for purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(d) (*Benchmark Replacement*)); provided, however, that if this subparagraph (2) applies and the Issuer is unable or unwilling to determine a Successor Rate or an Alternative Reference Rate prior to the Interest Determination Date, as applicable, relating to the next succeeding Interest Period, as applicable, in accordance with this subparagraph (2), the Rate of Interest applicable to such Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of a preceding Interest Period as applicable, which may be the Initial Rate of Interest (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period for which the Rate of Interest was determined, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period);

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

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

(5) if the Independent Adviser or the Issuer, as the case may be, determines a Successor Rate or an Alternative Reference Rate or, in each case, any Adjustment Spread, in accordance with the above provisions, the Independent Adviser or the Issuer may also, specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, Interest Payment Dates and/or the definition of Reference Rate or Adjustment Spread applicable to the Notes, and in each case, related provisions and definitions, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to such Successor Rate or Alternative Reference Rate, as applicable, which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(d) (*Benchmark Replacement*)). Subject as provided in the Fiscal and Paying Agency Agreement, the Fiscal and Paying Agent shall, at the direction and expense of the Issuer, to effect such consequential amendments

to the terms of the Notes as may be required in order to give effect to this Condition 4(d) (*Benchmark Replacement*) and the Fiscal and Paying Agent shall not be liable to any party for any consequences thereof. No Noteholder consent shall be required in connection with effecting the Successor Rate or the Alternative Reference Rate, as applicable, any Adjustment Spread or such other changes, including for the execution of any documents, amendments or other steps by the Issuer or Fiscal and Paying Agent, if required; and

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

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

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

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

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

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

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

"**Benchmark Event**" means:

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

(ii) the Reference Rate has changed materially; or

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

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

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

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

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

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

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

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

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

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

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

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

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

5 Payments

(a) *Method of Payment for Definitive Notes*

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

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

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

(b) *Presentation of Principal and Interest*

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

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

(c) *Payment Date*

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

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

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

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

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

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

(d) *Interpretation of Principal and Interest*

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

(i) the Final Redemption Amount of the Notes;

(ii) the Early Redemption Amount of the Notes;

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

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

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

6 Redemption and Purchase

(a) *At Maturity*

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

(b) *Redemption for Tax Reasons*

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

(i) any change in, or amendment to, the laws, treaties, regulations or rulings of any Relevant Taxing Jurisdiction (as defined below in Condition 14 (*Additional Amounts*)), which becomes effective on or after (and which was not publicly and formally announced, with the exception of the announced Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*), prior to) the Issue Date (or, if such Relevant Taxing Jurisdiction has changed since the Issue Date, the date on which the then current jurisdiction became the Relevant Taxing Jurisdiction), or

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

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

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

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

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

The Issuer shall cause to be published the notice described above on Euronext Dublin website (*www.ise.ie*, or such other website from time to time maintained by Euronext Dublin for the purpose of making such announcements) so long

as the Notes (other than the Exempt Notes) are listed on the Official List of Euronext Dublin and traded on the Regulated Market and to the extent that the rules of Euronext Dublin so require.

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) *Purchases*

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

(e) *Cancellation*

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

7 Option of Noteholders to Repayment upon a Change of Control

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

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

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

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

The Issuer shall cause to be published the notice described above on Euronext Dublin's website (*www.ise.ie*, or such other website from time to time maintained by Euronext Dublin for the purpose of making such announcements) so long as the Notes (other than the Exempt Notes) are listed on the Official List of Euronext Dublin and traded on the Regulated Market and to the extent that the rules of Euronext Dublin so require.

In these Terms and Conditions:

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

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

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

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

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

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

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

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

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

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

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

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

8 Negative Pledge

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

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

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

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

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

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

9 Events of Default

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10 Discharge of Fiscal and Paying Agency Agreement

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

11 Substitution, Consolidation, Merger and Sale of Assets

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

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

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

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

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

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

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

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

12 Modifications and Amendment

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

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

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

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

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

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

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

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

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

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

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

13 Further Issues

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

14 Additional Amounts

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

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

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

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

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

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

(f) any combination of any of the above.

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

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

15 Replacement of Notes

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

16 Agent and Paying Agents

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

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

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

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

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

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

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

17 Notices

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

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

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

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

(e) The Issuer shall cause to be published any notices to Noteholders on the website of Euronext Dublin (*www.ise.ie*, or such other website from time to time maintained by Euronext Dublin for the purpose of making such announcements) so long as the Notes of any Series are listed on the Official List of Euronext Dublin and traded on the Regulated Market and to the extent that the rules of Euronext Dublin so require.

18 Indemnification of Judgment Currency

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

19 Calculation Agent Determination

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

20 Prescription

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

21 Governing Law, Service of Process and Submission to Jurisdiction

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

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

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

USE OF PROCEEDS

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

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for Tranches of Notes issued under the Program. For the avoidance of doubt, the Form of Final Terms will not be used for Exempt Notes issued under the Program, which will be issued pursuant to a separate Pricing Supplement as described in this Base Prospectus under "Form of Pricing Supplement."

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

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

[Amounts payable under the Notes will be calculated by reference to [*specify benchmark* (as this term is defined in the Benchmarks Regulation)] which is provided by [*legal name of the benchmark administrator*]. As at the date of these Final Terms, [*legal name of the benchmark administrator*] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**").

[As far as the Issuer is aware, [*specify benchmark* (as this term is defined in the Benchmarks Regulation)] [does not fall within the scope of the Benchmarks Regulation/the transitional provisions in Article 51 of the Benchmarks Regulation apply] such that [*legal name of the benchmark administrator*] is not currently required to obtain authorization or registration (or, if located outside the EU or the United Kingdom, recognition, endorsement or equivalence).]]/ [*other appropriate target market legend to be included*]

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

[*Date*]

PROSUS N.V.

U.S.$6,000,000,000

Global Medium Term Note Program

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

PART A—CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purpose of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated July 13, 2020 which constitutes a base prospectus (the "**Base Prospectus**") for the purposes the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at www.ise.com.

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

[When completing any Final Terms, consideration should be given as to whether any information required to complete the Final Terms constitutes "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.]

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

8.	Maturity Date:	[ ]
9.	Form of Notes:	Registered (Regulation S Global Note(s))
10.	Interest Basis:	[[ ] per cent. Fixed Rate] [[ ]-month [US dollar LIBOR][EURIBOR][LIBOR] +/−[ ] per cent. Floating Rate]
11.	Redemption/Payment Basis:	[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their Aggregate Nominal Amount]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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

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

PROVISIONS RELATING TO REDEMPTION

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

	Early Redemption Amount payable on redemption for taxation reasons:	[As set out in the Conditions/[ ] per Calculation Amount]
(ii)	**Early Termination Amount**	
	Early Termination Amount payable on Event of Default:	[As set out in the Conditions/[ ] per Calculation Amount]

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

Signed on behalf of the Issuer:

By: _____
Duly authorized

By: _____
Duly authorized

CC: [ ] as Fiscal and Paying Agent

PART B—OTHER INFORMATION

1. Listing and Admission to Trading

(i) Listing: [[ ]/None]

(ii) Admission to trading: [Application [has been][will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant market*] with effect on or about [ ]]

(Where documenting a fungible issue, indicate that original securities are already admitted to trading.)

(iii) Estimate of total expenses related to admission to trading: [[ ]/[Not Applicable]]

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

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

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

[(*Insert credit rating agency*) is established in the [European Union] / [United Kingdom] and has applied for registration under Regulation (EU) No. 1060/2009 (as amended or superseded), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.] / [(*Insert credit rating agency*) is established in the [European Union] / [United Kingdom] and registered under Regulation (EU) No. 1060/2009 (as amended or superseded).] / [(Insert credit rating agency) is not established in the [European Union] / [United Kingdom] and has not applied for registration under Regulation (EU) No. 1060/2009 (as amended or superseded).] / [(*Insert credit rating agency*) is not established in the [European Union] / [United Kingdom] but (*insert endorsing credit rating agency*), which is registered under Regulation (EU) No. 1060/2009 (as amended or superseded), has indicated that it intends to endorse the ratings of (*insert credit rating agency*) where possible. [*Insert brief explanation of meaning of ratings if published*.]]

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

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

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

4. Estimated Net Proceeds

[Estimated net proceeds: [ ]]

5. Fixed Rate Notes only—Yield

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

6. Operational Information

ISIN Code:	[ ]
Common Code:	[ ]
Any clearing system(s) other than DTC, Euroclear and/or Clearstream and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
[Original issue discount:	
(i) Total amount of OID:	[ ]
(ii) Yield to maturity:	[ ]
(iii) Interest accrual period:	[ ]]
Delivery:	Delivery [against/free of] payment
Name and Specified Office of Paying Agent	Citibank, N.A., London Branch
	[New York] / [London] / [ ]]
[Names and addresses of additional Paying Agent(s) (if any):	[ ]]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries ("**ICSDs**") as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, in respect of Global Notes that are held under the New Safekeeping Structure for registered global securities and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
	[No. While the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the international central securities depositaries ("**ICSDs**") as common safekeeper (and registered in the name of a nominee of one of the ICSDs acting as common safekeeper). Note that this does not necessarily mean that the Notes will then be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

7. Distribution

Method of Distribution:	[Syndicated/Non-syndicated]
If syndicated, names of Dealers:	[*Name(s)*]

Stabilizing Manager (if any):	[Not Applicable/*give name*]
If Non-syndicated, name of relevant Dealer:	[*Name*]

8. Use of Proceeds

Use of Proceeds	[ ]]

FORM OF PRICING SUPPLEMENT

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

Pricing Supplement dated [*date*]

PROSUS N.V.

U.S.$6,000,000,000

Global Medium Term Note Program

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

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

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

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

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

[*Date*]

PART A—CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purpose of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated July 13, 2020 which constitutes a base prospectus (the "**Base Prospectus**"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. The Base Prospectus is available for viewing at www.ise.com.

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

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

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

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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

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

PROVISIONS RELATING TO REDEMPTION

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

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

Signed on behalf of the Issuer:

By: _____
Duly authorized

By: _____
Duly authorized

CC: [ ] as Fiscal and Paying Agent

PART B—OTHER INFORMATION

1. [Listing and Admission to Trading]

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

2. Rating

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

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

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

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

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

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

4. Estimated Net Proceeds

[Estimated net proceeds: [ ]]

5. Fixed Rate Notes only—Yield

Indication of yield: [ ]

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

6. Operational Information

ISIN Code: [ ]

Common Code: [ ]

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

[Original issue discount:

(i)	Total amount of OID:	[ ]
(ii)	Yield to maturity:	[ ]

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

7. Distribution

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

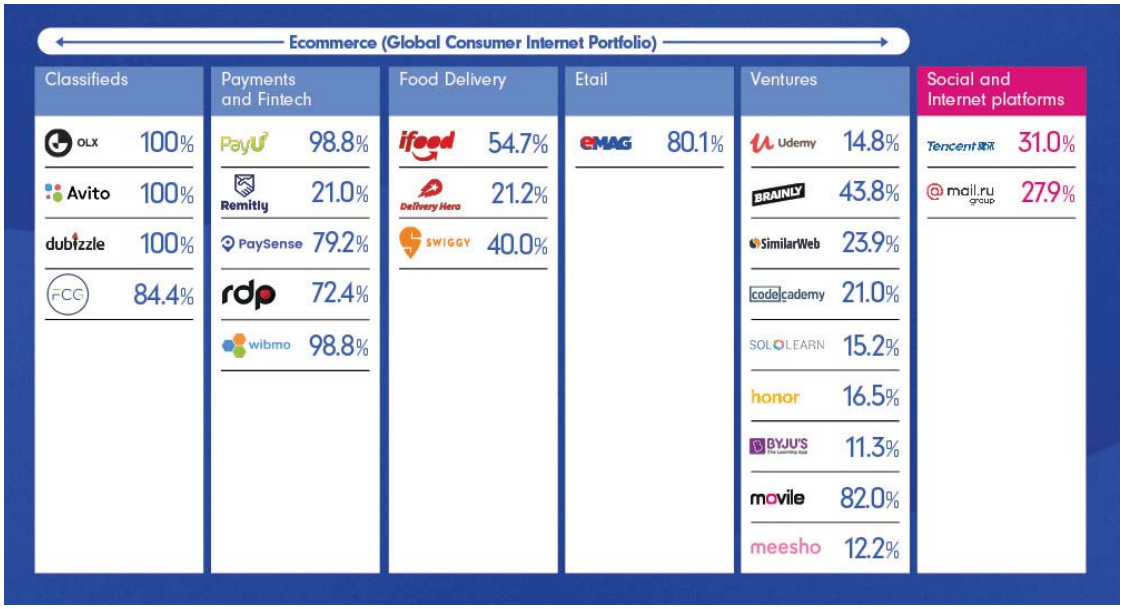
DESCRIPTION OF PROSUS N.V.

BUSINESS

Introduction

We are a global consumer internet group operating across a variety of platforms and geographies, and are also one of the largest technology investors in the world. Our businesses and investments serve more than 1.5 billion users in over 80 markets. Our consumer internet services span the core focus segments of Classifieds, Payments and Fintech as well as Food Delivery, plus other online businesses including Etail. We aim to build leading companies that create value by empowering people and enriching communities. We have grown by investing in, acquiring and building leading companies. We typically focus on large consumer trends where we try to identify changes early, invest in and adapt proven business models for the high-growth markets we are focusing on, and leverage our skills and local knowledge and position to build businesses that have scale and benefit from local network effects. We believe that our platforms offer customers fast, intuitive and secure environments in which to communicate and conduct transactions. We focus on several markets and industries that we believe present above-average growth opportunities (when compared to mature markets and industries) due to their economic growth, scalability and fast-growing, mobile internet penetration levels. Our businesses and investments primarily operate in China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, the Middle East and Africa. We have developed strong brands in these markets, and believe that those global and local brands are an important way for our businesses to differentiate themselves from their competitors, thereby driving organic traffic through consumer word-of-mouth.

Our businesses and investments are organized around the following segments: Ecommerce (which comprises our interests in Classifieds, Payments and Fintech, Food Delivery, Etail and other Ecommerce (including Ventures)), Social and Internet Platforms (which comprises our interests in Tencent and Mail.ru Group) and Corporate (relating to our Group-level corporate services and treasury function). As of March 31, 2020, we owned approximately 5.1% of Trip.com's ordinary shares. We do not exercise significant influence over Trip.com and accordingly did not report on it in our segment report. Following the transaction with Trip.com, the Travel segment no longer exists and it will not be reported after FY 2020.



(i) This table shows our effective interest in key companies as at March 31, 2020.

Competitive Strengths

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

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

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

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

We have exposure to China, through our interest in Tencent, and to Russia, through our interest in Mail.ru Group and Avito. We believe both Tencent and Mail.ru Group are well diversified businesses covering social, communication, online gaming and various subsegments of ecommerce. We have further exposure to China through Trip.com, a leading online travel provider in China and India. We continue to strengthen our position in India, where we have a large presence across our three core business segments, Classifieds (through OLX India Used Car Group joint venture with Frontier Car Group and Aasaanjobs, a recruiting marketplace in India), Food Delivery (through Swiggy) and Payments and Fintech (through PayU, which has been strengthened through the acquisition of online payment services platform, Citrus Pay (as defined below)). We have additional interests in India in travel (through Trip.com), online marketplaces (through Meesho Inc. ("**Meesho**")) and education (through BYJU'S (as defined below), which we believe to be the most popular learning app in India). Since 2005 we have invested in excess of US$4 billion in Indian technology. We have exposure to Latin America (through, among others, OLX, PayU and iFood (as defined below) and Delivery Hero); Central and Eastern Europe (through, among others, OLX, PayU, Delivery Hero and eMAG); and North America (through letgo, our mobile classifieds offering, and Frontier Car Group, an online car marketplace).

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

Classifieds: Through Avito and the OLX Group, we have more than 300 million monthly active users and command leading positions in most of our markets. In FY 2020, we estimate that our Classifieds' revenue growth was twice the rate of the industry average (based on revenue growth in local currency excluding any mergers or acquisitions).

Payments and Fintech: PayU is our core payments platform and a leading payment gateway for merchants in high-growth markets and large international companies. PayU operates in 20 markets and offers more than 300 payment options and, during FY 2020, processed more than U.S.$37 billion in payment value through more than 1.1 billion transactions.

Food Delivery: Our key brands are Delivery Hero, Swiggy and iFood. Delivery Hero has leading positions in 36 of the 42 countries it operates in and has more than 500,000 restaurant partners. We believe Delivery Hero has the potential to reach approximately 1.2 billion people. Swiggy is a market leader in India and is active in over 500 cities and has more than 160,000 enabled restaurant partners. iFood is a leading food delivery business in Brazil with more than 170,000 own delivery partners, approximately 160,000 restaurant partners and more than 22 million average monthly orders.

In addition to our geographic and segmental diversification, our businesses continue to be further diversified. For example, Tencent and Mail.ru have expanded beyond their core business of online games and social networks into ecommerce, covering some of the core expertise that we have to offer, online-to-offline markets and other business-to-business services. Within our Classifieds segment we have expanded into transactions adjacent to some of our classifieds verticals; for example, we have invested into a few cash-my-car type businesses which offer customers who may otherwise consider selling their car through our classifieds platform, a safe and convenient alternative to bring it to an inspection center and receive an instant cash offer for their vehicle. Such cars are subsequently sold within a short timeframe through various sales channels, including car dealer networks present on our classifieds platforms. Within our Payments and Fintech segment, we have expanded into credit businesses focusing on digital point-of-sale lending to consumers through their own products and investments in associated credit companies. In January 2020, we acquired PaySense in India through which we expect to further broaden our credit offering.

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

Proven Investment Track Record and Strong Cash Realization

We have been disciplined in our approach to allocating capital. We have been successful in identifying attractive internet investment opportunities early in their development and helping grow them into leading platforms. In 2001, we purchased a 46.5% interest in Tencent for U.S.$34 million. Over a period of 17 years our interest diluted to approximately 33% as a result of new share issuances by Tencent. In March 2018, we disposed of approximately 6% of our interest in Tencent (2% of Tencent's share capital) by way of an accelerated offering by private placement for a net cash consideration of U.S.$9.76 billion. The disposal reduced our effective interest in Tencent from 33.37% to 31.1%. These funds reinforced our balance sheet and we intend to invest these funds over time to accelerate the growth of our businesses globally. Following our sale of a portion of our interest in Tencent, we announced on March 22, 2018 that we will not sell further Tencent shares for at least three years from such date. As of March 31, 2020, our remaining 31.0% interest in Tencent was worth approximately U.S.$145 billion (based on an exchange rate of U.S.$1 to HK$7.7512).

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

In fiscal year 2008, we advanced our internet e-commerce business by investing U.S.$1.9 billion in Tradus Plc, a company providing consumer trading platforms and related e-commerce services through their Allegro and Ricardo branded websites. In FY 2017, we disposed of Allegro (including Ceneo) for U.S.$3.2 billion. Ricardo was disposed of in fiscal year 2016 for U.S.$248 million.

In September 2019, we exchanged our approximately 43% interest in MakeMyTrip for a 5.6% interest in Trip.com, a NASDAQ listed leading provider of online travel services headquartered in China. Over its life this investment has generated an internal rate of return of 24% originating from the disposal of our interest in ibibo, to MakeMyTrip in an all share transaction.

Core Business Segment Profitability Improving and Cash Flows Gaining Momentum

Most of the businesses in our three core segments require a multiple year investment cycle before reaching sufficient scale and market maturity to reach profitability. Although the combined ecommerce segments are loss making, the past three years have reflected an improving trend as more of our Classifieds businesses and core Payments Service Provider ("**PSP**") businesses reached profitability. The Group's total trading losses from continuing operations amounted to

U.S.$386 million, U.S.$306 million and U.S.$421 million in FY 2018 (on a combined basis), FY 2019 (on a consolidated basis) and FY 2020 (on a consolidated basis), respectively. Our Classifieds segment reached profitability (before interest, tax, depreciation and amortization) in the aggregate in FY 2019, after a more than five year investment cycle. The Classifieds segment grew its profitability further in FY 2020 with a number of highly profitable operations which contributed U.S.$305 million in dividend and loan repayments to our central holding company cash resources in FY 2020, compared to U.S.$235 million and U.S.$106 million in FY 2019 and FY 2018, respectively. In FY 2020, Payments and Fintech generated U.S.$428 million in revenues and U.S.$67 million in trading loss, with revenue growth totaling 21% in local currency, excluding acquisitions and disposals. PayU's PSP core business was profitable, generating U.S.$13 million of profit in FY 2020, an increase of 8% compared to FY 2019, with both years delivering a stable trading margin of 4%.

The lower trending trading losses combined with increased dividend from Tencent are the key drivers to the improving free cash flow position over the three year period through FY 2019. This positive cash flow trend allowed us to put investment behind our Food Delivery segment to increase the size of the market and the corresponding opportunity. Our significant investment in Food Delivery had a negative impact on cash from continuing operations in FY 2020.

Global Consumer Internet Group Benefiting from Scale, Group Synergies, Brands and Local Expertise

We have expertise in establishing, scaling and monetizing consumer internet businesses and in building leading platforms in areas where network effects matter and where our local leaders have the potential to benefit from scale. So far, our main emphasis has been on building these leadership positions through combining our global strategic expertise and capital with localized product and technology capabilities and relationships.

We believe that our success is partly due to our emphasis on a local approach, typically involving local partners and management teams, and incorporating linguistically and culturally tailored local content in our product and service offerings. We encourage local entrepreneurs to retain an interest in their businesses to ensure they are incentivized to further develop them. We believe that local partners and management teams are generally better suited to understand the media, trading and communication needs of individual users in their respective markets. We provide the operational expertise, global network, and long-term capital required to empower these entrepreneurs and founders to take a long-term perspective to reach their goals. We also have segment-level leadership teams that have relevant industry experience, which has helped our businesses maintain their local approach.

We believe that maintaining the recognition and reputation of our brands and businesses is an important aspect of our efforts to grow our user base, obtain additional business partners and maintain our competitiveness. Our strong brand positions, scale and large and active internet user base allow us to benefit from network effects, as users increasingly visit marketplaces with the deepest offering and merchants engage with marketplaces that attract the largest user base. A large and active user base provides a sizable platform for users to interact via our platforms and assists with user acquisition and retention. These network effects are thus mutually reinforcing. The data gathered in turn allows us to develop better data analytics, and offer improved products and services to users, further improving the value proposition for buyers and sellers. In addition, strong brand and market positions offer a platform and opportunities to launch new services, including an enhanced range of internet transactions and services, in the markets in which our businesses operate, as well as create expansion opportunities into new markets. Our large, active and loyal user communities also allow us to market our consumer services to a significant customer base through advertising and word-of-mouth marketing.

We are diversified across products, markets and geographies, which enables our businesses to benefit from scale and synergies. Our businesses share their experiences and best practices across diverse markets and, increasingly, share infrastructure and product and technology development. In many instances, particularly in the case of Classifieds as well as Payments and Fintech, we believe the businesses can benefit from the connection of local and regional platforms to a global platform, enabling cross-market sharing of engineering talent, product innovations and best practices.

The diversity of our businesses also reduces our reliance on any single technology or business model and increases revenue diversification from various sources: online sales of goods, listing fees, payment transaction fees and commissions, mobile and other content revenue (from online mobile app-based services and content, ticketing and logistics services), food delivery charges and from other sources (such as travel-package revenue and commissions thereon and advertising revenue). Our businesses are at varying stages of maturity, ranging from start-ups to mature businesses. Our businesses are also diversified geographically, reducing our exposure to any single market or currency.

Financial Flexibility and Strong Balance Sheet

As of March 31, 2020, we had U.S.$4.2 billion of net cash and a U.S.$2.5 billion undrawn Revolving Credit Facility. In addition, we operate at a relatively low leverage compared to the fair market value of our portfolio of Group companies and investments. Our gross debt in relation to our cash on hand and fair market value of listed assets remained at approximately 2% during FY 2018, FY 2019 and FY 2020.

While pursuing our strategy, we have maintained a conservative capital structure. Our leverage profile and potential sources of liquidity provide us with the necessary flexibility to allow us to pursue our business strategy of organic growth and strategic acquisitions. As of March 31, 2020, we had cash and cash equivalents of U.S.$8 billion, which includes short-term investments of U.S.$3.9 billion and we had an undrawn Revolving Credit Facility of U.S.$2.5 billion.

Our interests in Tencent, Mail.ru, Delivery Hero and Trip.com, which are all publicly listed companies with a liquid secondary market free float, provide us with further financial flexibility. For example, in March 2018, we disposed of approximately 6% of our interest in Tencent (2% of Tencent's share capital) by way of an accelerated offering by private placement for a net cash consideration of U.S.$9.76 billion. The disposal reduced our effective interest in Tencent from 33.37% to 31.0%. These funds reinforced our balance sheet and will primarily be invested over time to accelerate the growth of our businesses globally. Following our sale of a portion of our interest in Tencent, we announced on March 22, 2018 that we will not sell further Tencent shares for at least three years from such date.

The past financial year has seen the Group transform considerably as we executed several significant strategic initiatives, which we believe will unlock value over time. Operationally, we ended the year in a position of strength with accelerating revenue growth in our ecommerce portfolio, improved profitability and a large net cash position with sufficient liquidity to provide optionality to finance continued future expansion. Underpinning the results, Tencent continued to report strong rates of growth and evidence significant resilience through an uncertain macro environment. Most recently, the onset of a global pandemic resulting from the spread of COVID-19 has had a significant impact on us, the daily lives of global citizens and the global economy. While the impact has been significant and is likely to persist for some time, we believe we will weather the storm and, as such, our focus during this time is on leveraging our financial strength and flexibility to continue to seek to build businesses that grow strongly, generate high rates of return and provide employment for thousands over the long-term.

Experienced Management Team with Proven Track Record of Investing in, Acquiring and Building Businesses

By identifying, building, investing in and acquiring leading companies, we have grown into a global consumer internet group and one of the largest technology investors in the world. We have an experienced and entrepreneurial management team that has demonstrated its ability to identify and support leading businesses from launch or initial acquisition through organic growth and selected acquisitions. We seek to hire and retain, across our geographies and operating segments, key executives who are accomplished and recognized in their respective fields. We have, for example, been strengthened with leading industry experts over the past few years.

Our investment criteria focus on: commitment; competence and strength of the local partners and management teams involved; the target's capacity to become and remain a market leader; a top entrepreneurial management team with a commitment to continue running the business; and our ability to obtain a strategic interest in the target company. We do not have a defined investment period and intend to be a long-term, supportive shareholder, which we believe distinguishes us from traditional forms of private capital. Our track record includes:

- *Investing in leading companies at an early stage:* we have established strong positions in social and internet platforms in China and Russia through our investments in our associated companies, Tencent and Mail.ru Group. Both Tencent and Mail.ru Group illustrate our ability to identify successful internet investment opportunities early in their development and help grow them into leading platforms.

- *Building leading global platforms:* we have built many of our businesses into market leaders in our industries and geographies. In 2010, we acquired a 67.8% interest in OLX Inc., a global online classifieds marketplace business with operations primarily in Brazil and India. We used the OLX Group marketplace to establish ourselves as a leading global online classifieds player, with more than 300 million monthly users on our platform globally. PayU operates payment platforms, with over 300 payment options, in 20 markets around the world and processed over U.S.$37 billion equivalent in transactions in FY 2020. Our Food Delivery

businesses and investments operate in more than 40 markets, covering more than 4 billion people and have leading positions in 38 of their markets.

- *Crystallizing the value that is created:* our management team has demonstrated its ability to create value for shareholders by selectively acquiring businesses with growth potential, disposing of developed assets or assets that were no longer core to our business and winding down unsuccessful investments. Driven by our focus on capital allocation and realizing shareholder value, we disposed of Allegro and Ceneo (Etail) in FY 2017 and Flipkart (Etail) in FY 2019, exchanged our online travel business in India, for an interest in MakeMyTrip and subsequently for a 5.6% interest in Trip.com.

- Demonstrating the ability to attract and source deals and deploy capital and management expertise in line with our strategy: as we develop expertise and conviction in a business, we leverage our competitive strengths to make investments in, and build, that business. Since our initial acquisition of OLX Inc. in 2010, we have built our Classifieds business into a leading global online classifieds player through, among other things, strategic acquisitions, including Avito and letgo, and joint ventures, including with Adevinta ASA ("**Adevinta**") in respect of Silver Brazil JVCo B.V. ("**OLX Brazil**"). We have further strengthened our horizontal marketplaces through the acquisition of vertical-focused marketplaces, including Frontier Car Group. In Payments and Fintech, we consolidated a number of our payments businesses under PayU. While strengthening its payments franchise, PayU has made a number of acquisitions to support its ability to pursue opportunities in credit and remittance businesses. Similarly, we have increased our interests in the food delivery business, from an initial investment in iFood, to acquiring a majority interest in iFood, and acquiring interests in Delivery Hero and Swiggy.

Strategy

We intend to continue to focus on building platforms that address major societal needs in high-growth markets. During recent years, we have also increased our focus on high-growth opportunities, whether in growth or developed markets. To achieve this, we:

- offer services that address major societal needs, as this approach caters to a broad set of users, who are expected to use our platforms regularly;

- focus on sizable markets with growth potential, enabling us to benefit from two sources of growth: the growing overall market size and scaling up of the particular business model; and

- seek to identify driven and motivated entrepreneurs in high-growth markets that we believe have high potential to scale locally and globally, and partner with entrepreneurs to build leading technology companies in high-growth markets.

Overall, our strategic priorities for the next few years are to:

- grow core segments to scale;

- continue to drive profitability; and

- selectively invest in new opportunities while maintaining our focus on capital allocation and creating shareholder value.

We intend to achieve our strategic priorities in the following ways:

Focusing on Building Leading Consumer-Centric Platforms

We believe that platform businesses are the most valuable in the internet industry because they deliver attractive financial profiles, together with strong consumer engagement. We have invested in our consumer internet businesses, to scale up our platforms. We intend to continue such investments to consolidate our leading positions in certain markets and expand into others. We have numerous attractive consumer platforms in our global portfolio, from our Classifieds, Payments and Fintech, and Food Delivery businesses to our investments in Tencent and Mail.ru Group. We believe that these platforms address real consumer needs and also allow us to expand into new markets. Given the rapid technological

advances in the global consumer internet market, we intend to continue developing our businesses to accommodate services and products and to adapt further to changing consumer preferences, competitive environments, markets and technologies. We are applying machine learning and artificial intelligence to enhance platforms and the user experience.

We intend to continue to dedicate engineering capacity to build products that solve users' needs and that can be distributed throughout our platforms. We believe that these differentiators reinforce our leadership positions. Our consumer internet businesses have grown increasingly important as more consumers gain access to, and become more dependent on, the internet, especially through the use of mobile devices. Our mobile service offerings have expanded, in particular in our Classifieds business. In the twelve months ended March 31, 2020, OLX's and Avito's average monthly mobile app users were over 72 million and 25 million, respectively, and their marketplaces had over 34 million and 14 million monthly net new listings, respectively.

Continuing to Grow and Scale our Global Internet Business and Enhance Diversification

We intend to develop and expand our range of internet services in the markets in which we operate and, possibly, into new geographies. We believe that our focus on these markets will offer significant benefits because, as the economies and mobile and high-speed internet penetration in these markets grow, the use of internet platforms should also grow; and as a leading provider of internet services in these markets, we are well positioned to take advantage of the growth in ecommerce. We believe that we have been able to grow our variety of internet businesses into market leaders, mainly because of our approach of using ecommerce concepts that have been successfully implemented by major international corporates or by our home-grown start-ups and adapting for local communities all over the world.

We intend to continue to diversify the revenue sources within our existing internet businesses. We will seek to expand our existing consumer internet businesses and to achieve leadership positions through organic growth. In Classifieds, there are opportunities to expand in verticals that complement our existing businesses, such as our expansion into automotive and real estate vertical businesses, which have the potential to scale across multiple markets. For example, in FY 2017, we launched several automotive and real estate vertical marketplace businesses in more mature markets. In FY 2018, we acquired Expat Wheels and Wecashanycar in the United Arab Emirates ("**UAE**") and The Car Trader Proprietary Limited ("**AutoTrader South Africa**") in South Africa. In FY 2019, we acquired an interest in Frontier Car Group, Inc. ("**Frontier Car Group**"), which operates in nine markets under various brands, including BeliMobilGue in Indonesia, CarFirst in Pakistan and VendeTuAuto in Mexico; and in FY 2020 we acquired an additional stake and increased our holdings in Frontier Car Group to a majority stake.

In addition, we continue to invest in businesses that we believe have the potential to contribute towards our next wave of growth, including investments in consumer credit technologies, education technology platforms, healthcare technology platforms and vertical classifieds (automotive and real estate). We intend to continue expanding our online user base, as we believe that the large size of our communities is a competitive advantage. We believe that users generally prefer to trade on the largest platforms to ensure selection, convenience and maximum value and efficiency, as, we believe, is shown by our classifieds platforms. As our internet platforms become larger and achieve scale, we expect to generate increased revenue from our customers and will look to build additional revenue opportunities, such as advertising and financing options within our Etail as well as Payments and Fintech operations. In recognition of the importance of mobile technology, and the access that it provides our customers, particularly in growing markets, we have a mobile-first strategy under which we seek to create products that work efficiently and primarily on mobile devices. We also plan to grow our online user base by increasing the relevance and attractiveness of our platforms through more innovative product offerings, sharing best practices across our global operations and continuing technological development.

Selectively Pursuing Investment, Acquisition and Disposal Opportunities While Maintaining a Local Approach

We believe that our leading market positions provide us with a strong base from which to expand our businesses. Our disciplined expansion strategy is focused on developing existing businesses and sourcing potential investment and acquisition targets in growing markets where we believe we will be able to attain and sustain leading market positions. We carefully evaluate, select and pursue expansion opportunities, primarily through investments in our existing businesses, as well as bolt-on acquisitions to deepen and widen these businesses, as well as selectively through strategic acquisitions. We expect that mergers and acquisitions will provide an incremental return on investment by leveraging existing expertise, personnel and shared costs. We believe that this will accelerate the overall development of our businesses and allow us to focus on product improvement.

We believe that our success is partly due to our emphasis on a local approach, often involving local partners and management teams and incorporating linguistically and culturally tailored local content in its service offerings. We encourage local entrepreneurs to retain an interest in their businesses to ensure they are incentivized to further develop them. We believe that local partners and management teams are generally better suited to understand the media, trading and communication needs of individual users in their local markets. For this reason, one key criterion in our assessment of potential acquisitions is the commitment, competence and strength of the local partners and management teams involved. We intend to continue to emphasize a local approach as we expand our businesses. As part of our local approach, we engage with local regulators, as appropriate. Our other investment criteria include: the target's capacity to become and remain a market leader; the target's financial discipline; a top entrepreneurial management team; and our ability to obtain a strategic interest in the target company.

We continue to follow a very stringent assessment and selection process for all of our investments and acquisitions and closely monitor the operational and financial performance of these investments and acquisitions against targets after closing an investment or acquisition. As part of our strategy, we continue to evaluate the potential sale of select businesses and we strive to achieve value through any such disposals.

In addition, we have a successful track record of selling businesses profitably. See "*—Strengths—Proven Investment Track Record and Strong Cash Realization*".

History

Our expansion into internet platforms began in the 1990s. Since then, we have grown into a global consumer internet group and one of the largest technology investors in the world, by selectively acquiring businesses, building many of our businesses into market leaders in their industries and geographies with growth potential, and disposing of developed assets or assets that were no longer core to our business and winding down unsuccessful investments. On September 11, 2019, we started trading through a primary listing on Euronext Amsterdam and a secondary listing on the Johannesburg Stock Exchange.

Selected Significant Corporate Events

Investment	Description
Ecommerce	
Classifieds	
OLX Group	In 2010, we acquired a 67.8% interest in OLX Inc., a global online classifieds marketplace business with operations primarily in Brazil and India. We used the OLX Group marketplace to establish ourselves as a leading global online classifieds player. As at the date of this Base Prospectus, our effective interest in the OLX Group is 100%.
Avito	In 2011, we acquired a 100% interest in Slando Limited, an online classifieds company in Russia and Ukraine. In March 2013, we contributed our Slando.ru and OLX.ru assets, as well as U.S.$50 million in cash, in exchange for a 22.2% effective interest in Avito. Avito.ru is the leading general classifieds platform in Russia. In December 2015, we increased our interest in Avito to 67.5% for U.S.$1.67 billion. In January 2019, we increased our interest in Avito to 100% for U.S.$1.16 billion. As at the date of this Base Prospectus, our effective interest in Avito is 100%.
Dubizzle	In 2011, we acquired a 25% effective interest in Dubizzle Limited ("**Dubizzle**"), a leading online classifieds marketplace in the UAE, for U.S.$10 million. In 2013, we acquired an additional interest in Dubizzle, increasing our interest to 53.6%, for U.S.$59 million. In April 2018, we acquired the share capital held by non-controlling shareholders of Dubizzle for U.S.$190 million. Following the acquisition, we held a 100% effective interest in Dubizzle. On April 26, 2020, we completed the merger of our subsidiary, Dubizzle, with Emerging Markets Property Group ("**EMPG**"). EMPG owns and operates bespoke classifieds portals in different emerging markets across the world including Bayut in Dubai, Zameen in Pakistan, and Mubawab in North Africa. We also contributed cash of approximately U.S.$75 million. Following the transaction, we hold a 39% interest in EMPG. We account for our interest in EMPG as an investment in associate.
OLX Brazil—Adevinta joint venture	In January 2015, we entered into agreements with Schibsted ASA ("**Schibsted**") and Telenor ASA ("**Telenor**") to establish joint classifieds business activities in, among others, Brazil, through OLX Brazil. In 2017, Schibsted acquired Telenor's interest in OLX Brazil, such that OLX Brazil was held 50:50 by us and Schibsted. Following Schibsted's demerger on April 9, 2019 of Adevinta ASA ("**Adevinta**"), holding Schibsted's marketplaces outside of the Nordics, Adevinta now holds the 50% interest in OLX Brazil not held by us. On March 5, 2020, OLX Brazil, entered into an agreement to acquire 100% of the shares of Grupo ZAP, a large Brazilian real estate portal, for a total cash amount of approximately R$ 2.9 billion. The investment will be financed in equal parts by Adevinta and the Company. The completion of the acquisition of Grupo ZAP is subject to regulatory approval.
letgo	In May 2015, we invested an initial U.S.$10 million in Letgo Global B.V. ("**letgo**"), an entity operating a hyperlocal classifieds marketplace app under the letgo brand. In July 2016, we continued to invest in the letgo brand and strengthened our position in the U.S. by acquiring the U.S. operations of Wallapop S.L. ("**Wallapop**") and merging it into our letgo business. As consideration for Wallapop's contribution, they were issued a 45% interest in Letgo USA B.V. ("**letgo USA**"), with us holding the remaining 55% interest. In FY 2019, we announced that we had committed to invest an additional U.S.$500 million in letgo, of which U.S.$150 million was invested directly in letgo and U.S.$189 million was used in August 2018 to acquire Wallapop's interest in letgo USA.

	In March 2020, it was announced that OfferUp Inc. ("**OfferUp**") and letgo intended to combine their businesses in the United States. The combination is expected to create a mobile marketplace supporting more than 20 million monthly active users, with complementary product capabilities and a national footprint across the United States. Upon the closing of the combination transaction on July 1, 2020, OLX Group, letgo's majority investor, invested an additional U.S.$100 million in cash into the combined entity and, after giving effect to the combination transaction and the investment, OLX Group and letgo own approximately 40% of the combined entity, on a fully diluted basis.
AutoTrader South Africa	In November 2017, we invested U.S.$41 million to acquire a 100% effective interest in AutoTrader South Africa, an online automobile classifieds vertical in South Africa.
Frontier Car Group	In May 2018, we invested U.S.$89 million for a 35.7% effective interest in Frontier Car Group ("**FCG**"), an online car marketplace with operations in growth markets.
	In December 2019, we invested U.S.$320 million in cash and contributed a portion of our investment in subsidiaries India Used Car Group B.V. and Poland Used Car Group B.V. for an additional interest in FCG.
	As at the date of this Base Prospectus, our effective interest in Frontier Car Group is 84.4%.
Carousell	In April 2019, we acquired a 12% effective interest in Carousell Private Limited ("**Carousell**") in a U.S.$56 million cash and equity deal. Carousell is one of Asia's largest and fastest-growing classifieds marketplaces. As part of the investment, we and Carousell merged our operations in the Philippines.
	As at the date of this Base Prospectus, our effective interest in Carousell is 7.3%.
Payments and Fintech	
PayU	PayU was founded in 2002. As we developed expertise and conviction, we consolidated a number of our Payments businesses under PayU, as our core payments platform.
Citrus Pay	In September 2016, we acquired a 100% effective interest in Citrus Payment Solutions Pte Limited ("**Citrus Pay**") for U.S.$130 million. Citrus Pay now forms part of PayU's Indian business.
PaySense	In May 2017 and July 2018, we invested U.S.$1 million and U.S.$12 million, respectively, in PaySense Services India Private Limited ("**PaySense**"), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. In July 2019, we invested an additional U.S.$5 million in PaySense. In December 2019, we invested an additional U.S.$163 million in PaySense to obtain a controlling interest.
	As at the date of this Base Prospectus, our effective interest in PaySense is 79.2%.
Remitly	In November 2017, we invested U.S.$100 million in Remitly, Inc. ("**Remitly**"), a global digital money-transfer service. In January 2019 and July 2019, we invested an additional U.S.$6.75 million and U.S.$10 million, respectively, in Remitly.
	As at the date of this Base Prospectus, our effective interest in Remitly is 21.0%.
Zooz	In August 2018, we acquired Zooz Mobile Limited ("**Zooz**"), a management and optimization payment provider based in Israel, for U.S.$60 million.
	As at the date of this Base Prospectus, our effective interest in Zooz is 98.8%.
Wibmo	In July 2019, we acquired Wibmo Inc. ("**Wibmo**"), a digital payment security and mobile payment technology provider in India, for U.S.$66 million.
	As at the date of this Base Prospectus, our effective interest in Wibmo is 98.8%.
iyzico	In December 2019, we invested U.S.$134 million in cash and contributed PayU Turkey with an aggregate value of U.S.$199 million to acquire iyzi Ödeme ve Elektronik Para Hizmetleri A.Ş. ("**iyzico**"), a Turkish digital payment services.

	As at the date of this Base Prospectus, our effective interest in iyzico is 88.7%.
Red Dot Payment	In July 2019, we acquired a 73.3% effective interest in Red Dot Payment Pte. Ltd. ("**Red Dot Payment**") for U.S.$45 million. Red Dot provides online payment solutions to merchants across Asia Pacific.
	As at the date of this Base Prospectus, our effective interest in Red Dot Payment is 72.4%.

Food Delivery

iFood	iFood is a leading food delivery platform in Latin America and the leading food delivery platform in Brazil. iFood operates in Mexico under the SinDelantal brand. iFood is owned by Movile Internet Movel S.A. ("**Movile**"), in which we first acquired an interest in June 2016, as the majority shareholder, and Just Eat plc ("**Just Eat**"), a subsidiary of Just Eat Takeaway.com (as defined below). In November 2018, we and Innova Capital announced that we have committed to invest U.S.$400 million of new capital into Movile, for further investment in iFood. In April 2019, we invested U.S.$194 million of that funding commitment. That investment was the largest technology funding in Latin America at the time. Movile and Just Eat already invested U.S.$100 million in iFood during 2018.
	As at the date of this Base Prospectus, our effective interest is 54.7% in iFood.com Agência de Restaurantes Online S.A. ("**iFood**") and 26.8% in El Cocinero a Cuerda S.L. ("**SinDelantal**").
Delivery Hero	In May 2017, we acquired a 10% fully diluted interest in Delivery Hero, which operates an online food-ordering and delivery marketplace business operating in 41 countries, for U.S.$426 million. On June 30, 2017, Delivery Hero's shares listed on the Frankfurt Stock Exchange, a regulated market operated by Deutsche Borse AG (the Frankfurt Stock Exchange), at which time we invested a further U.S.$47 million. In March 2018, we acquired an additional 13% interest in Delivery Hero for U.S.$778 million.
	As at the date of this Base Prospectus, our effective interest in Delivery Hero is 21.2%. Based on publicly available information, we are the largest shareholder in Delivery Hero.
Swiggy	In June 2017, we acquired a 14.8% interest in Swiggy, the operator of a food delivery platform in India, for cash consideration of U.S.$61 million. In January 2018 we invested a further U.S.$61 million. In July 2018, we committed to an investment of U.S.$80 million in Swiggy. In December 2018, we announced that we led an additional U.S.$1 billion investment in Swiggy, with a U.S.$637 million investment. In February 2020, we made an additional U.S.$100 million investment in Swiggy.
	As at the date of this Base Prospectus, our effective interest in Swiggy is 40.0%.

Etail

Allegro, Ceneo and Ricardo	In 2008, we acquired London Stock Exchange-listed Tradus plc ("**Tradus**"), a company providing online consumer trading platforms and related ecommerce services through its Allegro and Ricardo branded websites, for a consideration of U.S.$1.9 billion. Tradus's shares were subsequently delisted from their listing on the UK Official List and from trading on the London Stock Exchange.
	In September 2015, we disposed of our interest in Ricardo for U.S.$248 million. In January 2017, we disposed of Allegro and Ceneo, the leading online marketplace and price comparison businesses in Poland, for a consideration of U.S.$3.21 billion.
Flipkart	In August 2012, we acquired a 10% interest in Flipkart, a leading ecommerce site in India, for U.S.$102 million in cash. In August 2018, we sold our interest in Flipkart to Walmart, Inc. ("**Walmart**") for U.S.$2.2 billion. Our cumulative investment in Flipkart to the point of sale amounted to U.S.$616 million.
Souq	In October 2012, we acquired a 29.6% interest in Souq Group Limited ("**Souq**"), an online retailer, marketplace and payment platform business, with operations in the Arab Republic of Egypt, the Kingdom of Saudi Arabia, the State of Kuwait, and the UAE for U.S.$37 million. In May 2017, we disposed of our interests in Souq for a consideration of U.S.$173 million.

eMAG	During October 2012, we acquired a controlling interest in eMAG, a leading online retailer in Romania, for U.S.$82 million. As at the date of this Base Prospectus, our effective interest in eMAG is 80.1%.
Extreme Digital	In October 2019 we concluded the merger of Dante International Korlátolt Felelősségű Társaság (eMAG Hungary) with the operations of Ed Group Vagyonkezelő Korlátolt Felelősségű Társaság ("**Extreme Digital**"), one of the leading marketers in Hungary. We contributed the operations of eMAG Hungary as well as U.S.$1 million cash with an aggregate value of U.S.$13 million. At the date of this Base Prospectus, our effective interest in Extreme Digital is 41.6%.
Travel	
Trip.com	Trip.com (formerly Ctrip) is a leading travel service provider for accommodation reservation, transportation ticketing, packaged tours and corporate travel management. Since its founding in 1999, Trip.com has become one of the best-known travel brands in China. In August 2019, we exchanged our 42.6% interest in MakeMyTrip Limited ("**MakeMyTrip**") for a 5.6% interest in Trip.com. Prior to this exchange, the Travel segment consisted of our interest in MakeMyTrip, a leading online travel provider in India, and the Travel segment is included in our historical segmental disclosure. As of the date of this Base Prospectus, we own approximately 5.1% of Trip.com's outstanding ordinary shares. Following the transaction with Trip.com, the Travel segment no longer exists and it will not be reported after FY 2020.
Other Ecommerce (including Ventures)	
SimilarWeb	In February 2014, we invested U.S.$18 million in SimilarWeb Limited ("**SimilarWeb**"), a leading international online competitive intelligence provider. In October 2015, we led a U.S.$25 million investment in SimilarWeb. As at the date of this Base Prospectus, our effective interest in SimilarWeb is 23.9%.
Brainly	In May 2016, we led a U.S.$13 million investment in Brainly, Inc. ("**Brainly**"), a social learning network for students. In May and September 2017, we invested an additional U.S.$9.3 million in Brainly. In July 2019, we invested a further U.S.$25 million in Brainly. As at the date of this Base Prospectus, our effective interest in Brainly is 43.8%.
Movile	In June 2016, we led a U.S.$40 million investment in Movile, a leading provider of mobile consumer services in Latin America. we have led further rounds of investment in Movile, including U.S.$53 million in June 2017, U.S.$82 million in November 2017 and U.S.$124 million in July 2018. In April 2019, we invested an additional U.S.$194 million in Movile. As at the date of this Base Prospectus, our effective interest in Movile is 82.0%.
Udemy	In June and October 2016, we invested U.S.$70 million in Udemy, Inc. ("**Udemy**"), an online learning platform aimed at professional adults. In April 2019, we invested an additional U.S.$9.5 million in Udemy. In March 2020, we made an additional investment amounting to U.S.$34 million. As at the date of this Base Prospectus, our effective interest in Udemy is 14.8%.
Codecademy	In July 2016, we led a U.S.$30 million investment in Ryzac, Inc. ("**Codecademy**"), a leader in digital skills education. As at the date of this Base Prospectus, our effective interest in Codecademy is 21.0%.
Honor	In May 2018, we invested U.S.$35 million for a 16.4% effective interest in Honor Technology, Inc. ("**Honor**"), a home-care company providing in-home senior care in the United States. As at the date of this Base Prospectus, our effective interest in Honor is 16.5%.

SoloLearn	In September 2018, we led a U.S.$5.6 million investment in SoloLearn, Inc. ("**SoloLearn**"), an online peer-to-peer learning platform aimed at the coding community. As at the date of this Base Prospectus, our effective interest in SoloLearn is 15.2%.
BYJU'S	In December 2018, we led a combination of primary and secondary U.S.$540 million investment in Think & Learn Private Limited ("**BYJU's**"), the creator of the BYJU'S app, the most popular K-12 learning app in India. As at the date of this Base Prospectus, our effective interest in BYJU'S is 11.3%.
Meesho	In August 2019, we invested U.S.$79.7 million in Meesho, a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalogue of goods and services to sell. Meesho also provides logistics and payment tools on its platform. As at the date of this Base Prospectus, our effective interest in Meesho is 12.2%.
ElasticRun	In October 2019, we acquired a 20.6% effective interest (19.4% fully diluted) for U.S.$30 million in NTex Transportation Services Private Limited ("**ElasticRun**"), a software and technology platform for providing transportation and logistics services in India. We will account for the acquisition of our interest as an investment in an associate. As at the date of this Base Prospectus, our effective interest in ElasticRun is 20.6%.

Social and Internet Platforms

Tencent	In 2001, we acquired a 46.5% interest in Tencent, then the operator of the QQ instant-messaging platform in China, for U.S.$34 million. Its business developed into the leading instant-messaging business in China. Tencent's shares were listed on the Hong Kong Stock Exchange in June 2004, and, following an initial public offer, in Hong Kong, and private placement, internationally, Naspers's interest was diluted. In March 2018, we disposed of approximately 6% of our interest in Tencent (2% of Tencent's share capital) by way of an accelerated offering by private placement for a cash consideration of U.S.$9.76 billion. We realized a U.S.$9.1 billion gain on such disposal. The disposal reduced our effective interest in Tencent from 33.37% to 31.1%. Following our sale of a portion of our interest in Tencent, we announced on March 22, 2018 that we will not sell further Tencent shares for at least three years from such date. As at the date of this Base Prospectus, our effective interest in Tencent is 31.0%. Based on publicly available information, we are the largest shareholder in Tencent.
Mail.ru Group	In December 2006, we acquired a 30% interest in Port.ru Inc., a leading Russian internet company, which operated Mail.ru, a Russian website servicing the global Russian-speaking community, for U.S.$166 million. We subsequently acquired further interests in Port.ru Inc. of 2.6% in October 2007 and 11.9% in December 2008. In November 2009, we exchanged our 42.9% interest in Port.ru Inc., together with a cash contribution of U.S.$104 million, for a 39% interest in Mail.ru Internet NV, which, subsequent to a share swap, held the Mail.ru business and the Astrum Online Entertainment business, the leading Russian online games developers. In 2010, we exchanged our interest in Mail.ru Internet NV for a 28.7% interest in Digital Sky Technologies Limited, a prominent internet company in Russian-speaking markets. In October 2010, Digital Sky Technologies Limited was renamed Mail.ru Group Limited. In November 2010, Mail.ru Group's shares (in the form of global depository receipts) were admitted to listing on the UK Official List and to trading on the London Stock Exchange. In July 2020, Mail.ru Group's shares (in the form of global depository receipts) were also listed on the Moscow Exchange. As at the date of this Base Prospectus, our effective interest in Mail.ru Group is 27.9%. Based on publicly available information, we are the largest shareholder in Mail.ru Group.

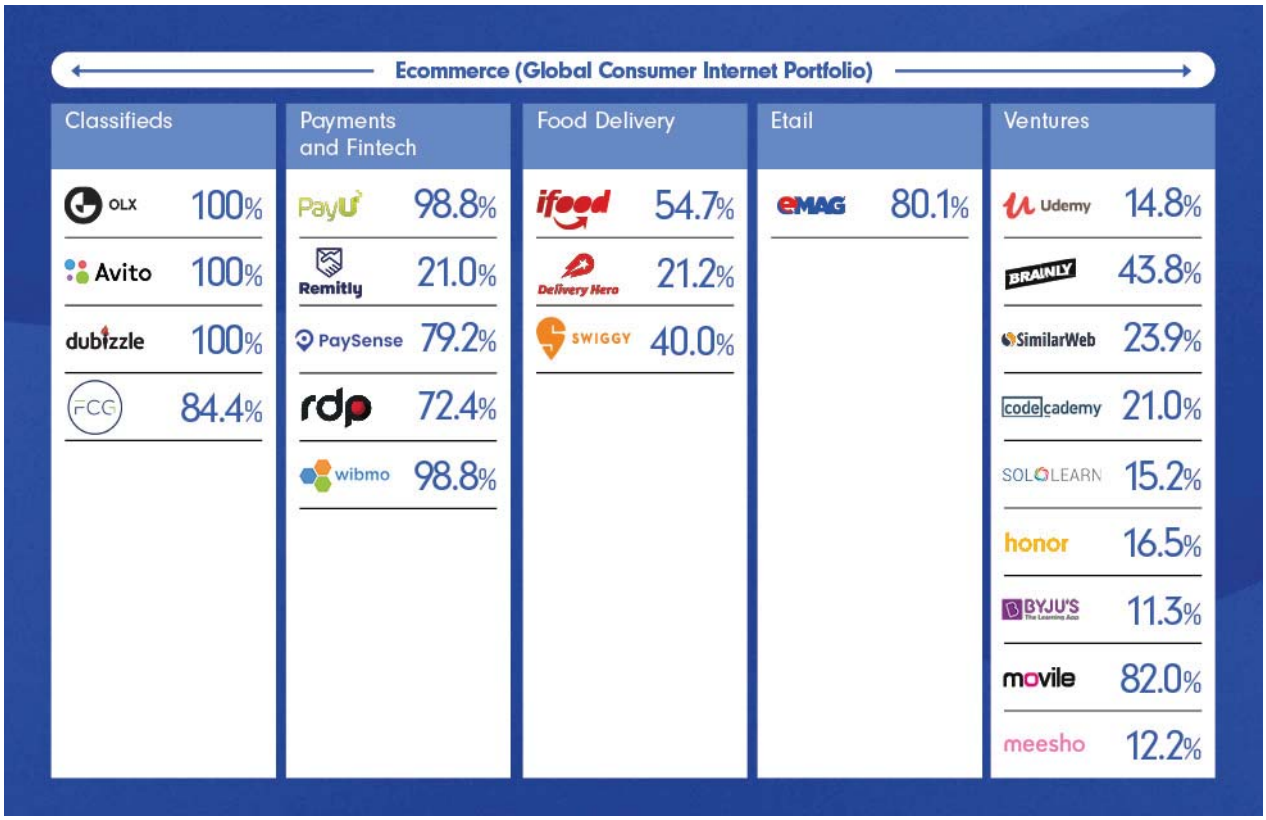
Segments

We believe that the core of our businesses and the businesses of our investments revolves around platforms that connect people and help them improve their daily lives. We invest in and operate our businesses through a variety of

platforms in numerous growth markets, which have increased our revenue diversification. Our businesses and investments are at varying stages of maturity, ranging from start-ups to mature businesses.

Our consumer internet services span the core focus segments of Classifieds, Payments and Fintech as well as Food Delivery, plus other online businesses including Etail. Investing in new sectors is an inherent part of our strategy and we intend to continue investing in businesses that we believe have the potential to contribute towards our next wave of growth, including investments in consumer credit technologies, education technology platforms, healthcare technology platforms and vertical classifieds (automotive and real estate).

The following diagram provides an overview of the segments within our Ecommerce segment, and selected businesses and investments within each segment.



(i) This table shows our effective interest in key companies as at March 31, 2020.

Our businesses and investments primarily operate in China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, the Middle East and Africa. Most of our businesses and those of our investments are market leaders in their sectors. Our listed investments in social and internet platforms (Tencent and Mail.ru Group) cover a wide variety of internet services that are built around core communication and social networking platforms operating mainly in China and Russia.

Customers are at the core of our businesses. The large and active user base of our businesses and investments forms an important business driver, as it provides sizeable platforms for users to interact with one another via the various services that it provides. This in turn enables our businesses and investments to retain existing users and attract new customers. Our businesses and investments generate revenues through: online sales of goods, listing fees, payment transaction fees and commissions, mobile and other content revenue (from online mobile app-based services and content, ticketing and logistics services), food delivery charges and from other sources (such as travel-package revenue and commissions thereon and advertising revenue).

Ecommerce

We believe that the world is undergoing a fundamental shift, whereby traditional industries, including retail and C2C transactions, payments, food, education, healthcare and various other categories, are being disrupted by the internet and the opportunities it creates. This shift is driven by fast-growing mobile and high-speed internet penetration levels, especially in emerging markets, increasing last-mile delivery capabilities and familiarity with new business models and the ability to capture and process larger quantities of data. Consequently, we have built and expanded our consumer internet businesses through a combination of organic growth and acquisitions. Overall, we estimate that approximately one-fifth of the world's population use products and services of businesses that we have built, acquired or invested in. The operations of our consumer internet businesses and investments provide transactional functionality to consumers and merchants to trade online through Classifieds, Payments and Fintech, Food Delivery, Etail and other platforms.

Classifieds

Our Classifieds segment comprises leading local marketplaces that facilitate transactions between buyers and sellers by acting as a trusted and frictionless intermediary, which we believe offers value to all parties. Our largest classifieds markets are in Russia, Poland, Brazil, India and the United States, which represented more than 50% of the revenues generated by the Classifieds business in FY 2020. We are the market leader in a number of markets and are competing for market leadership in others, such as the United States.

There are two primary online classified listings business models: (i) the horizontal (also called generalist) model where the marketplace includes listings across a wide range of categories of goods and services; and (ii) the vertical-focused model, which focuses on a single category, such as automotive, real estate, jobs and services. Vertical categories can either be an extended feature within a horizontal marketplace or a separate specialist marketplace focusing on the respective category. Online classified marketplaces have different categories of users: (i) consumers searching for products and services listed on the marketplaces; (ii) professional listers who post their inventory on the marketplaces, such as car dealers, real estate agents and recruiters; (iii) private listers who post their inventory on the marketplaces for sale; and (iv) third parties, such as advertisers, who use the online classified marketplaces to promote their products or services or otherwise generate business from leads.

We primarily operate horizontal marketplaces under our main brand OLX as well as under the Avito brand in Russia and the letgo brand in the United States and Turkey. Our marketplaces had more than 300 million monthly active users in 22 countries (excluding countries with less than 5,000 daily unique listers and countries in which Frontier Car Group, a subsidiary of our company, has operations) and, on average, had 70 million net new listings monthly during the twelve months ended March 31, 2020. We believe that we have a leadership position in all 22 of those countries.

- OLX is one of the world's leading and fastest-growing online marketplaces, with operations in Eastern Europe, Portugal, Southeast Asia, Latin America, Africa and the Middle East. We intend to use access to its global footprint in high-growth markets to expand into new markets, vertical categories and business models. As a market leader, we have been able to accelerate revenue growth while reducing marketing costs.

  Poland is one of the most mature markets on the OLX marketplace and has delivered consistent growth and profitability, demonstrating the attractiveness of the classifieds business model.

  We have also entered into joint ventures in certain markets with other industry players, when we believe this makes strategic and financial sense. We hold a 50% effective interest in OLX Brazil (a 50:50 joint venture with Adevinta), a leading online classifieds marketplace in Brazil, and a 7.33% effective interest in Carousell, one of Asia's largest and fastest-growing classifieds marketplaces, which we acquired as part of a transaction merging our operations in the Philippines with those of Carousell.

- Avito is the leading online marketplace in Russia. The marketplace spans five key areas: automotive, real estate, jobs, services and general goods. Avito is the third-largest classifieds marketplace in the world behind Craigslist (United States) and 58.com (China) as measured by annual page views, with more than 77 million monthly active users during FY 2020. As at March 31, 2020, approximately 50% of the Russian population uses Avito every month.

  Real estate (through its Domofond platform), jobs/services and vehicles are the largest vertical categories at Avito, on a revenue basis. We believe that customer growth and retention are the key enablers to Avito's

continued growth. Avito has launched a number of complementary product propositions to enable users to be more successful. Examples of this product innovation include Autoteka, Avito's used-car database outlining the history of car ownership, accidents/repairs and use; and delivery service for goods, allowing customers to trade safely over distance. Avito has invested in product and technology to improve the core user experience (*e.g.*, quality of search, personalized feeds, user ratings and reviews, easier listing process and lifecycle management), which has led to continuous improvements in seller retention.

Our vision is to build an ecosystem of classifieds platforms that address user needs with propositions across different categories, in particular, goods, automotive, real estate, jobs and services.

We believe that our transactions model improves the convenience of transactions through, among other things, enhancing price transparency and providing a secure, trusted platform, thereby enhancing users' experience and driving transaction volume. In the transactions model, we take a more proactive role in the end-to-end customer experience than what we take in traditional horizontal marketplaces. By leveraging our leading existing horizontal market positions, which attract a large degree of traffic, we aim to expand our vertical offerings such as automotive, real estate, jobs and services as well as provide value-added services, and thereby improve platform monetization and generate additional transaction data. We believe that these businesses have the potential to scale globally.

Our vertical-focused marketplaces include Aasaanjobs, AutoTrader South Africa, Domofond, Expat Wheels, Properati, Selency, Tradus and Wecashanycar. Frontier Car Group, in which we hold a controlling interest, operates used-car marketplaces in nine markets under various brands, including BeliMobilGue in Indonesia, CarFirst in Pakistan and VendeTuAuto in Mexico.

In particular, as part of our transactions model, we have expanded into dedicated automotive and real estate vertical businesses, which cater to more professional sellers.

- *Automotive:* in FY 2017 we launched several automotive vertical businesses in our more mature markets and, in FY 2018, we acquired the Expat Wheels and Wecashanycar used-car marketplaces in the UAE and AutoTrader South Africa in South Africa. Expat Wheels and Wecashanycar complement our local Dubizzle marketplace in offering three car-selling options designed to bring more convenience to buyers and increase revenue for sellers. In FY 2019, OLX Brazil launched Autoshift, an automotive vertical business specializing in professional advertisers. In May 2018, we acquired a 35.7% effective interest in Frontier Car Group and in December 2019 we acquired an additional interest to bring our total ownership to 84.4%. Our automotive platforms offset any inventory risk that they may bear in holding automotive stock before on-selling it through the use of sales and other data and local market knowledge. In certain markets, these platforms also provide buyers with inspection reports to provide them with an assessment of the state of the vehicle.

- *Real estate:* in FY 2015, Avito established Domofond, a leading real estate portal in Russia. In FY 2017, we also launched several real estate vertical businesses in our more mature markets.

We have also expanded into a dedicated jobs vertical business, through our acquisition of Aasaanjobs in 2019, a recruitment marketplace in India. Furthermore, we also operate additional specialized vertical businesses, including Selency, a marketplace for second-hand furniture and home décor products in France, and the Tradus marketplace, a global marketplace for heavy machinery. We continue to explore new products and services within our Classifieds business. Within the OLX Group, OLX Ventures serves as an investment and incubation unit focusing on vertical marketplaces; ancillary models that complement the OLX Group portfolio and exploring emerging technologies and trends.

We believe that product and technology are essential in classifieds, due to the fact that users have high product expectations and relatively low switching barriers. Therefore, we intend to continue to be a product-first company to maintain and strengthen our brand positions. We are applying machine learning and artificial intelligence to enhance the user experience, including features like image recognition and multi-language smart chat. To enable speed to market for new product functionality and scale of operations and share costs, expertise and personnel, we are increasingly using common product platforms across markets. Given the local nature of the classifieds service, we also create in-country teams to drive brand awareness and customer interaction. We continue to invest in mobile apps for trading consumer goods, such as OLX and letgo, and automotive and real estate vertical marketplaces to serve markets where there is a high level of maturity. By consolidating expertise into regional hubs, we have sought to increase efficiency and scalability

while realigning investment levels to match opportunities in some local markets. Across its markets, we are investing in and experimenting with innovative trading formats to use local market knowledge and solve customer problems.

We focus on building liquidity on our marketplaces for users through increased penetration and engagement, which in turn drives network effects, and increases the appeal of our platforms for users. Our business model requires significant upfront investment to build market leadership and, as the market matures, we are able to increasingly monetize our market position in the form of user fees for listings, fees for value-added services or advertising, and to deliver returns on capital invested. Monetization in classifieds can be driven by, among other things, charging customers for listings and premium listings, displaying advertisements, charging commissions on payments, fees on professional sellers selling on a marketplace, shipping fees, offering financing for transactions, and an increased focus on verticals.

The online classifieds market has traditionally consisted of global companies with online classified marketplaces in multiple markets and local/regional companies operating marketplaces in one country or region. The key categories of competitors in the online classifieds market are other horizontal marketplaces (such as Youla (in Russia), Craigslist (in the United States) and sahibinden (in Turkey)); global internet companies and aggregators that have entered the online classifieds market in recent years (such as Facebook with Facebook Marketplace; Google with Google for Jobs, LinkedIn and Amazon); vertical marketplaces and horizontal search engines (such as Google).

Payments and Fintech

Our digital payments platform, PayU, seeks to create an efficient, fast, secure and simple payment process for merchants and buyers and facilitate frictionless transactions and trade globally. Our Payments and Fintech business comprises:

- PayU, its core payments platform, which is a leading payment gateway for merchants in high-growth markets and large cross-border players, alongside with Red Dot Payment (a online payment service provider in South-East Asia), Iyzico (a payment service provider in Turkey), Wibmo (a payment security company) and Zooz (a payment processing platform);

- a credit business focusing on digital point-of-sale lending to consumers through its own products (*e.g.*, LazyPay in India and PayU Te Fia in Colombia) and investments in associated credit companies such as Creditas (a Brazilian digital credit platform), PaySense (an Indian digital credit platform) and ZestMoney (an Indian digital credit platform); and

- investments in the fintech ecosystem, with positions in adjacent sectors, such as remittances, with Remitly (a global digital money-transfer service), cryptocurrencies, with Luno (a bitcoin wallet and exchange), or digital wealth management, with Fisdom (a consumer wealth-tech platform in India).

PayU operates payment platforms with over 300 payment options, across 20 markets around the world, with an aggregate population of more than 2.3 billion. It has a leadership position in seven of those markets. PayU primarily operates in India, Latin America and Central and Eastern Europe. It also has operations in the Middle East and Africa. PayU's business is intended to enable merchants and consumers to safely transact online. PayU's products include a Payment Card Industry Data Security Standard certified payment gateway, anti-fraud systems and an online Visa/MasterCard acquirer.

PayU has built an efficient single-application programming interface that enables local, regional and global merchants to accept and process payments across all major domestic and global payment types in the markets that it operates in, including credit cards, bank transfers and payments. We believe that PayU's merchant base, transaction volume, scale, market share and its ability to process payments in, and across, its key growth markets create an attractive value proposition for merchants. PayU's single platform also enforces PayU's data capabilities, which includes services that utilize sophisticated algorithms across machine learning, data mining and artificial intelligence to improve the functionality and configuration of its core services and to increase authorization rates for merchants, while reducing the risk of fraudulent transactions.

PayU offers two broad services, as a payment service provider ("**PSP**") and a technology service provider ("**TSP**").

- PSP services are merchant arrangements where PayU provides payments processing technology platforms and also facilitates reconciliation and settlements for merchant partners. PayU serves both local and international

merchants in the markets in which it operates, catering to both large enterprise merchants and small- and medium-sized businesses.

- TSP services are merchant arrangements where PayU only provides the processing technology and does not carry out any settlements. For TSP services, take rates or commissions on processed volumes, given PayU's more limited role, are lower than a traditional PSP business. TSP services are primarily provided to large merchants, to which PayU supplies the technology necessary to provide the merchant with a direct connection to banks and payment networks. In FY 2018, PayU expanded into online consumer credit products in key markets including Poland, India and Colombia.

PayU's PSP and TSP services are available to consumers on our platforms and on platforms operated by third parties. Payment solutions enable and encourage participation in ecommerce, especially for customers with limited alternatives. PayU differentiates its payment solutions by offering a broad range of local payment options for its customers and by providing merchants with good conversion rates, converting consumers' interest in a product or service into a sale by simplifying the checkout process. PayU's revenue is primarily derived from volume-based transaction fees.

PayU intends to continue to strengthen its position organically by seeking operational efficiencies through automation and continuing to invest in platform consolidation and security globally. At the same time, PayU has moved to consolidate its position in key markets with acquisitions, such as in India, where it acquired Citrus Pay in FY 2017 and, more recently, Wibmo in July 2019, or with the buy-out of Zooz, a payments technology company based in Tel Aviv, Israel in FY 2019. In July 2019, we acquired a 73.3% effective interest in Red Dot Payment, a Southeast Asia focused online payment solutions provider. In December 2019, we acquired iyzico, a Turkish digital payment service. We believe that these acquisitions support PayU's expansion into high-growth markets and support our ability to pursue opportunities in cross-border payments.

To strengthen its core payments platform, PayU has made a number of acquisitions supporting its ability to pursue opportunities in credit and remittance businesses. In pursuit of its strategy, in FY 2018, PayU launched credit products in India and Latin America, which enable customers doing online shopping to obtain quick and easy access to micro loans at checkout. PayU also invested U.S.$100 million in Remitly, a technology-driven remittance business, which focuses on the flow of remittances from developed countries to low- and middle- income countries. PayU is partnering with these companies to deliver credit and remittance solutions in its key growth markets. In FY 2019, PayU acquired Zooz, which operates a payments technology platform. We believe that this acquisition supports PayU's expansion into high-growth markets and supports our ability to pursue opportunities in cross-border payments.

In January 2020, PayU acquired a controlling stake in PaySense at a valuation of U.S.$185 million, and created the new PayU Credit unit through the merger of LazyPay with PaySense. This move demonstrates PayU's commitment towards investing into and building a broader fintech ecosystem in India around core payments and lending businesses. Our focus is on growing digital lending to consumers, leveraging the distribution network of our merchant relationships and data gathered through our payments platform to enhance credit scoring. We are providing consumer loans directly from our own balance sheet through PayU Credit and through co-lending partnerships with banks. While we expect to continue the expansion of our credit business in India over time, beginning in March 2020, our inhouse credit business in India has temporarily paused making new loans due to the COVID pandemic.

On June 19, 2019, PayU announced that it had become a founding member of the Libra Association, an independent not-for-profit organization. The Libra Association's mission is to enable simple global digital currencies and a financial infrastructure that empowers billions of people.

Due to the complexities associated with international money transfers, we predominantly face local competitors in the markets in which we operate. PayU's direct competitors are domestic PSPs that focus on providing online payments to merchants in a single country. In general, the payment markets in which we operate are fragmented. Adyen N.V. ("**Adyen**") is the most notable international competitor in the merchant business, with another notable international competitor being WorldPay, Inc. ("**WorldPay**"). In India, our merchant business mainly faces competition from BillDesk and CCAvenue. Other competitors include Ingenico, Razorpay and several other small PSPs. Our Indian consumer business mainly faces competition from FreeCharge, MobiKwik and Paytm. In Poland, our main competitors are Dotpay, eCard and Przelewy24 (P24). In Russia, our main competitor is Yandex Money, which is a PSP in addition to their digital wallet offering. In the Czech Republic and Hungary, our main competitors are banks. In Romania, our main competitor is Romcard. In Latin America, our main competitors are international competitors such as Adyen, Ingenico, PayPal Holdings, Inc. ("**PayPal**") and WorldPay, as well as regional competitors like Mercado Pago and PagSeguro.

Food Delivery

Since FY 2016, we have invested over U.S.$3 billion to build a portfolio of leading food delivery businesses and investments operating in more than 40 markets globally, including iFood, Delivery Hero and Swiggy. Our businesses and investments are the market leaders in 38 of those markets. We believe that food is a high-potential sector that comprises a large area of consumer spend. We believe that food delivery presents a large, underpenetrated and growing market with strategic opportunities for us. Food delivery has its origins in an asset-light, two-sided marketplace model that has demonstrated compelling economics and growing consumer engagement, while the more logistics-based first-party delivery model has become a larger part of the industry in recent years. Consumer trends, most notably increased mobile penetration, and innovations in mapping, logistics and other technologies, have driven down the costs of food delivery, improved the consumer experience of it and thereby accelerated consumer adoption.

These businesses aim to use innovative and scalable technology, predominantly on mobile phones, to transform food ordering and delivery capabilities by automating and personalizing the process and making it transparent and efficient for restaurants, customers and couriers. Based on continuous data collection regarding ordering and logistics of the delivery, the businesses constantly improve their technology and processes in order to provide increasingly better service for users.

We believe that food delivery is an attractive value proposition for restaurants and customers. For restaurants, it offers access to a larger customer base, positioning them to benefit from incremental orders. For customers, it provides a local, large selection of restaurants and food that is quickly and conveniently delivered. We are investing to accelerate the scale of our food delivery platforms, helping them to expand geographically into smaller cities, as well as investing to further build their technology platforms to utilize data science and machine learning to continuously improve the service they provide to customers, restaurants and couriers.

iFood and Delivery Hero operate predominantly third-party marketplace models, connecting users and restaurants, but are building out their own first-party delivery platforms. Swiggy is predominately a first-party business, providing its own couriers for delivery.

Swiggy has identified the need to provide consumers with food delivery at more competitive price points and expand food delivery to areas with low restaurant penetration. New private brands (which offer customers restaurant quality food under its own brand names delivered by Swiggy) form part of Swiggy's food delivery ecosystem. Swiggy is also investing in Swiggy Access. Swiggy Access provides restaurants with access to "delivery-only kitchens", which enables them to expand to more locations through a delivery-only model and, at the same time, gives consumers greater access to a wider variety of restaurants. A "**delivery-only kitchen**" is a site where restaurant food is cooked for delivery only and no sit-down restaurant is operated. Swiggy is investing in other delivery verticals as well, including grocery delivery, through Swiggy Genie.

iFood, Delivery Hero and Swiggy are using artificial intelligence to provide consumers with a personalized, local offering and building next-generation artificial-intelligence driven food delivery platforms. They also provide restaurants with marketing and visibility tools, help them optimize their value chain, share data-driven insights with them and provide them with order and delivery technology.

Our food delivery businesses and investments comprise:

- *iFood:* iFood is a leading food delivery platform in Latin America and the leading food delivery platform in Brazil. In Brazil, iFood is served by approximately 160,000 restaurant partners and over 170,000 active drivers in more than 900 cities. iFood is owned by Movile (66.67%) and Just Eat (33.33%), which is a subsidiary of Just Eat Takeaway.com that operates a leading food delivery platform globally. iFood also operates in Mexico under the SinDelantal brand. SinDelantal is owned by, among others, Movile ((25.3%) through its holding in iFood) and Just Eat (67%). iFood processed 30.6 million orders in March 2020 in Brazil (of which 9.4 million orders were delivered through its first-party delivery platform), representing growth of 76% compared to 17.4 million orders in the same month the previous year. The number of unique customers reached 10.1 million in March 2020.

  In November 2018, Movile announced that it will invest an additional U.S.$400 million in iFood. That investment was the largest private technology funding in Latin America at the time. Movile and Just Eat already invested U.S.$100 million in iFood during 2018. We believe that the increased investment in iFood will accelerate its growth and enable product development and innovation, as well as geographical expansion. iFood

also plans to increase its leadership position in Brazil and expand in Mexico and Colombia, which we believe are underpenetrated but high-growth markets.

In Brazil, iFood's main competitors, in terms of number of orders processed, are Uber Eats and Rappi.

In FY 2020, iFood contributed U.S.$2,684 million in GMV, representing annualized GMV growth of 81% and annualized order volumes increased by 103%.

- *Delivery Hero:* Delivery Hero is a leading food delivery platform globally, operating in more than 40 countries in Europe, the Middle East and North Africa, Asia and the Americas, with an aggregate population of more than 1.2 billion people. It has a leadership position in 36 of those countries. Delivery Hero operates around 30 fully localized brands and, in some countries, Delivery Hero operates on a multi-brand strategy (or marketplace) and premium-brand strategy. These brand strategies allow it to target different customers. Delivery Hero's platforms are served by over 500,000 restaurant partners. In its fiscal year ended December 31, 2019, Delivery Hero received 666 million orders (excluding Germany, where the operation was sold to Just Eat Takeaway.com).

  Delivery Hero's localized brands are managed by local management teams. These local teams combine their knowledge of the local market with centralized know-how, which is implemented on a global scale. Delivery Hero's central management team utilizes data collected from its regional operations to develop its global group strategy, to plan global marketing, optimize group marketing expenditures, coordinate its network of local brands, identify best practices as well as strong and weak performance and provide guidance and control. Delivery Hero provides support to its local management teams in implementing its global strategy on a local level as well as introducing new processes and products in their markets.

  In the majority of its markets, Delivery Hero experiences competitive pressure from one or two major players in the food delivery industry, for example Deliveroo and Uber Eats.

  In its fiscal year ended December 31, 2019, Delivery Hero (excluding Germany, where the operation was sold to Takeaway.com N.V. (now Just Eat Takeaway.com N.V.) and one of its affiliates (together, "**Just Eat Takeaway.com**")) contributed U.S.$8.3 million in GMV, representing annualized GMV growth of 67% and annualized order volumes increased by 80%. In the first quarter of 2020, Delivery Hero's order volumes increased by 92% from the first quarter of 2019.

  On April 1, 2019, Delivery Hero sold its German food delivery businesses Lieferheld, Pizza.de and foodora to Just Eat Takeaway.com in exchange for cash and an equity stake in Just Eat Takeaway.com. As at the date of this Base Prospectus, Delivery Hero had a 10.62% interest in Just Eat Takeaway.com.

- *Swiggy:* Swiggy is the leading food delivery platform in India. It uses innovative and scalable technology to operate its hyperlocal food delivery platform. Swiggy has expanded rapidly since being founded in 2014 to serving more than 500 cities in India. It is India's fastest-growing food platform. Swiggy's platform is served by over 160,000 enabled restaurant partners and 240,000 active delivery partners.

  We believe that Swiggy has proven its potential to be profitable, but that its profitability has been restricted due to a lack of scale. For example, in September 2017, Swiggy, overall, had a positive contribution margin, with four out of seven of cities having a positive contribution margin, which was an increase from two cities in April 2017. In December 2018, we announced that we had led a U.S.$1 billion investment round in Swiggy, with a U.S.$637 million investment, and we invested a further U.S.$100 million in February 2020. Swiggy will use the funds to scale, by bringing more quality food brands closer to consumers, including under its own private brands, The Bowl Company and Homely, and addressing gaps in supply through delivery-only "delivery-only kitchens" under its Swiggy Access initiative for restaurant partners, while also expanding its delivery ecosystem with other delivery verticals, including grocery delivery, through Swiggy Genie. Additionally, Swiggy will use the capital to hire employees, with a particular focus on machine learning and engineering roles across mid and senior levels.

  In India, Swiggy's main competitors, in terms of number of orders processed, is Zomato.

During the twelve months ended March 31, 2020, Swiggy had GMV growth of 125% and order volumes increased by 145%.

We also have exposure to Delivery Club (through our interest in Mail.ru Group), Meituan (through our interest in Tencent) and Just Eat Takeaway.com (through our interest in Delivery Hero).

Food delivery businesses primarily generate revenue through per-order commissions charged to every restaurant that uses these online marketplaces; for example, based on the value of order placed through a platform. Additional revenue is generated from other income streams, such as fees for premium listings, transaction fees or delivery fees. In FY 2020, Food Delivery generated U.S.$751 million in revenues and U.S.$624 million in trading loss, with revenue growth in local currency excluding acquisitions and disposals totaling 105%. The cumulative annualized GMV growth in the Food Delivery segment was 76% and cumulative annualized order volumes across all these companies increased by 102%.

Etail

Our primary asset within the Etail segment is the eMAG business. eMAG operates a structured first-party/third-party B2C ecommerce platform in Romania, Hungary, Bulgaria and Poland, with an aggregate population of more than 75 million people, under the eMAG brand, as well as the leading fashion shopping marketplace in Romania under the Fashion Days brand. In addition, eMAG operates SameDay (courier delivery), PC Garage (a specialized online retailer focused on gamers), Depanero (repair service) and Conversion Marketing (performance marketing). eMAG has a leadership position in Romania, Hungary and Bulgaria.

We believe that eMAG's first-party/third-party combination enables us to deliver world-class service in the areas that we believe customers value: price, selection and convenience. eMAG is able to offer its customers competitive prices because of the scale of its first-party business and because of the competitive dynamics among the sellers listing on its platform. eMAG's large pool of third-party merchants expands the platform's selection beyond what a first-party retailer could offer and we believe this differentiates eMAG from offline retailers and smaller online "etailers". To increase the convenience of its platform, eMAG is building out its SameDay courier business. eMAG is creating the logistics infrastructure needed to increase the delivery quality of its first-party and third-party businesses. We believe that this ensures that customers enjoy the delivery speed and reliability they expect and deepens eMAG's relationships with its third-party merchants. To complement its online platform and further improve customer convenience, eMAG operates showrooms across Romania and its international markets. By making it more convenient for buyers to receive their goods, showrooms drive incremental sales and increase purchase frequency among existing customers. In addition, showrooms draw new customers from offline to online.

The largest share of eMAG's revenue comes from its home market of Romania, in which it is profitable. As the leading "etailer" in that market, eMAG continues to grow faster than the market and to increase its scale. On October 28, 2019, eMAG merged its business in Hungary with the businesses of ED Group Asset Management Kft. (Extreme Digital) in Croatia, the Czech Republic, Hungary, the Republic of Austria, the Slovak Republic and the Republic of Slovenia. eMAG now holds a 52% effective interest in those businesses. In FY 2020, the profits from eMAG Romania were redeployed to investments in eMAG's expansion markets across the region, which are in earlier phases of development and are not yet profitable on a stand-alone basis. Over the period FY 2016 to FY 2020, eMAG's GMV grew by a CAGR of approximately 18% per annum.

Travel

In August 2019, we exchanged our 42.6% interest in MakeMyTrip for a 5.6% interest in Trip.com. Prior to this exchange, the Travel segment consisted of our interest in MakeMyTrip, a leading online travel provider in India, and the Travel segment is included in our historical segmental disclosure. Following the transaction with Trip.com, the Travel segment no longer exists and it will not be reported after FY 2020.

Other Ecommerce—Ventures

Through our Ventures business, we seek to identify entrepreneurs in high-growth markets that we believe are building leading companies that have the potential to scale globally. Ventures' goal is to identify the next phase of growth for us, identifying trends, technologies, segments and geographies to invest in that will experience significant growth in the coming decades. A number of our established platforms also fall under Ventures.

Ventures, with a dedicated team in key innovation hubs, evaluates consumer trends to understand engagement at a deep level, using this information to identify investment opportunities. We focus on the creation of global platforms that address major societal needs in high-growth markets. Through Ventures, we aim to explore these opportunities in new market segments. Education and health are specific segments that we believe demonstrate viable investment opportunities.

Movile—Movile is a leader in mobile marketplaces headquartered in Brazil with 2,200 employees located in offices in Argentina, Colombia, France, Mexico, Peru and the United States. With 150 million users in more than 100 countries, Movile's main operating segments are food (through iFood), payments (through Zoop, an open platform for payments and financial services in Brazil), tickets (through Sympla, the leading self-service ticketing platform in Brazil), education (through PlayKids, a leading, global children's app) and content services (through Wavy, a business that bundles mobile content and messaging offerings).

We also have interests in the following associated companies:

- *Education*—Within the education segment, we have made investments in various entities that are at different stages of development in various markets. According to Udemy, it is the leading global marketplace for teaching and learning at any age and serves more than 30 million students in 190 countries around the world. Brainly is one of the world's largest social learning platform, serving more than 150 million students in more than 35 countries. Brainly enables students to help other students on any school subject. BYJU'S is the most popular K-12 learning app in India and intends to expand internationally and to invest in technology that will help to further personalize learning for students. Codecademy is an online coding education platform, teaching more than 45 million people how to code. SoloLearn is a mobile-first peer-to-peer learning platform aimed at the coding community.

- *Health*—Within the health segment, we have acquired a minority interest in Honor, a home-care company based in the U.S. and the founder of the Honor Care Network, a national network of home-care agencies. Honor brings scalable workforce management and technology expertise together with the high-touch, personalized care of local home-grown care agencies.

- *SimilarWeb*—SimilarWeb provides global multi-device market intelligence to understand, track and grow digital market share. SimilarWeb measures and analyzes more than three million apps and 80 million websites, providing mobile and desktop insight into traffic flows and consumer behavior.

- *Meesho*—Meesho is a social selling platform on mobile app in India catering to the next set of online buyers. The company acts as a marketplace for suppliers and resellers. The suppliers upload catalogues on Meesho while the resellers curate catalogues from different suppliers based on their understanding of the customer and the time of the year.

On May 14, 2019, we announced we had agreed to sell our interest in Buscapé. The relevant regulatory approvals were received and on October 23, 2019, we completed the sale of our interest in Buscapé.

Social and Internet Platforms

We have interests in two key social and internet platforms: our associated companies, Tencent and Mail.ru Group.

Tencent

Tencent is a leading listed integrated internet services company in China, operating a broad range of internet services including communication and social services, online games, digital content, online advertising, payments, cloud services and other services.

Tencent aims to become the hub for fulfilling its customers' lifestyle needs, through its expansive product offerings as well as its strong network of partnerships, encompassing social and communication, entertainment, information, "online-to-offline" and fintech services. Following the launch of its product QQ in February 1999, Tencent has built numerous popular platforms and services, such as Weixin/WeChat, Qzone, Tencent News, Tencent Video and QQ Music. Its social products, Weixin/WeChat and QQ, link its users to a rich digital content catalogue, including games, video, literature, news, music and others. It further broadens the types and the number of services offered to its users by allowing

third parties to access and offer services and products on its open platforms. Through strategic partnerships with category leaders, it has further expanded its ecosystem and deepened engagement with users on its platforms.

The core of Tencent's business is to focus on executing its connection strategy by fostering a healthy mobile ecosystem with enriched online and offline user experiences, and by strengthening its relationship with strategic partners, bring its and its partners' products and services to Chinese consumers through various platforms. Its business focuses on providing value for users, application developers, content providers, advertisers, merchants and enterprises. It has three lines of business:

- *Value-added Services*—Tencent's value-added services mainly comprise online games and social networks.
  - *Social Networks*—Tencent is a leading provider of social networks in China, with leading social communication platforms, including QQ and Weixin/WeChat. As at March 31, 2020, Weixin/WeChat had more than 1 billion monthly active users. It also provides its user community with a diverse and comprehensive range of digital content services, including online video, music, literature, interactive live video, news and others.
  - *Online Games*—Tencent operates the largest online games platform globally and in China, by revenue. It has strong in-house development capabilities and is also the partner of choice for game publishers due to its leading distribution capabilities in China and globally.
- *Online Advertising*—Tencent's online advertising services primarily comprise social and other advertising and media advertising. Social and other advertising relates to advertising on its social properties, such as QQ KanDian, Kuaibao, Weixin Moments, Weixin Mini Programs, Weixin Official Accounts and Weixin Top Stories, its utilities properties, such as an app store and browser, as well as mobile advertising networks. Media advertising relates to advertising on its video, news, music and other online media properties. Significant traffic on its various properties offers ample advertising opportunities. By leveraging its comprehensive ecosystem, scale and user insights, Tencent drives relevant and targeted advertising to generate higher returns for advertisers.
- *Fintech and Business Services*—Tencent provides fintech services, cloud services and other online-to-offline support services. It provides infrastructure support and mobile payment solutions to merchants, while Weixin Pay and QQ Wallet are consumer-facing mobile payment solutions with expanding uses, including social, "online-to-offline" services and online finance. Through continued investments in cloud services, Tencent has made several internally-developed technologies available to its corporate clients and partners. Tencent Cloud has global infrastructure coverage and is a leader in providing cloud services to online games and live broadcast operators. Through providing differentiated and tailor-made solutions, Tencent Cloud is expanding business in verticals such as internet services, financial institutions, tourism, municipal services and industrial sectors.

The market for internet and telecommunications value-added services in China is highly competitive, and competition is expected to increase. Tencent's main competitors in online gaming are NetEase, Inc., Perfect World, Inc., Shanda Investment Group Limited and Soho.com Limited (through its subsidiary Changyou.com Limited). In online video, Baidu, Inc. ("**Baidu**") (through iQiyi), Tencent Video and Youku Tudou Inc. ("**Youku**") compete against each other. Tencent competes with a range of internet services that sell advertising space online. Tencent's main competitors in advertising are Baidu in search, Sina Corporation (through Sina Weibo) in social networks, iQiyi and Youku in video, and Today's Headlines in news feeds. Alibaba and Ant Financial's Alipay are Tencent's main competitors in ecommerce, cloud services and online payment systems.

Dividends received from Tencent by us	Amount (U.S.$ million)
FY 2020	377
FY 2019	342
FY 2018	247

Tencent's segmental revenue for its fiscal year ended December 31, 2019[(i)]	Amount (RMB million)	Percentage of Total Revenue
Value-added services	199,991	53
Fintech and business services	101,355	27

Online advertising	68,377	18
Others	7,566	2
Total	377,289	100

(i) Source: Tencent, Annual Report for the fiscal year ended December 31, 2019.

Mail.ru Group

Mail.ru Group is a leading company in the Russian-speaking internet market. Mail.ru Group owns Russia's leading email service and one of Russia's largest internet portals, Mail.ru, the two largest Russian-language social networks, VKontakte (VK) and Odnoklassniki (OK), and Russia's leading online games developer. Its ecommerce business includes the largest food delivery company in Russia, Delivery Club, location-based marketplace Youla and Pandao, an online cross-border marketplace. It also owns mobile games developer Pixonic, a leading OpenStreetMap-based offline mobile maps and navigation service, MAPS.ME, instant messaging service Agent Mail.ru and a controlling interest in GeekBrains, an online education platform for developers. The Mail.ru Group's large user base provides a strong foundation for the launch of new services and also allows it to generate revenue from display and contextual advertising as well as a range of internet value-added services. These include online games, virtual gifts and other features. Mail.ru Group offers a variety of online communication products and entertainment services, including:

- *Email, Portal and Instant Messaging Services*—Mail.ru is the most popular email service on the Russian speaking internet in terms of daily and monthly audience, with 11.7 million daily active users and 27.3 million monthly active users. Mail.ru Group also operates three instant messaging services, Agent Mail.ru Group, ICQ and TamTam.

- *Social Networks*—the Mail.ru Group operates the three leading Russian-language social networks, Vkontakte (VK.ru), Odnoklassniki (OK.ru) and My World.

- *Online Games*—the Mail.ru Group operates the leading online games business in Russia. The portfolio includes leading massively multiplayer online ("**MMO**") games such as HAWK, Hustle Castle, Warface and War Robots. In the twelve months ended December 31, 2019, international revenues accounted for 68% of Mail.ru Group's total MMO revenue (based on Mail.ru Group's segment reporting), with the U.S., Germany and Japan being the largest non-Russian markets. In its fiscal year ended December 31, 2019, international gaming revenues made up approximately 22% of Mail.ru Group's total revenues (based on Mail.ru Group's segment reporting).

- *Ecommerce, Search and Other Services*—(i) Pandao: in 2017, Mail.ru Group launched Pandao, an online cross-border marketplace offering goods directly from China. In September 2018, Mail.ru Group announced that it will enter into a joint venture with Alibaba Group Holding Limited ("**Alibaba**"), the Russian Direct Investment Fund and MegaFon PJSC, under which it will contribute its Pandao business and cash in exchange for a 15% interest in AliExpress Russia, an online cross-border marketplace. On June 5, 2019, Mail.ru Group announced that the Russian Federal Antimonopoly Service had approved the transaction and the parties had entered into definitive transaction documents; (ii) Delivery Club: Mail.ru Group operates Delivery Club, the number one food-delivery platform in Russia. On July 25, 2019, Mail.ru Group announced that it and PJSC Sberbank plan to create a leading Russian online-to-offline services platform focused on food and transportation in a 50:50 joint venture (among other things, by Mail.ru Group contributing its interests in Delivery Club to the joint venture), which was subsequently completed and set up; (iii) GeekBrains: in August 2016, Mail.ru Group acquired GeekBrains, an education platform for developers. In April 2017, GeekBrains launched the GeekUniversity, the first Russian online university for developers; (iv) Go.Mail.ru: Mail.ru Group's search service, Go.Mail.ru, is the third-largest search service in Russia. In addition to Russia, Mail.ru Group's search has a large presence in other Commonwealth of Independent States countries; (v) MAPS.ME: in November 2014, Mail.ru Group acquired MAPS.ME, a leading OpenStreetMap-based offline mobile maps and navigation service; (vi) Youla: Mail.ru Group's online location-based marketplace, Youla, is a leading online classifieds marketplace in Russia with a strong focus on mobile. Youla was integrated into OK.ru as a separate classifieds section. In May 2017, Mail.ru Group acquired Am.ru, a Russian automotive classifieds website, which it integrated into Youla; and (vii) ESforce: in March 2018, Mail.ru Group acquired ESforce, one of the largest eSports companies globally and the largest in Russia and Eastern Europe.

Mail.ru Group competes with all websites that sell advertising space online, but its main competitors are those that offer a broad range of products, including communication, games, search and social network services. Mail.ru Group's main competitors are internet platforms such as Google, Facebook, Rambler, Skype and Yandex.

Mail.ru Group's Corporate Information	
Our effective interest	27.9%[(i)]
Listing (date)	London Stock Exchange (2010) and Moscow Exchange (2020)[(ii)]
Market capitalization	U.S.$5.6 billion[(iii)]
Dividends received from Mail.ru Group by us (FY 2020, FY 2019 and FY 2018)	None[(iv)]

Mail.ru Group's revenue by category for its fiscal year ended December 31, 2018[(v)]	**Amount** *(RUB million)*	**Percentage of Total Revenue**
Online advertising	29,782	42
MMO games	23,295	33
Community internet value-added services	15,005	21
Others	3,082	4
Total[(vi)]	**71,164**	**100**

Mail.ru Group's revenue by category for its fiscal year ended December 31, 2019[(v)]	**Amount** *(RUB million)*	**Percentage of Total Revenue**
Online advertising	36,682	42
MMO games[(vii)]	28,435	32
Community internet value-added services	16,371	19
Others	6,175	7
Total	**87,663**	**100**

(i) As at the date of this Base Prospectus.

(ii) Mail.ru Group's shares (in the form of global depositary receipts) are admitted to listing on the UK Official List and to trading on the London Stock Exchange as well as the Moscow Exchange.

(iii) As at market close on July 6, 2020.

(iv) We have not received any dividends from Mail.ru Group over the past three fiscal years.

(v) Source: Mail.ru, Annual Report for the fiscal year ended December 31, 2019.

(vi) Our share of Mail.ru Group's total revenue on an economic-interest basis for FY 2020 is U.S.$410 million.

(vii) MMO games revenue for 2019 included a one-off adjustment related to a change in estimate with respect to the life span of the in-game virtual items purchased by game players of RUB13,324 million.

INDUSTRY

Overview

Our assets are spread across China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, the Middle East and Africa. Most of our businesses are market leaders in their sectors. Our operations are structured around classifieds, payments and food delivery. In addition, eMAG is one of the largest structured third-party marketplaces in Central and Eastern Europe. Our listed investments in social and internet platforms (Tencent and Mail.ru Group) cover a wide variety of internet services that are built around core communication, gaming and social networking platforms operating mainly in China and Russia. This broad geographical reach gives us exposure to 13 out of the top 20 fastest-growing economies in the world (according to the International Monetary Fund World Economic Outlook), including some of the most technologically advanced geographies. For example, in China in 2019 absolute spend for games and ecommerce were higher than in the United States, but with almost four times the number of mobile internet users and double the number of mobile payments transactions.

Due to increased internet penetration and the growing adoption of ecommerce among internet users in the markets in which we operate, competition has intensified. We are facing an increasing number of entrants, including both local and international competitors. As a global consumer internet group and one of the largest technology investors in the world, our main competitors as technology investors are traditional providers of capital, including private equity, as well as other consumer internet-focused investors (such as Alibaba, Facebook, Google and Tencent).

Traditional industries are increasingly being disrupted by the internet, and, in particular, through mobile devices. The rising adoption of online classifieds, payments and food delivery in our targeted markets is underpinned by two growing trends: increased internet penetration and the proliferation of mobile devices. Global internet penetration growth was expected to reach an estimated 7.1% in 2020, according to Euromonitor, mainly driven by growth in more developed markets. The next wave of adoption of online classifieds, payments and food delivery is occurring in certain growth markets, particularly in the Asia-Pacific region, the Middle East/Africa and in Latin America where the number of smartphone users is expected to grow at compound annual growth rates ("**CAGRs**") of 5.3%, 9.9% and 5.4%, respectively, between 2019 and 2023, according to PwC's *Global Entertainment & Media Outlook 2019-2023* ("**PwC's Global Entertainment & Media Outlook**").

As our target markets continue to develop, their middle classes are projected to expand as well, and we believe that the middle class will spend more time consuming various forms of media and engaging in ecommerce. Rapidly growing middle-class households in China, Brazil, India and Russia are expected to increase to 21.6%, 23.7%, 26.9% and 29.5% (24.4% in aggregate for these markets) of the respective overall number of households by 2030, according to Euromonitor.

Internet access where we and our investments have operations is growing rapidly. China, Brazil, India and Russia are also enjoying rapid growth in the number of smartphone users, with an expected CAGR of 5.0% for the period from 2019 to 2023, according to PwC's Global Entertainment & Media Outlook. By 2023, these countries are expected to see an increase in internet penetration from 59%, 72%, 41% and 83%, respectively, in 2019, to levels seen in Organisation for Economic Co-operation and Development (OECD) countries, according to the Economist Intelligence Unit ("**EIU**"). We believe that this trend is likely to contribute to increased internet penetration over the medium-term.

Traffic to our internet properties and sales in our core markets are increasingly driven by mobile devices and applications, given local constraints in fixed-line infrastructure (for example, the relatively low number of fixed internet access points), and the advent of low-cost smartphones and tablets. According to the Pew Research Center, growth markets are catching up with the United States in terms of smartphone adoption, particularly among adults in the 18 to 34 year age range. This reinforces the long-term trend towards online transaction activity.

Classifieds

Classifieds spend has been shifting from traditional print media to online following the emergence of online classifieds marketplaces. These marketplaces are designed to help people trade on a local level similar to print media classifieds. The offline-to-online shift is driving the online migration of classified advertisements and supporting the growth of online listing volumes and online classifieds expenditure. The functionality available in online platforms is well suited to classifieds by facilitating buyers and sellers to find, connect and interact more efficiently, conveniently and expeditiously with each other. Listers previously purchased classified listings in printed publications (e.g., newspapers or magazines), to facilitate sales of their goods and services. The general decline in readership and circulation of printed

publications and the concurrent increase in the audience of online and mobile destinations that are accessible free of charge to internet users, have led listers to increasingly favor digital classified platforms to maximize the reach of their marketing spend while targeting the most relevant consumers. Further, online classified advertisements offer a wider range of flexibility in manner of advertisements (such as banner ads and commercial videos) and payment models (such as payment by volume, duration or performance-based payments).

Classifieds platforms are generally categorized between those that facilitate listings for general goods, otherwise called horizontal platforms, or those that specialize in specific product categories, or verticals, such as automotive, real estate, jobs or services. These can be offered under the same brand name and as an extension of a horizontal platform or as a specialized platform. Typically vertical platforms are used by professional listers and thus provide more monetizing potential than horizontal platforms.

With our leadership positions in general goods and services, we are increasingly using our market position to penetrate vertically in the main markets in which we operate.

The expansion into new vertical categories may require C2C horizontal marketplaces to adjust their operating models and require additional investment in systems, expertise and physical infrastructure. Certain vertical marketplaces, in particular the automotive vertical, for example, require classifieds businesses to manage inventory, which C2C horizontal marketplaces may be unfamiliar with.

Increasingly, in the markets where we are active, there is an opportunity to increase the number of services offered to customers. These services include car inspection reports, real estate inspections, and facilitation in the delivery of goods from the seller to purchaser. These services improve the user experience and convenience for the consumer and provide additional revenue opportunities for us.

An online marketplace's ability to generate revenues depends, to a large extent, on the number of listings and traffic on its sites. While listings and traffic on online classifieds marketplaces are primarily driven by the network effects where listing inventory and user traffic are mutually reinforcing, external factors such as internet penetration and the general market conditions of the relevant geographic markets will affect the number of listings. Early movers typically benefit from an established brand and from behavioral inertia once consumers start using the marketplace. Early movers thus have an inherent advantage over subsequent entrants. New entrants require significantly higher investments to gain the same traction with customers, when compared with existing players. New entrants also have difficulty in achieving profitability before reaching sufficient scale. Marketplaces' two-sided network effects thus reinforce leadership positions.

According to the globalwebindex, the average time spent on devices (including mobile, PC, laptop and tablet) has increased by 21% globally from 2012 to 2019. Increased time spent on devices generates a larger data source which enhances the platforms' data mining capabilities, enabling additional insights and therefore potential for new value-added revenue streams.

Our Classifieds businesses operate in 22 markets (excluding countries in which Frontier Car Group has operations and markets with less than 5,000 daily unique listers) and have leading positions in all of these markets. We are the fastest-growing classified player globally at scale, growing revenue in local currency, excluding acquisitions and disposals, over 37% in each of FY 2019 and FY 2020.

Payments and Fintech

Our online payment system operations seek to create an efficient, fast, secure and simple payment process for merchants and buyers. They operate across 20 markets in Asia, Central and Eastern Europe, Latin America, the Middle East and Africa, with an aggregate population of more than 2.3 billion people.

Growth market economies have the lowest rates of financial penetration globally, with an estimated 29.3% adults being unbanked in 2019 (based on top 10 countries ranked by 2019 real GDP growth for which Euromonitor had unbanked data), or an even greater number if under-banked segments of the population are included, and over half of all economic transactions conducted in cash, according to the World Bank. Such demographic factors drive the demand for online payments and other innovative financial services offerings. In addition, governments hoping to enhance financial inclusion and accessibility tend to open the market to non-bank players.

Given the increasing growth of online businesses and cross-border commerce, online payments are becoming an integral part of the ecommerce ecosystem, among other things, by improving the ease of purchase. Non-cash payment transactions have grown significantly in recent years, and we expect this growth to accelerate as electronic transactions increasingly displace cash and checks. We expect the rapid expansion of ecommerce to be a major driver of continued growth in non-cash payment transactions. Furthermore, mobile phone ecommerce has the potential to increase the number of payment transactions as mobile phones are able to be used as payment devices.

Efficient delivery systems and payment methods are critical to ecommerce in growth markets. Because consumers in growth markets may not have access to payment methods such as credit or debit cards, new payment systems must be developed or adapted to allow consumers to transact online. As a technology that facilitates transactions, payment systems are an integral part of the ecommerce ecosystem.

According to a McKinsey & Company report, *Global Payments Report 2019: Amid sustained growth, accelerating challenges demand bold actions*, global payments revenue is expected to increase from U.S.$1.9 trillion in 2018 to U.S.$2.7 trillion by 2023. As overall competition in ecommerce continues to increase, providing a simple payment solution not only increases efficiencies for merchants, but also both improves the overall consumer experience and increases consumer loyalty.

As the payments industry develops, the benefits of scale as well as integration with merchants and financial institutions become even more relevant. The benefits of scale manifest themselves in many ways, not only in order for operators to reach critical mass and cover fixed overheads but also with the ability to reinvest in technology to improve reliability, security and efficiency in a rapidly evolving industry. PSPs face an increasingly complex and demanding regulatory environment globally that requires providers to continue to invest in compliance and anti-money laundering functions. These functions benefit from scale of investment. Minimizing consumer fraud is a major challenge for both PSPs and merchants. PSPs are thus increasingly using machine learning, data mining and artificial intelligence, among other things, to reduce the risk of fraudulent transactions. An ongoing priority for payments businesses, especially in growth markets, is to continue to invest in integrating with merchants and financial institutions in order to entrench their currently more limited role in the financial ecosystem.

The global payments industry is highly competitive. As online and offline commerce are increasingly converging, the pace of change, innovation and disruption is also increasing. Digital PSPs are expanding their offerings to include financial services (such as providing direct consumer loans), selling credit data to third parties and services that enable offline commerce through technology (through, for example, the use of quick response (QR) codes). Traditional financial service providers are increasingly expanding their digital payment offerings to complement their offline offerings (e.g., by offering “digital wallets” which offer consumers the ability to pay online and/or on mobile devices through a variety of payment methods).

In India, which is a key payments market for us, the shift to digital payments accelerated significantly after the Indian government announced a policy of demonetization in November 2016. As at 2017, 190 million people in India did not have a bank account and less than 10% of the Indian population used credit from the formal sector, according to the World Bank. The Indian digital payment market is expected to increase tenfold from 2017 to 2027. The Indian government’s Digital India program, one of its flagship programs, aims to transform India into a digitally empowered society and knowledge economy. As part of that program, the Indian government is promoting cashless transactions and converting India into a “less-cash society”, through various initiatives, including, recently, the Unified Payments Interface (UPI) and the Bharat Interface for Money (the Indian government’s payments application). These initiatives, however, predominantly cater for the banked population, while, in India, a significant portion of the population remains unbanked. Notwithstanding the Indian market structure, there has been a marked increase in the number of cashless transactions per person which has increased from 6.3 in 2015 to 12.9 in 2019, according to Euromonitor. This compares over the same period to a 2.8 times increase in total number of internet users (from 223 million to 617 million), according to the EIU. Additionally, from 2017 to 2019, user monthly data usage in India increased from 5GB to 14GB, according to a Morgan Stanley research report (*India’s Digital Economy in a Post-Covid-19 World*, May 2020). However, access to credit in India still lags behind other developing countries, such as China. India’s household debt is approximately 11% of its GDP, while China’s household debt is approximately 53% of GDP, according to the International Monetary Fund. Such access to credit is expected to grow rapidly, with the digital lending market in India expected to grow from U.S.$75 billion in 2018 to over U.S.$350 billion in 2023, according to a Boston Consulting Group report, *Digital Lending: A $1 Trillion Opportunity Over the Next 5 Years*.

Food Delivery

Online food delivery has been growing rapidly as a proportion of the total food delivery market but also growing the overall size of the market. Within the food delivery segment, our businesses and investments operate in more than 40 countries reaching 4 billion people, through the iFood, Delivery Hero, and Swiggy platforms.

According to Euromonitor, the online food total addressable market is expected to reach an estimated U.S.$314 billion by 2022 and increased levels of internet penetration are expected to drive the online food market and its share of the global food services market.

In India and Brazil, delivery as percentage of food service is below developed market levels, standing at 4% and 5%, respectively in comparison of 7% and 11% respectively of U.S. and UK in 2019, with even lower levels of online penetration, according to Euromonitor.

In order to address the supply gap in the Indian market and meet consumer demand, the major food delivery platforms in India, including Swiggy and Zomato, have been investing in "delivery-only kitchens".

An increase in online and mobile engagement has been a key driver in our and our investments' food delivery businesses' growth. Food delivery has migrated from a local telephone-based service to an ever more online and mobile offering. Increasing population migration to urban centers in many of our markets and changing overall customer lifestyles with a preference for convenience and growing disposable incomes, present an upside to the markets in which we operate.

We believe our market exposure will help us benefit from the overall growth trends. In particular, in India the average household orders a home-delivered meal value of U.S.$1 per year versus U.S.$217 in the United States and U.S.$278 in the United Kingdom, indicating significant headroom for potential growth. Moreover, average order-value statistics suggest that food delivery in growth markets enjoys better unit economics, as average order values are higher relative to wage costs against the United States or United Kingdom.

Trends in Our Key Regions

We operate in several key growing markets including China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, the Middle East and Africa. In each of these markets, we expect increasing internet penetration, driven by GDP growth, to drive ecommerce. According to the International Monetary Fund, China and India are expected to respectively have the world's largest and second largest economy on a purchasing power parity basis by 2030. China's and India's economies are forecast to grow to U.S.$64.2 trillion and U.S.$46.3 trillion respectively ahead of the United States at U.S.$31.0 trillion by 2030.

Ecommerce composed 5.5% of total retail in the United States and 7.5% in the United Kingdom in 2010, according to Euromonitor. In 2019, ecommerce comprised 15.2% and 18.3%, respectively, of total retail in those markets according to Euromonitor. Many of the countries in which we operate, especially in Central and Eastern Europe and India, currently exhibit low levels of ecommerce penetration, similar to those of the United States and United Kingdom in 2010, and could experience significant growth in the next decade. India, a key market for us, currently has an advertising spend of U.S.$1 per capita, which is below developed market spend of U.S.$138 per capita. In India, we believe that the underlying market drivers represent significant growth potential. We believe that the differential between India and developed markets illustrates the ecommerce growth opportunity.

ADDITIONAL INFORMATION

Regulation

Overview

Our businesses and investments primarily operate in China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, the Middle East and Africa. As a result, we are impacted by the laws and regulations of the various jurisdictions within these markets, including competition and antitrust, foreign investment, labor, data protection and privacy, telecommunications, online content, intellectual property (see "*—Intellectual Property*"), corporate, tax, financial services, anti-money laundering, anti-bribery and anti-corruption and sanctions and export controls.

In particular, privacy-related regulation of the internet is becoming more prevalent across countries and such regulations could interfere with our collection and use of personal information as part of our business operations. For example, the GDPR came into force on May 25, 2018 and imposes new and stricter conditions and limitations on the processing, use and transmission of personal data. Further, other jurisdictions have recently proposed or enacted laws similar to the GDPR, which would impose additional restrictions on our operations, such as the Brazilian Data Protection law, which will come into force in 2020, and the recently proposed Indian Personal Data Protection Bill.

In addition, our Payments and Fintech segment, including PayU and our minority investments in financial services businesses, operate in a highly regulated sector and are subject to a variety of laws, regulations and guidelines in a number of countries, including those governing "know your customer", payment services and lending, money transmission, financial transactions, foreign exchange restrictions, anti-money laundering and counter-terrorist financing, anti-bribery and anti-corruption, trade sanctions and export controls. Our Payments and Fintech businesses operate in many jurisdictions that either currently, or will in the future, implement regulations for payment processing, including regulations in respect of authorization, approval, licensing or permission to carry out business.

Recent Significant Regulatory Developments

There are several legislative and regulatory proposals and other initiatives underway in jurisdictions in which we operate that could materially impact how we conduct our business, including, for example, the Foreign Investment Law in China, various developments in certain Russian legislation, revisions to India's regulations on foreign direct investment in the ecommerce sector and the proposed EU Platform-to-Business Relationships Regulation.

- In China, on March 15, 2019, the National People's Congress of the PRC approved the Foreign Investment Law, which will come into effect on January 1, 2020 and replace the existing laws regulating foreign investment in China, namely, the Sino-Foreign Equity Joint Venture Enterprise Law, the Sino-Foreign Contractual Joint Ventures Law of the PRC and the Wholly Foreign-owned Enterprise Law of the PRC, together with their implementation rules and ancillary regulations. The existing foreign-invested enterprises established prior to the effective date of the Foreign Investment Law may keep their corporate forms within five years from January 1, 2020. The implementing rules of the Foreign Investment Law will be stipulated separately by the Chinese State Council. Pursuant to the Foreign Investment Law, "**foreign investors**" means natural persons, enterprises, or other organizations of a foreign country, "foreign-invested enterprises" ("**FIEs**") means any enterprise established under Chinese law that is wholly or partially owned by foreign investors, and "foreign investment" means any foreign investor's direct or indirect investment in mainland China, including: (i) establishing FIEs in mainland China either individually or jointly with other investors; (ii) acquiring stock shares, stock equity, property shares, or other similar interests in Chinese domestic enterprises; (iii) investing in new projects in mainland China either individually or jointly with other investors; and (iv) making investment through other means provided by laws, administrative regulations, or Chinese State Council provisions. In addition, foreign investors or FIEs are required to file information reports and foreign investment shall be subject to the national security review.

  The investment activities in China by foreign investors are principally governed by the Guidance Catalogue of Industries for Foreign Investment (the "**Catalogue**"), which was promulgated and has been amended from time to time and most recently in June 2017 (with effect from July 28, 2017), by the Chinese Ministry of Commerce (the "**MOFCOM**") and the National Development and Reform Commission of the PRC (the "**NDRC**"). The Catalogue divides industries into three categories: encouraged, restricted and prohibited. Industries not listed in the Catalogue are generally permitted to receive foreign investment unless specifically restricted by other PRC regulations.

Establishment of wholly foreign-owned enterprises is generally permitted in encouraged industries. Some restricted industries are limited to equity or contractual joint ventures, while in some cases Chinese partners are required to hold the majority interests in such joint ventures. In addition, restricted category projects may also be subject to higher-level government approvals. Foreign investors are not allowed to invest in industries in the prohibited category. The Catalogue was amended by the Special Management Measures (Negative List) for the Access of Foreign Investment (2018) (the "**2018 Foreign Investment Negative List**"), which was jointly promulgated by the MOFCOM and the NDRC on June 28, 2018 and became effective on July 28, 2018. Pursuant to the 2018 Foreign Investment Negative List, foreign investment access in the telecommunications services industry shall be limited to areas committed to be liberalized by the Chinese government upon its accession to the World Trade Organization. Specifically, foreign investment access shall not exceed 50% in the industry of value-added telecommunications services (excluding ecommerce). The 2018 Foreign Investment Negative List also provides that foreign investment is prohibited in businesses that operate in internet news information services, online publication services, online audio-visual program services, online cultural businesses (excluding music services) and internet public information release services (services already liberalized by China under its commitments upon accession to the World Trade Organization shall be excluded from the foregoing services).

- In Russia:

  - on January 1, 2019, the Russian law on aggregators of goods and services came into force: (i) introducing obligations on an aggregator of goods and services to disclose certain information on the relevant goods and services being sold as well as on the seller of the goods and the provider of the services; and (ii) determining the liability of such aggregator, seller and provider for causing damages to a buyer of such goods or services by providing false information to the buyer. In June 2018, the Russian Government approved new rules on information storage, providing further details on the obligations imposed on the entities that maintain IT systems and computer software intended or used for transfer and processing of electronic messages of Internet users ("organizers of distribution of information in the Internet") to temporarily store various kinds of information (including text messages of internet users, voice information, images, sounds, video and other messages). On March 29, 2019, new legislation came into force banning media outlets from publishing "fake news" and information showing "disrespect" to government bodies. On May 1, 2019, the Russian President signed the draft law aimed at increasing Russian "sovereignty" over Russia's internet (Runet) (the "**Sovereign Internet Law**"). Most of the changes introduced by the Sovereign Internet Law became effective on November 1, 2019. The Sovereign Internet Law seeks to route Russian web traffic and data through points controlled by state authorities and proposes building a national domain name system to allow the internet to continue functioning even if Russia is cut off from foreign infrastructure. The Sovereign Internet Law also imposes certain obligations on owners of private networks and the organizers of distribution of information in the Internet that have autonomous system numbers (ASN), including, among other things, an obligation to use specific IT systems and software, and an obligation to submit certain information about the autonomous system and its network infructructure to the state authorities.

  - on July 26, 2019, the Russian State Duma introduced a bill concerning 'significant internet resources' ("the **SIR Bill**") which, if enacted, would, among other things, implement a new regulatory framework for the designation of certain websites, webpages, information systems and/or software as SIRs and restrict the ability of foreign shareholders and their affiliates to, individually or collectively, own, manage or control, directly or indirectly, more than 20% of the shares in an entity that owns a SIR. As originally drafted, a foreign shareholder owning, managing or controlling more than 20% of an entity owning a SIR could only exercise its voting rights with respect to the shares not exceeding the 20% threshold. In the event that a SIR is designated as non-compliant with these restrictions, the SIR would be prohibited from advertising the SIR or its services, and using the SIR to advertise services or products on the internet to Russian consumers. In addition, the SIR Bill restricts the transfer of information about Russian users collected through the SIR to foreign legal entities or Russian entities with more than 20% foreign shareholding without the prior approval of a special Governmental Commission. The data could also not be processed by data bases located outside of Russia. The SIR Bill remains in the early stages of the legislative process and is currently under revision. It is unclear when, if ever, the SIR Bill would be passed, and whether the law that is ultimately passed would contain the same provisions as the SIR Bill.

- In India, foreign investors are permitted to invest in a "*marketplace based model of ecommerce*". Foreign investors are, however, not permitted to invest in an "*inventory based model of ecommerce*". On February 1, 2019, India's

regulations on foreign direct investment in the ecommerce sector were amended, among other things, to provide that: (i) an ecommerce entity providing a marketplace may not exercise ownership or control over the inventory; the inventory of a vendor will be deemed to be controlled by the ecommerce entity if more than 25% of its sales are from the ecommerce entity, or its group companies; (ii) an entity that has equity participation in the ecommerce entity or its group companies, or where its inventory is controlled by the ecommerce entity or its group companies, is not permitted to sell products on the marketplace; (iii) ecommerce entities may not directly or indirectly influence the sale price of goods and services and shall "*maintain [a] level playing field"*; services will be required to be provided by the ecommerce entity or other entities in which the ecommerce entity has a direct or indirect equity participation or common control, to vendors on the platform at an "*arm's length and in a fair and non-discriminatory manner*"; and (iv) an ecommerce entity may not require a vendor to sell any products exclusively on its platform.

- In the European Union, the European Commission committed in June 2017, as part of its mid-term review of the Digital Single Market Strategy, to "*prepare actions to address the issues of unfair contractual clauses and trading practices identified in platform-to-business relationships, including by exploring dispute resolution, fair practices criteria and transparency*". The EU Platform-to-Business Relationships Regulation was published in the Official Journal of the EU on July 11, 2019 and will apply from July 12, 2020. Unlike other files of the EU digital agenda, the application of the EU Platform-to-Business Relationships Regulation is unlikely to be affected by the COVID-19 pandemic. The EU Platform-to-Business Relationships Regulation will apply to: (i) "online intermediation services", which: (a) include online ecommerce marketplaces, including collaborative marketplaces on which business users are active, online software applications services, such as application stores, and online social media services, irrespective of the technology used to provide such services; and (b) exclude, among others, online payment services, as well as to (ii) "providers of online search engines". However, the EU Platform-to-Business Relationships Regulation does not cover online advertising (including B2B ad exchanges) or payment services that do not intermediate direct transactions between businesses and consumers. Persons falling within the definitions set forth above will come under the scope of the EU Platform-to-Business Relationships Regulation if they offer their services to business users and corporate website users that have their place of establishment or residence in the EU and through those online intermediation services or online search engines, offer goods or services to consumers located in the EU, irrespective of the place of establishment or residence of the providers of those services and irrespective of the law otherwise applicable. The EU Platform-to-Business Relationships Regulation covers four key elements: transparency, redress, codes of conduct and monitoring. The EU Platform-to-Business Relationships Regulation complements EU competition law, and does not replace it.

  The EU Platform-to-Business Relationships Regulation aims to increase transparency around the terms and conditions applicable to business users, including by requiring online platform intermediaries to: (i) ensure their terms and conditions are drafted in plain and intelligible language and are easily available, and set out, among other things, the grounds for decisions to suspend or terminate or impose any other kind of restriction upon the provision of their online intermediation services; (ii) provide a business user who is subject to delisting or suspension with a statement of reasons for the delisting or suspension prior to, or at the time of, the delisting or suspension; (iii) comply with a notice period of at least 15 days prior to implementing any change to terms and conditions applicable to business users, provided that proportionately longer notice periods should be given where the terms and conditions require business users to make technical or commercial adaptations in order to comply with the change; (iv) set out the main parameters determining search results rankings and an explanation of any possibility for business users to actively influence ranking against remuneration, as well as an explanation of the relative effects thereof; (v) include in their terms and conditions a description of the technical and contractual access, or absence thereof, of business users to any personal data or other data, or both, which business users or consumers provide for the use of the online intermediation services concerned or which are generated through the provision of those services; (vi) describe in their terms and conditions any differentiated treatment which they give, or might give, in relation to goods or services offered to consumers through those online intermediation services by, on the one hand, either that provider itself or any business users which that provider controls and, on the other hand, other business users; and (vii) to the extent providers of online intermediation services restrict the ability of business users to offer the same goods and services to consumers under different conditions through other means than through those services, publish grounds for that restriction in their terms and conditions and make those grounds easily available to the public. Under the EU Platform-to-Business Relationships Regulation, platforms will be required to set up easily accessible, internal complaint handling systems for business users that are free of charge and nominate two or more mediators (with an exemption for small enterprises) with whom they are willing to engage in negotiating out of court settlements. In addition, the EU Platform-to-Business Relationships Regulation confers the right for representative organizations or associations to bring court proceedings before competent national courts in the EU in the nation where the action is

brought, to stop or prohibit any non-compliance by providers of online intermediation services or by providers of online search engines with the relevant requirements laid down in the EU Platform-to-Business Relationships Regulation.

In order to contribute to the proper application of the EU Platform to Business Relationships Regulation, providers of online intermediation services and search engines will be encouraged to draw up codes of conduct together with business users and their representative organizations and associations. The codes of conduct shall also take into account sector-specific features to enable adjustments of the EU Platform to Business Relationships Regulation to specific areas of the platform economy.

Supported by the expert group, the Observatory on the Online Platform Economy, the European Commission is expected to gather relevant information to monitor the impact of the EU Platform-to-Business Relationships Regulation on the relationships between online intermediation services and search engines, with their business users and corporate website users. The EU Platform-to-Business Relationships Regulation provides that the European Commission will carry out a review of the EU Platform-to-Business Relationships Regulation 18 months after its application, which is to occur by January 13, 2022, and every three years thereafter.

- In the European Union, PSD2 aims to cater for emerging and innovative payment services, including internet and mobile payments. It sets out to ensure a more secure environment for payments, in particular for those using remote channels. Member States were required to transpose PSD2 into national law by January 13, 2018. A key element of PSD2 is that it promotes the emergence of new parties, such as Third Party Payment Providers ("**TPPs**"), and requires account servicing payment providers, such as banks, to provide appropriate access and information to these new parties to enable customers to access the new and innovative services TPPs will provide (including the payment initiation service and the account information service). Other elements of PSD2 include increased security for online payment transactions, increased consumer rights when sending monies outside Europe and in non-EU currencies and 15 business day complaint handling timescales for any complaint relating to the rights and obligations covered by PSD2.

  In addition, PSD2 provides for regulatory oversight in Member States of direct or indirect acquisitions or sales of share capital or voting rights in payment institutions (which would include PayU Poland) where these results in certain thresholds of share capital or voting rights of such payment institution being reached or exceeded. In Poland, the Polish Payment Services Act requires an investor to notify the Polish Financial Supervision Authority (the "**Polish FSA**") in advance of its intention to acquire, directly or indirectly, share capital or voting rights in a Polish payment institution if the acquisition would result in the 20%, 30% or 50% threshold of share capital or voting rights in the payment institution being reached or exceeded. The Polish FSA may oppose the intended acquisition, for example, if it is justified by the prudent and sound management of the payment institution, possible detrimental influence of the investor on the payment institution, or due to an investor's financial condition. An acquisition of share capital or voting rights in a payment institution in breach of these provisions would, among other things, prohibit the investor from exercising such voting rights, or require the investor to dispose of such share capital or voting rights.

- In the United States, CFIUS is an interagency committee of the U.S. federal government, chaired by the U.S. Department of the Treasury and comprising eight other voting executive branch agencies. CFIUS is charged with reviewing certain transactions to determine whether they threaten to impair U.S. national security. The Defense Production Act of 1950, as amended (the "**DPA**"), authorizes the President of the United States to prohibit or suspend any transaction subject to CFIUS jurisdiction if the President determines that there is credible evidence that such foreign persons might take action that threatens to impair the national security of the United States, and that other provisions of existing law do not provide adequate authority to protect national security.

  CFIUS's jurisdiction and authorities were recently expanded with the passage of FIRRMA. Under FIRRMA, CFIUS now has the authority to review not only transactions that result in foreign control of U.S. businesses, but also non-controlling investments in certain categories of U.S. business, as well as certain real estate transactions. FIRRMA also introduced mandatory filing requirements for certain transactions involving U.S. businesses that undertake specified activities related to "critical technologies." For these mandatory filings, CFIUS has the authority to impose civil penalties up to the value of the transaction on parties that fail to submit the required filing. We may be deemed a "**foreign person**" under the DPA, and, as a result, certain of our investments in the United States may be subject to CFIUS jurisdiction and mandatory filing requirements. If a particular proposed acquisition or investment in a U.S. business falls within CFIUS's jurisdiction, we may determine that we are required to make a mandatory filing or that

we will submit a voluntary filing to CFIUS regarding the transaction. For transactions subject to CFIUS jurisdiction that are not voluntarily filed, there is no statute of limitations on CFIUS's or the President's authority to act under the DPA. Accordingly, for transactions that are not filed with and cleared by CFIUS, CFIUS has the authority to take action with respect to any transaction subject to its jurisdiction at any point in the future, including, for transactions that have closed, to recommend that the transaction be unwound or that the acquirer divest its interest in the U.S. business.

The Department of the Treasury, as chair of CFIUS, has issued new regulations (the "**FIRRMA Regulations**") implementing its authorities under FIRRMA. The FIRRMA Regulations took effect on February 13, 2020. The FIRRMA Regulations establish a category of so-called "**TID U.S. businesses**" — businesses that are involved in critical technologies, critical infrastructure, and sensitive personal data — that are subject to CFIUS's expanded jurisdiction for non-controlling investments. The FIRRMA Regulations also specify certain transactions involving critical technologies, as well as transactions involving foreign government investments in TID U.S. businesses, that are subject to mandatory filing requirements. The DPA and the FIRRMA Regulations define "**critical technologies**" by reference to other U.S. regulatory authorities, particularly U.S. export control laws. "Critical technologies" also encompass so-called "**emerging and foundational technologies**", which is a category of technologies that is currently the subject of ongoing rulemaking led by the U.S. Department of Commerce. In November 2018, the Commerce Department issued an advanced notice of proposed rulemaking stating that it is considering, among other things, new controls on technologies such as artificial intelligence and machine learning. On January 6, 2020, the Commerce Department published an interim final rule imposing new export controls on certain artificial intelligence technology, particularly with respect to geospatial imagery and navigation applications.

Intellectual Property

We regard our proprietary products, brands, domain names, trade names, copyrights, trademarks, trade secrets, patents, confidential information, business data and similar intellectual property as important components of our businesses. We believe that we have taken appropriate available legal steps to protect our intellectual property. We have trademarks (registered and pending) in jurisdictions where we conduct, or may in the future conduct, business. Some of our major trademarks include Prosus, OLX and PayU. Many top level and country specific internet domain name registrations have also been secured, both for protection of current business operations and for strategic or defensive purposes. We own, or have been assigned or licensed, the rights to several patents and patent applications in various jurisdictions relating to our proprietary technology. There are no patents or licenses, industrial, commercial or financial contracts, or new manufacturing processes that are material to the business or our profitability, taken as a whole. We do not undertake research and development activities that are material to us.

Property, Plant and Equipment

Real Property

In the ordinary course of its business, we lease various office properties for business purposes.

There is a first ranking mortgage over the Warehouse for eMAG's Etail business's land and land lease rights in favor of certain lenders.

Sustainability and Environmental Matters

We recognize that our stakeholders are taking a growing interest in the long-term sustainability of our operations. We take our responsibility seriously and are fully committed to identifying and focusing on our goals under our board-approved Group sustainability plan.

We measure and report on the sustainable value we create across the six capitals set out in the International Integrated Reporting Framework: financial, human, intellectual, manufacturing, social and relationship, and natural capital. We recognize the importance of the six capitals and the United Nations' Sustainable Development Goals ("SDGs"), which address global challenges and aim to achieve a sustainable future for all.

We acknowledge there are critical global risks, notably the risk of climate change and global environmental and social risks. Businesses across the Group have various initiatives underway to minimise their environmental impact. This includes offsetting carbon credits for corporate air travel at a group level in partnership with Greenseat, championing

conscious consumption in Classifieds, reducing carbon emissions and waste at eMAG, reducing single-use packaging and items at iFood through various initiatives and investment in Dott through Ventures which backs green mobility across Europe.

In addition, our facilities and operations are subject to various environmental laws and regulations in the jurisdictions in which we operate. These environmental requirements may include, among other things, certain pollution control measures or limits for solid and hazardous wastes, water discharges and air emissions, and may require businesses whose activities have an impact on the environment to obtain permits regulating those activities. Non-compliance with such control measures and permits may result in criminal or civil penalties, damage claims, an obligation to remediate any environmental damages (including damages to natural resources) and/or an obligation to take reasonable measures to prevent pollution or degradation of the environment from occurring, continuing or recurring.

Material Agreements

Other than the agreements referred to below and the share placing agreement discussed below, there are no agreements (other than agreements entered into in the ordinary course of business) that have been entered into by our company or any of its subsidiaries within the two years immediately preceding the date of this Base Prospectus which are material or which have been entered into by our company or any of our subsidiaries at any other time and which contain provisions under which we or any of our subsidiaries have an obligation or entitlement that is material to us as at the date of this Base Prospectus.

Other than in relation to our share-based incentives and Directors' interests in Shares, the Directors have no material beneficial interests, direct or indirect, in any transactions effected by our company: (i) during the current or immediately preceding fiscal year; or (ii) during an earlier fiscal year which remain, in any respect, outstanding or underperformed.

Share Placing Agreement

On March 23, 2018, MIH TC Holdings Limited ("**MIH TC Holdings**"), a subsidiary of our company, entered into a share placing agreement with Citigroup Global Markets Limited, Merrill Lynch International and Morgan Stanley & Co. International plc (the "**Placing Agents**") in relation to the sale of a number of shares in Tencent to purchasers procured by the Placing Agents (using their best efforts), as agent for MIH TC Holdings. In the share placing agreement, MIH TC Holdings and the Placing Agents made certain representations and warranties and gave certain undertakings that are customary for a transaction of that nature.

The Revolving Credit Facility

General

On April 10, 2018, we entered into a five-year revolving credit facility with a group of lenders which provides, among other things, for up to U.S.$2.5 billion of borrowing availability in U.S. dollars, or the U.S. dollar equivalent of any other currency which is readily available and freely convertible into U.S. dollars and has been approved by the lenders. The Revolving Credit Facility is governed by English law. The Revolving Credit Facility had an initial maturity date of April 13, 2023; however, in March 2020, the Group exercised the second of two available extension options under the Revolving Credit Facility, pursuant to which all of the lenders under the facility agreed to extend the maturity date of their portion of the Revolving Credit Facility to April 14, 2025.

Borrower and Guarantors

The obligations of the Company, as Borrower under the Revolving Credit Facility were previously guaranteed by Naspers. Effective April 2, 2020, the Company and the lenders under the Revolving Credit Facility agreed to amend the Revolving Credit Facility to remove Naspers as guarantor.

Interest Rates and Fees

The annual interest rate on borrowings under the Revolving Credit Facility is calculated based on EURIBOR for borrowings in Euro, or, in every other case, LIBOR, plus a margin of 1.25% per annum, plus certain mandatory costs. Interest on borrowings is payable on the last day of the borrowings' respective interest periods, or every six months for borrowings with an interest period exceeding six months. The borrower is also obligated to pay a commitment fee equal

to 35% of the applicable margin per annum on the Lenders' undrawn commitments and a utilization fee ranging between 0.125% and 0.5% depending on the balance drawn under the Revolving Credit Facility.

Financial Covenants

Availability of amounts under the Revolving Credit Facility is subject to compliance with financial covenants. The covenants require that (the calculation of such metrics is as defined in the Revolving Credit Facility): the ratio of Adjusted Consolidated EBITDA to Consolidated Net Finance Costs for the Group should not be less than a specified ratio of 4.5:1(the "**Interest Coverage Ratio**"); and the ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA for the Group should not be greater than a specified ratio of 2.75:1 (the "**Leverage Ratio**"). Prior to March 31, 2020, the "**Group**" for purposes of financial covenant measurements under the Revolving Credit Facility referred to Naspers and us as a subsidiary of Naspers. On and after March 31, 2020, the "**Group**" refers to us and our subsidiaries.

"**Adjusted Consolidated EBITDA**" is defined as the consolidated EBITDA of the Group, plus or minus the Group's share of profits or losses of associates and joint ventures for that period, adjusted, among others: (i) for gains or losses on restructuring of activities, disposals of non-current assets, or assets associated with discontinued operations; (ii) to include EBITDA for the full measurement period of entities acquired during the measurement period; (iii) to exclude EBITDA from the full measurement period of entities disposed of during the measurement period; (iv) to include charges attributable to leases to which the Group is a party to; and (v) to exclude unrealized gains and losses on any derivative instruments reported through the income statement, equity settled and share-based compensation.

"**Net Finance Cost**" is defined as the Group's net consolidated interest income and expenses excluding finance cost incurred related to leases, amortization of fees/costs in connection with raising of financial indebtedness, and any capitalized and non-cash finance costs during the relevant measurement period.

"**Consolidated Total Net Borrowings**" is defined as the Group's total consolidated borrowings less total consolidated cash and cash equivalents, including short-term investments (which represent term deposits placed with financial counterparties with an initial investment period of less than 12 months).

As of March 31, 2020, the Group was in compliance with the financial covenants under the Revolving Credit Facility. The Interest Coverage Ratio and the Leverage Ratio were not applicable to the Group during the measurement period ended March 31, 2020 as the Group's interest income exceeded its interest cost and its consolidated cash and cash equivalents exceeded its consolidated borrowings.

Change of Control

The commitments of the lenders under the Revolving Credit Facility may be cancelled and all outstanding loans, together with accrued interest and all other amounts accrued, may be declared immediately due and payable in case any person or group of persons acting in concert (other than Naspers Beleggings (RF) Limited and Keeromstraat 30 Beleggings (RF) Limited) gains control of the Group.

Undertakings

The Revolving Credit Facility contains, among others, customary affirmative and negative covenants. Subject in each case to certain customary exceptions and materiality thresholds, these negative covenants and restrictions include, among others, restrictions on: the granting of security, a substantial change of the general nature of the business of the Group taken as a whole, merger or demerger of us or Naspers and certain acquisitions of business which are not complementary with or related to any of our businesses. The Revolving Credit Facility also contains, among others, the following affirmative covenants: mandatory periodic reporting of financial information, notice upon the occurrence of events of default and certain other events, compliance with laws and the maintenance of certain insurance coverage. The borrower and guarantors must also ensure that their payment obligations under the facilities at all times rank at least *pari passu* with all their other present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

Events of Default

The Revolving Credit Facility contains customary events of default, such as failure to make payment of amounts due, defaults under other agreements evidencing indebtedness, failure to meet the financial covenants, certain events

having a material adverse effect on the ability of the obligors to perform their payment obligations, any material misrepresentation in the financial statements of the Borrower and the occurrence of certain bankruptcy events. The occurrence of an event of default could result in the acceleration of payment obligations under the facilities.

The 2025 Notes

We issued the 5.500% 2025 Notes (the "**2025 Notes**") in an aggregate principal amount of U.S.$1.2 billion for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated July 21, 2015 (the "**2025 Fiscal and Paying Agency Agreement**"), among us as issuer, Naspers as the parent guarantor and Citibank, N.A., London Branch as Fiscal and Paying Agent, paying agent and transfer agent. The 2025 Notes were issued at a price of 99.962%. Interest on the 2025 Notes is payable semi-annually on January 21 and July 21 of each year. The 2025 Notes will mature on July 21, 2025.

The 2025 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit our ability to incur liens and consolidate, merge or sell all or substantially all of our assets. These covenants are subject to certain exceptions and qualifications. The 2025 Fiscal and Paying Agency Agreement contains customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, occurrence of certain bankruptcy and insolvency events and failure to pay certain judgments. Generally, an event of default under the 2025 Fiscal and Paying Agency Agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2025 Notes to accelerate the amounts due under the 2025 Notes.

The 2027 Notes

We issued the 4.850% 2027 Notes (the "**2027 Notes**") in an aggregate principal amount of U.S.$1.0 billion for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated July 6, 2017 (the "**2027 Fiscal and Paying Agency Agreement**"), among us as issuer, Naspers as the parent guarantor and Citibank, N.A., London Branch as Fiscal and Paying Agent, paying agent and transfer agent. The 2027 Notes were issued at a price of 100%. Interest on the 2027 Notes is payable semi-annually on January 6 and July 6 of each year. The 2027 Notes will mature on July 6, 2027.

The 2027 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit our ability to incur liens and consolidate, merge or sell all or substantially all of our assets. These covenants are subject to certain exceptions and qualifications. The 2027 Fiscal and Paying Agency Agreement contains customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, occurrence of certain bankruptcy and insolvency events and failure to pay certain judgments. Generally, an event of default under the fiscal and paying agency agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2027 Notes to accelerate the amounts due under the 2027 Notes.

The 2030 Notes

We issued the 3.680% 2030 Notes (the "**2030 Notes**") in an aggregate principal amount of U.S.$1.25 billion for the redemption of the U.S.$1.0 billion 6.000% Notes due 2020 and otherwise for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated December 2, 2019 (the "**2030 Fiscal and Paying Agency Agreement**"), among us as issuer, and Citibank, N.A., London Branch as Fiscal and Paying Agent, transfer agent and registrar. The 2030 Notes were issued at a price of 100%. Interest on the 2030 Notes is payable semi-annually on January 21 and July 21 of each year. The 2030 Notes will mature on January 21, 2030.

The 2030 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit our ability to incur liens and consolidate, merge or sell all or substantially all of our assets. These covenants are subject to certain exceptions and qualifications. The 2030 Fiscal and Paying Agency Agreement contains customary events of default, including failure to make required payments, failure to comply with certain agreements or covenants, failure to pay or acceleration of certain other indebtedness, occurrence of certain bankruptcy and insolvency events and failure to pay certain judgments. Generally, an event of default under the fiscal and paying agency agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2030 Notes to accelerate the amounts due under the 2030 Notes.

Legal and Arbitration Proceedings

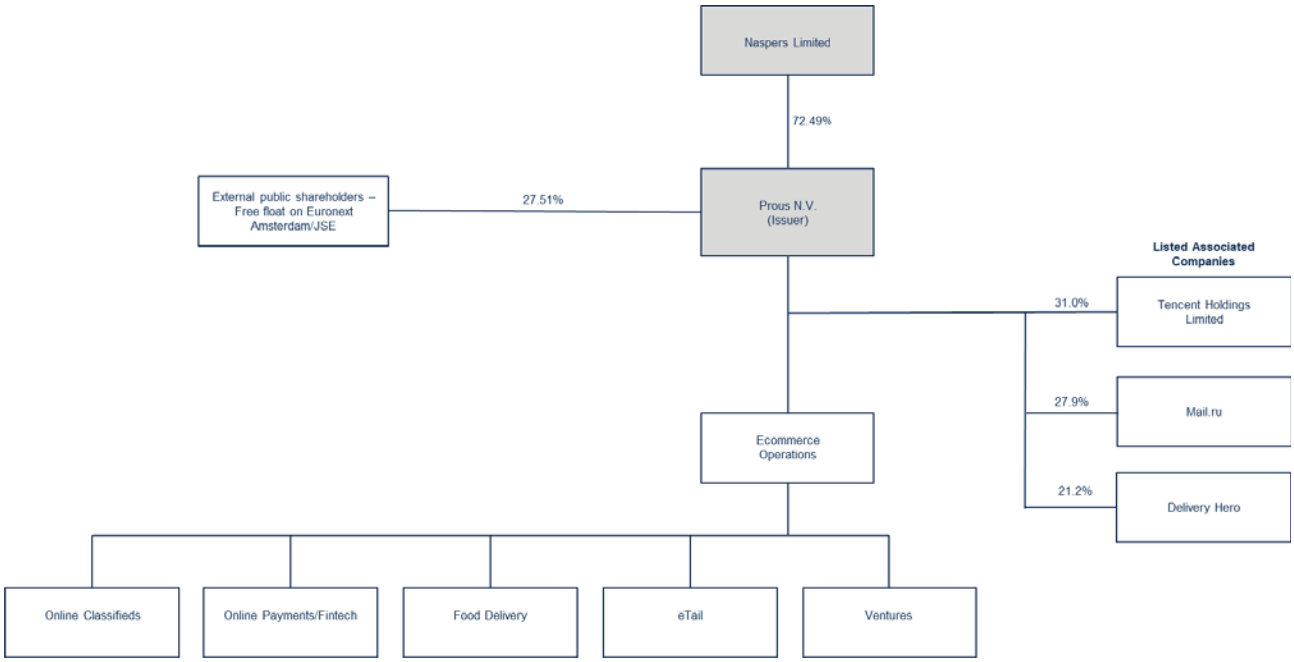
At any given time, we may be a party to litigation or be subject to non-litigated claims arising out of the normal operations of its business. As at the date of this Base Prospectus, we are involved in a number of proceedings and settlement negotiations, all of which are in the ordinary course of business and none of which are considered material in the context of our business, financial condition or results of operations.

Neither we nor any of our group companies are, or during the 12 months preceding the date of this Base Prospectus have been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) that may have, or have had in the recent past, significant effects on our and/or our group's financial position or profitability.

Group Structure

We are a holding company with no material, direct business operations. The principal assets of our company are the equity interests we directly hold in our subsidiaries, associated companies and joint ventures. As a result, we are dependent on dividends and other payments from our subsidiaries, associated companies and joint ventures to generate the funds necessary to meet our financial obligations, including the future payment of dividends, if any. We are part of the Group.

The diagram below depicts, in simplified form, the legal structure of our company and certain of our significant subsidiaries, associated companies and joint ventures as at the date of this Base Prospectus. Various intermediate holding companies have been omitted for presentation purposes.



Principal Investments

Our principal investments in FY 2020, FY 2019 and FY 2018 are set out in "*Description of Prosus N.V.—History—Selected Significant Corporate Events*". As at the date of this Base Prospectus, we do not have any principal investments that are in progress and our Board has not made firm commitments for any principal future investments.

Tencent Structure Contracts

Our investment in Tencent is subject to Chinese regulations which restrict foreign ownership of companies that provide value-added telecommunications services and other related services in China. See "*Risk Factors—Risks Relating to Our Business—The relative success of Tencent's operations and the market price of Tencent's shares will have a material impact on our results of operations on an economic-interest basis and our financial condition*".

As foreign-invested enterprises, Tencent and its wholly foreign-owned enterprises (the "**WFOEs**") do not have licenses to provide internet content or information services and other value-added telecommunications services. Accordingly, Tencent conducts its value-added telecommunications businesses mainly through the Structure Contracts entered into with certain OpCos, which are licensed to provide internet information services and other value-added telecommunications services and operate those services. As a result of the Structure Contracts, Tencent is able to effectively control, and recognize and receive substantially all the economic benefit of the business and operations of the OpCos. In summary, the Structure Contracts provide Tencent through the WFOEs with, among other things:

- the right to receive the cash received by the OpCos from their operations which is surplus to their requirements, having regard to their forecast working capital needs, capital expenditure and other short-term anticipated expenditure through various commercial arrangements;

- the right to ensure that the WFOEs own the valuable assets of the business through the assignment to the WFOEs of the principal present and future intellectual property rights of the OpCos without making any payment; and

- the right to control the management and financial and operating policies of the OpCos.

The Structure Contracts establish a cooperation committee (the "**Cooperation Committee**") for each of the OpCos to oversee its business and operations. The Cooperation Committees advise, supervise and effectively control the businesses of the OpCos. Through the Cooperation Committees, the WFOEs advise, supervise and effectively control the business of the OpCos. Under the Structure Contracts, the Cooperation Committees adopt internal governance mechanisms for payments, expenditure and expenditure-related contracts, which are required to be consistent throughout the Tencent group and can be amended only by the board of directors of Tencent, and any such amendment applies to all members of the Tencent group.

The Structure Contracts also effectively transfer from the OpCos to the WFOEs all of the cash that is surplus to the requirements of the OpCos, primarily in the form of fees paid for the WFOEs' provision of certain technology and information services to the OpCos under the Structure Contracts. The Cooperation Committee determines and adjusts periodically the fees to be paid by the OpCos to the WFOEs to ensure that all such surplus cash of the OpCos is transferred to the WFOEs.

These arrangements, taken as a whole, permit the results and financial condition of the OpCos to be consolidated with Tencent as if they were subsidiaries of Tencent and that the economic benefit of their businesses flows to Tencent and the WFOEs.

Major Shareholders

Our share capital comprises A Ordinary Shares and N Ordinary Shares. The A Ordinary Shares comprise of A1 Ordinary Shares and A2 Ordinary Shares. As of the date of this Base Prospectus, Naspers holds 1,180,250,012 N Ordinary Shares and 50 shareholders (including Nasbel, Keerom and Wheatfields 221 Proprietary Limited ("**Wheatfields**")) hold 3,511,818 A1 Ordinary Shares. Nasbel holds 49.15% of the A Ordinary Shares, Keerom holds 30.80% of the A Ordinary Shares and Wheatfields holds 18.73% of the A Ordinary Shares. On January 22, 2020, Naspers sold approximately 22 million N Ordinary Shares through an accelerated bookbuild offering to institutional investors.

The A Ordinary Shares are not admitted to listing and trading on any stock exchange and carry one vote per share. However, if Naspers makes, or is obliged to make, a filing with the AFM that it ceases to be entitled to exercise at least 50% plus one vote of the total number of voting rights that may be exercised at a General Meeting, the A1 Ordinary Shares, carrying one vote per share, would automatically convert to A2 Ordinary Shares, carrying 1,000 votes per share (the "**Protection Structure**").

Even if the Protection Structure became effective, we remain subject to corporate governance rules in the Netherlands and South Africa, including Book 2 of the Dutch Civil Code (the "**Dutch Corporate Governance Code**") and the King Report on Corporate Governance of South Africa (the "**South African King Code**").

The Dutch Corporate Governance Code applies to us as we have our registered office in the Netherlands and our N Ordinary Shares are listed on Euronext Amsterdam. The Dutch Corporate Governance Code is based on a "comply or explain" principle. Accordingly, companies are required to disclose in their management report whether or not they are

complying with the various best practice principles of the Dutch Corporate Governance Code that are addressed to the management board (*bestuur*) or, if applicable, the supervisory board (*raad van commissarissen*) of the company. If a company deviates from a best practice principle in the Dutch Corporate Governance Code, the reason for such deviation must be properly explained in its management report. As of the date of this Base Prospectus, we do not comply with best practice provisions 1.3.1, 1.3.2, 2.1.9, 5.1.3, 2.2.1, 2.2.2 and 4.1.3.

Related Party Transactions

In the course of its ordinary business activities, our members regularly enter into agreements with other companies within the Naspers Group. These agreements mainly relate to the rendering of intra-group services, such as the provision of support services, in among others, the areas of artificial intelligence and machine learning, mobile, accounting, internal audit and risk, legal, mergers and acquisitions, company secretarial, data privacy, share scheme administration, human resources, tax, information technology, communications, software and treasury. We believe that all transactions with subsidiaries, associated companies and joint ventures are negotiated and executed on an arm's length basis and that the terms of these transactions are comparable to those contracted with unrelated third-party suppliers and service providers.

We participate in a number of transactions with other related parties, associated companies, joint ventures, directors, members of Senior Management and shareholders. See note 15 of the Annual Combined Carve-out Financial Statements (*Related Party Transactions and Balances*) and note 17 of the Annual Consolidated Financial Statements (*Related Party Transactions and Balances*). Certain of these transactions are described below and do not include those that are eliminated on consolidation or profits and losses eliminated through the application of the equity method.

Senior Management Remuneration

Management compensation must be disclosed as a related party transaction under IFRS. Accordingly, this has been disclosed as a related party transaction in note 17 of the Annual Consolidated Financial Statements (*Related Party Transactions and Balances*).

Share Schemes

All executive Directors and other members of Senior Management participate in the Naspers Group's share incentive schemes and also receive other annual remuneration for their services. Other than as set out above and as discussed in the notes to our Annual Consolidated Financial Statements, we have not entered into related party transactions during FY 2020, FY 2019 and FY 2018 and up to the date of this Base Prospectus.

Directors and Senior Management

Directors

The following table sets forth certain information concerning the Directors of the Issuer:

Name	Committee(s)	Age	Term ends / expires	Position
Bekker, Jacobus Petrus (Koos)	(b), (c), (d*)	67	2022	Non-independent non-executive Chair
Van Dijk, Bob	(d), (e), (f)	47	—	Chief Executive Officer and Executive Director
Sgourdos, Vasileios (Basil)	(d), (e)	50	—	Financial Director and Executive Director
Choi, Emilie Monica	(b), (e)	41	2020	Independent non-executive Director[(g)]
Du Toit, Hendrik Jacobus	(c)	58	2021	Independent non-executive Director and Lead Independent Director[(g)]
Enenstein, Craig Lawrence	(b*), (c)	51	2021	Independent non-executive Director[(g)]
Eriksson, Donald Gordon (Don)	(a*), (e*), (f*)	75	2020	Independent non-executive Director[(g)]
Girotra, Manisha	(a)	50	2022	Independent non-executive Director[(g)]

Jafta, Rachel Catharina Cornelia.....	(a), (c*), (d), (e), (f)	59	2020	Independent non-executive Director[(g)]
Letele, Francis Lehlohonolo Napo (Nolo).....	(f)	70	2021	Independent non-executive Director[(g)]
Meyer, Debra	(f)	53	2022	Independent non-executive Director[(g)]
Oliveira de Lima, Roberto	(b), (c)	69	2021	Independent non-executive Director[(g)]
Pacak, Stephan Joseph Zbigniew (Steve).....	(d), (e)	65	2022	Independent non-executive Director[(g)]
Sorour, Mark Remon.....	(d)	58	2020	Non-independent non-executive Director
Stofberg, Jacobus Du Toit (Cobus).....	(f)	69	2022	Independent non-executive Director[(g)]
Van der Ross, Benedict James (Ben).....	(f)	73	2022	Independent non-executive Director[(g)]

(a) Audit Committee (* indicates the chair of the committee)

(b) Human Resources and Remuneration Committee (* indicates the chair of the committee)

(c) Nomination Committee (* indicates the chair of the committee)

(d) Project Committee (* indicates the chair of the committee)

(e) Risk Committee (* indicates the chair of the committee)

(f) Naspers Social and Ethics Committee (* indicates the chair of the committee)

(g) The Director is an independent non-executive Director for the purposes of the Dutch Corporate Governance Code, as amended. As required, the Company assesses the independence of the non-executive directors on an ongoing basis considering all the relevant facts (including whether or not the Protection Structure has been activated). Based on its assessment, the Company considers this non-executive director to be independent for purposes of the Dutch Corporate Governance Code. A director's independence for purposes of the Dutch Corporate Governance Code may not necessarily correspond with their independence for purposes of the South African King Code, which provides different criteria for determining independence.

On April 29, 2020, the Company announced the nomination of Ms. Xu Ying (56) for appointment as a non-executive Director of the Company at the next annual general meeting. It is expected that she will be an independent non-executive Director for the purposes of the Dutch Corporate Governance Code and the South African King Code. As at the date of this Base Prospectus, Ms. Ying is not a Director of the Company.

Biographies

Koos Bekker is the non-executive Chair of the Board. He led the founding team of the M-Net/MultiChoice pay-television business in 1985. He was also a founder of MTN Group Limited, a South Africa-based multinational mobile telecommunications company. He headed the Group in its international and internet expansion until 1997, when he became Chief Executive Officer of Naspers. He retired as the Chief Executive Officer of Naspers on March 31, 2014. On April 17, 2015, he succeeded Theunissen Vosloo as Chair of the Naspers Board. He holds a BA (Hons) and honorary doctorate in commerce from Stellenbosch University, an LLB from the University of the Witwatersrand and an MBA from Columbia University.

Bob van Dijk is our Chief Executive Officer and an executive Director. He was appointed as Chief Executive Officer of Naspers in April 2014. He joined the Group as Allegro Group Chief Financial Officer in August 2013 and was promoted to Chief Executive Officer Global Transactions Ecommerce in October 2013. He has over 15 years of general management experience in online growth businesses globally, spanning the online marketplaces, online classifieds and fashion segments. Prior to his general management career, he was a founder of an online financial derivatives marketplace. Bob was appointed to the board of Booking Holdings Inc. at the company's annual general meeting in June 2020. He started his career at McKinsey & Company, focusing on mergers and acquisitions, and media. He holds an MBA (Hons) from INSEAD and an MSc (cum laude) in econometrics from Erasmus University Rotterdam.

Basil Sgourdos is our Financial Director and an executive Director. He was appointed as the Financial Director of Naspers in July 2014. He worked for PricewaterhouseCoopers Inc. from 1989 to 1994. Thereafter he joined Naspers, initially as the finance manager of the South African operations division in MultiChoice and then as Chief Financial Officer of Naspers's investment in United Broadcasting Corporation plc, listed on the Stock Exchange of Thailand, where

he remained for 10 years. He then spent two years in Amsterdam as the general manager of Video-Entertainment business development globally before being appointed as Financial Director of MIH Holdings Proprietary Limited ("**MIH Holdings**") in January 2009. He held this position until he became the Financial Director of Naspers. He is a qualified South African chartered accountant and holds a BCom from the University of the Witwatersrand and BAcc (Hons) from the University of South Africa.

Emilie Choi is a non-executive Director. She serves as chief operating officer at Coinbase, Inc. ("**Coinbase**"), the world's largest regulated cryptocurrency exchange. She oversees operations in seven countries, across three continents. Prior to Coinbase, she spent more than eight years at LinkedIn Corporation as the Vice President of Corporate Development, and led all M&A deals in the company's history, including its biggest deal, Lynda, as well as leading a number of joint ventures in China. She has also worked in corporate development and strategy roles at Warner Bros. Entertainment Inc. and Yahoo, Inc. She is also on the board of directors of ZipRecruiter, Inc., a marketplace for jobseekers and employers. She holds an MBA from the Wharton School of the University of Pennsylvania as well as a BA in Economics from the Johns Hopkins University.

Hendrik du Toit is a non-executive Director and our lead independent Director. He is Chief Executive Officer of Ninety One (previously Investec Asset Management). He entered the asset management industry in 1988 and joined the Investec Group in 1991 as founding member of Investec Asset Management and remained chief executive officer until he assumed the role of joint chief executive officer of the Investec Group on October 1, 2018 until the demerger and listing of Ninety One. In 2019, Hendrik joined the Advisory Boards of the UN Business and Human Security Initiative and the Impact Investing Institute. Previously, Hendrik served as a Non-Executive Director of the Industrial Development Corporation of South Africa. He has also served on the Advisory Board of the Sustainable Development Solutions Network, the Expert Board of HM Treasury's Belt and Road Initiative and as Commissioner of the Business and Sustainable Development Commission which authored the report "Better Business Better World" in 2017. He holds an MPhil in economics and politics of development from Cambridge University, as well as a MCom in economics and international finance (cum laude), BCom (Hons) in economics (cum laude) and a BCom in law from Stellenbosch University.

Craig Enenstein is a non-executive Director. He is also the Chief Executive Officer of Corridor Capital, LLC, an operationally intensive private equity firm focused on the lower middle market. Corridor Capital, LLC is based in Los Angeles and was founded by him in 2005. He holds an MBA in Finance from the Wharton School of Business of the University of Pennsylvania, an MA in International Studies from the Lauder Institute: University of Pennsylvania and a BA from the University of California, Berkeley.

Don Eriksson is a non-executive Director. He is the Chair of Oakleaf Insurance Company Limited and Renasa Insurance Company Limited. On June 11, 2020, he retired from the board of MultiChoice Group and other MultiChoice companies. He served on the council of the Institute of Directors of South Africa (IoDSA) for a number of years, of which he is an honorary life member, and as a trustee to the Discovery Health Medical Scheme. He was a partner at Coopers & Lybrand (now PricewaterhouseCoopers Inc.) and an executive director of the Commercial Union group of companies (CGU Insurance Company (SA) Limited, Commercial Union Life Insurance Company Limited and Sentrasure Limited). He is a qualified South African chartered accountant and holds a Certificate in the Theory of Accountancy from the University of the Witwatersrand.

Manisha Girotra is a non-executive Director. She is the Chief Executive Officer of Moelis India. She has more than 25 years of investment banking experience, with cross-border mergers and acquisitions expertise across a broad range of industries. Prior to joining Moelis & Company, she was the Chief Executive Officer and Country Head of UBS AG in India managing its investment bank, commercial bank, markets, equity research and wealth management divisions. Previously, she was Head: North India of Barclays Bank PLC. She began her investment banking career at ANZ Grindlays in London. She serves on the boards of directors of Ashok Leyland Limited and Jio Payments Bank Limited. She holds a BA (Hons) in Economics from St. Stephen's College, India and a Masters in Economics from the Delhi School of Economics, India.

Rachel Jafta is a non-executive Director. She is a professor in economics at Stellenbosch University. She joined Naspers as a director in 2003 and was appointed a director of Media24 in 2007. She is a member of the South African Economic Society, Chair of the Cape Town Carnival Trust and a member of the Management Committee of the Bureau for Economic Research at Stellenbosch University and a member of the International Advisory Board of Fondação Dom Cabral Business School, Brazil. She was appointed as the Chair of the Media24 board of directors in April 2013. She is

the Chair of the Media24 nomination committee. She is also a director of Nasbel. She holds a MEcon and a PhD from the University of Stellenbosch.

Nolo Letele is a 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 West African regional general manager. In 1999, he was appointed Chief Executive Officer of MultiChoice South Africa Holdings Proprietary Limited ("**MultiChoice SA**"), and later served as the MultiChoice Group Chief Executive Officer until 2010, when he was appointed executive Chair of MultiChoice SA (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 BSc (Hons) in electronic engineering from the University of Southampton.

Debra Meyer is a non-executive Director. She is a professor of biochemistry and Executive Dean of the Faculty of Science at the University of Johannesburg. She has completed modules in media strategy and academic leadership at Harvard University and the Gordon Institute of Business Science, University of Pretoria and makes regular contributions to several newspapers and magazines. She serves as a trustee or board member for several organizations. She is also a director of Nasbel. She holds a BSc in Biological Sciences, a BSc (Hons) and a MSc in biochemistry from the University of Johannesburg (then, the Rand Afrikaans University) and a PhD in biochemistry and molecular biology from the University of California, Davis (which she attended as a Fulbright Scholar).

Roberto Oliveira de Lima is a non-executive Director. He developed his career at companies like Accor S.A., Rhone Poulenc S.A. (now part of Sanofi S.A.) and Compagnie de Saint-Gobain S.A. in the information technology and finance areas. He was Chair and Chief Executive Officer of Credicard Group, Chief Executive Officer of Vivo S.A., the largest mobile telecommunications company in Brazil, Chair of Publicis Brazil and President of Natura S.A. ("**Natura**"). He was previously a board member of Edenred S.A. in France, Pão de Açúcar S.A. (Casino) and Natura in Brazil. He is a member of the board of directors of RNI Negócios Imobiliários S.A. In April 2019, he left the board of directors of Telefônica Brasil S.A. after 14 years with that company, having served six of those years as President and Chief Executive Officer and eight years as a board member as well as quality and services committee member. He holds a BA and MA in Business Management from Fundação Getúlio Vargas in Brazil and an MA from Institut Superieur des Affaires at Jouy en Josas—France.

Steve Pacak is a non-executive Director. He began his career with Naspers at M-Net in 1988 and has held various executive positions in the Naspers Group. He is a director of MultiChoice Group Limited as well as companies in the Naspers Group. He was appointed as an executive director of Naspers in 1998 and a non-executive director on the Naspers Board on January 15, 2015. He retired as Naspers's Financial Director on June 30, 2014, and remained on the Naspers Board as a non-executive director. He is a qualified South African chartered accountant and holds a BAcc from the University of the Witwatersrand.

Mark Sorour is a non-executive Director. He joined the Naspers Group in 1994, leading business development and corporate finance, globally. Following assignments in Hong Kong and Amsterdam, he returned to Cape Town in 2002 as the Naspers Group's Chief Investment Officer, being responsible for all global investment activities. On March 31, 2018, he retired after more than 20 years with the Naspers Group. He remained on the Naspers Board as a non-executive director. He is a qualified South African chartered accountant and holds a BCom and Dip Acc from the University of KwaZulu-Natal.

Cobus Stofberg is a non-executive Director. He was a member of the founding team of the M-Net/MultiChoice pay-television business in 1985. He served as Chief Executive Officer of the Group from 1997 to 2011, and has been instrumental in the expansion of the Naspers Group. Prior to joining M-Net, he was a partner of Coopers & Lybrand (now PricewaterhouseCoopers Inc.). He is a qualified South African chartered accountant and holds a BCom (Law) and LLB from Stellenbosch University and a BCompt (Hons) from the University of South Africa.

Ben van der Ross is a non-executive Director. He was Chair of Strategic Real Estate Management Proprietary Limited, the managers of the Emira Property Fund. He served on the boards of directors of, among others, Distell Limited, FirstRand Limited, Lewis Group Limited, Pick n Pay Holdings Limited and MMI Holdings Limited. He is also a director of Nasbel. He is an attorney of the High Court of South Africa and holds a Diploma in Law from the University of Cape Town.

Xu Ying has been nominated for appointment as a non-executive Director of the Company at the next annual general meeting. With effect from 26 June 2020, it is expected that she will be appointed as a non-executive director of Naspers. She is currently the president of Wumei Technology Group ("Wumei", or "Wumart"), a technology-driven retailer in China. Deeply engaged in the retail business for 15 years, she has strong insight and knowledge of China consumers, especially in retail, online and offline. Prior to joining Wumei, she was Vice President of LG (a joint venture) at Tianjin International Trust & Investment. She holds a B.S degree in English from Tianjin University, China, and an M.B.A. from Meinders School of Business, Oklahoma City University, United States.

Senior Management

The executive Directors of the Board comprise our Senior Management together with the following non-statutory members:

Name	Age	Position
Illg, Larry	49	Chief Executive Officer Food and Ventures
Kolek, Patrick (Pat)	49	Chief Operating Officer
Le Moal, Laurent	49	Chief Executive Officer PayU
O'Toole, Aileen	46	Chief People Officer
Scheepbouwer, John Martin (Martin)	46	Chief Executive Officer Classifieds
Searle, Charles St Leger (Charles)	59	Chief Executive Officer Internet Listed Assets
Tudor, David Glyndwr (David)	54	Group General Counsel

Larry Illg is the Chief Executive Officer of Food and Ventures of us and Naspers. He has over 20 years of professional experience and over a decade with leading, global internet companies. Most recently, he was Vice President and General Manager of New Ventures at Trulia, LLC, a U.S. online real estate marketplace. Previously, he spent eight years as senior executive at eBay Inc. ("**eBay**"), responsible for strategy and general management of many of its global marketplaces and classifieds assets. Before joining eBay, he spent several years as strategy adviser for leading, global consumer goods companies. He started his career at the U.S. Federal Reserve Board. He holds a bachelor's degree in economics and an MBA, both from the University of California, Berkeley.

Pat Kolek is the Chief Operating Officer of us and Naspers. He joined Naspers in 2014 as Chief Financial Officer: Ecommerce and was appointed Chief Operating Officer of Naspers in July 2016. As Chief Operating Officer, he is focused on aligning group strategy with our objectives, leading core business activities and strategic initiatives such as large acquisitions and divestitures. He has more than 20 years' experience in executing business growth and development strategies for hyper-growth organizations. Prior to Naspers, he spent 10 years at eBay, most recently as Vice President and Chief Financial Officer of eBay International and previously as the Chief Operating Officer of eBay Classifieds. He is a certified public accountant and holds a bachelor's degree in commerce from Santa Clara University.

Laurent Le Moal is the Chief Executive Officer of PayU. He was appointed Chief Executive Officer of PayU in January 2016. He is responsible for global operations and brings extensive knowledge of digital payments and high-growth markets to PayU. He concluded an 11-year career at PayPal as Vice President and General Manager for Continental Europe, where he successfully led the launch of new markets for PayPal in Africa, Israel, the Middle East and Russia. He started his career as a business analyst at McKinsey & Company in Milan, before founding TalentManager in 1999, a leading recruitment software provider present across Southern Europe, which was subsequently sold. He holds an MBA from the London Business School, a Masters in International Management from the HEC Business School in Paris and a CEMS Masters International Management from Bocconi University in Milan.

Aileen O'Toole is our Chief People Officer. She joined Naspers in May 2014. She has more than two decades of human resources leadership experience in fast-growing high-tech and consumer internet companies. Prior to Naspers, she spent 10 years with eBay where she led human resources for eBay Europe and eBay Global Classifieds. During her tenure there, she also worked with businesses in the online payments, online comparison-shopping and etail sectors. Prior to eBay, she led human resources for Europe at Jabil Global Services and started her career at the Telenor group. She holds a BA (Hons) in History and Politics, and an MBS in Strategic Management & Planning, both from the University College Dublin.

Martin Scheepbouwer is the Chief Executive Officer Classifieds of us and Naspers. He is responsible for the Classifieds operations at Naspers, with key brands such as OLX, Avito and letgo. In the seven years prior to joining Naspers, he had a variety of senior roles at eBay and then at Schibsted. During his 14-year tenure in the industry, he has

accumulated extensive experience in all relevant business aspects, such as strategy, finance, product management, operations and sales. He has worked in all life-cycle phases, from starting a greenfield operation to managing a mature internet company with a large staff and financials. Moreover, he has decided to broaden his professional impact by publishing in six languages some of his thoughts on best-in-class problem-solving with Thinking Backwards. He holds an MSc in engineering from Delft University, an MBA from INSEAD and has seven years of consulting experience with McKinsey & Company.

Charles Searle is the Chief Executive Officer Internet Listed Assets of us and Naspers. He joined the Naspers Group in 1998. He is responsible for the Group's listed internet assets, including Tencent and Mail.ru Group. He was also involved in the Group's mergers and acquisitions activities, where he previously held the position of Internet Chief Investment Officer. Prior to joining Naspers, he held senior corporate finance and mergers and acquisitions positions at Cable & Wireless plc, Hong Kong Telecom and Deloitte Touche Tohmatsu Limited. He is a member of the Institute of Chartered Accountants in Australia and New Zealand and holds a BCom in accounting from the University of Cape Town.

David Tudor is the Group General Counsel of us and Naspers. He has been a legal adviser to the Naspers Group since 1996. Before joining the Naspers Group, he was a partner at Mallinicks Attorneys (now Webber Wentzel) and worked in London at two leading international law firms. In 2008, he was appointed our Group Senior Counsel and led the legal teams for the Group's mergers and acquisitions activities in Latin America, Central and Eastern Europe and Russia. He became general counsel of the Allegro group before being promoted to the position of General Counsel: Global Transaction Ecommerce at the Naspers Group. In June 2015, he was appointed Naspers Group General Counsel. He holds an LLM (with distinction) from the University of Edinburgh and an LLB and a BBusSc (Hons) from the University of Cape Town.

The business address of the Directors and members of Senior Management is c/o Prosus N.V., Symphony Offices, Gustav Mahlerplein 5, 1082 MS Amsterdam, the Netherlands.

As of the date of this Base Prospectus, each Director is a member of the Naspers Board. Some of the Directors are also members of the boards of directors of Nasbel and Keerom, but do not represent the majority of members of those boards of directors. The Board does not expect that those circumstances, and that each Director is also a member of the Naspers Board, will cause any of the Directors to have a conflict with the duties they have towards us. However, the Board Charter includes arrangements to ensure that the Board will in each relevant situation handle and decide on any (potential) conflict of interest, also in this respect. A Director shall not participate in the deliberation and decision-making process if he or she has a conflict of interest. Other than these circumstances, we are not aware of any other circumstance that may lead to a (potential) conflict of interest between the private interests or other duties of Directors and private interests or other duties of Directors towards us.

Conflicts of Interest

As of the date of this Base Prospectus, other than the circumstances described above, we are not aware of any circumstance that may lead to a (potential) conflict of interest between the private interests or other duties of each of the Directors or members of the Senior Management on the one hand and the duties to us on the other hand.

Powers of, and Action by, the Board

The Board is our executive and supervisory body. It is entrusted with our management, supervises our general course of affairs and the business affiliated with us and is responsible for our continuity. The Board is accountable for these matters to the General Meeting.

The Board's responsibilities include, among other things, setting our management agenda, developing a view on long-term value creation by us, enhancing our performance, developing a strategy, identifying, analyzing and managing the risks associated with our strategy and activities and establishing and implementing internal procedures, which safeguard that all relevant information is known to the Board in a timely manner. The Board may perform all acts necessary or useful for achieving our corporate purposes, except for those expressly attributed to the General Meeting as a matter of Dutch law or pursuant to the Articles of Association. Pursuant to the Articles of Association, the Board may delegate duties and powers to individual Directors, the joint executive Directors and/or committees consisting of two or more Directors, whether or not assisted by staff officers. In fulfilling their responsibilities, the Directors must act in our interest and give specific attention to the relevant interests of our clients, employees, lenders, suppliers, shareholders and other stakeholders. The Board Charter furthermore provides that the Board focuses on long-term value creation for us.

Subject to certain statutory exceptions, the Board as a whole is authorized to represent us. Additionally, any executive Director, individually, is authorized to represent us. See "—*Conflicts of Interest*". Pursuant to the Articles of Association, the Board may grant one or more persons, whether or not employed by us, a power of attorney or other form of continuing authority to represent us or to grant one or more persons such titles as it sees fit.

Pursuant to the Articles of Association, Board resolutions are adopted by absolute majority of the votes cast. If there is a tie in voting, the proposal is rejected. Resolutions taken at a meeting of the Board shall only be valid if at least a majority of the Directors are present or represented at the meeting. However, the Board may designate types of resolutions which are subject to different requirements. These types of resolutions and the nature of the difference must be clearly specified and laid down in writing. A Director may only be represented by another Director, and only for a specific meeting.

For adoption of a resolution other than at a meeting, it is required that the proposal is submitted to all Directors, none of them have objected to the relevant manner of adopting resolutions, and a simple majority of the Directors, or a qualified majority of the Directors, have signed or otherwise approved the resolution.

Dutch law provides that resolutions of the Board involving major changes in our identity or character are subject to the approval of the General Meeting.

Board Charter

Pursuant to the Articles of Association, the Board may adopt rules and regulations that allocate duties to one or more Directors and regulate any such subjects as the Board deems necessary or appropriate (the **Board Charter**). The Board Charter may describe the duties, tasks, composition, procedures and decision-making of the Board. As at the date of this Base Prospectus, the Board has adopted a Board Charter.

Composition, Appointment, Dismissal and Suspension

The Articles of Association provide that the Board comprises of at least two or more executive Directors and at least two non-executive Directors and not more than 20 Directors. The Board may, in its sole discretion, impose that in order to become or remain a Director or a prescribed officer, a person must be, and remain, independent from any competitor of ours and, in particular, other internet and technology companies as determined by the Board from time to time. This right of the Board does not create a quality requirement for the Directors as meant in Section 2:132, subsection 2 of the Dutch Civil Code (*Burgerlijk Wetboek*) (the "**Dutch Civil Code**").

The General Meeting appoints the Directors. A resolution of the General Meeting to appoint a Director, other than in accordance with a nomination by the Board, may only be adopted by an absolute majority of the votes cast by shareholders representing more than one-third of our issued capital.

The General Meeting may only vote on a resolution to appoint a Director that is listed as a candidate on the agenda of the meeting. If a candidate nominated by the Board is not appointed, the Board has the right to nominate a new candidate for appointment at the next General Meeting.

The Articles of Association provide that a Director may be suspended or, subject to the applicable laws and regulations, removed as a Director by the General Meeting at any time. In addition, a Director may be suspended by the Board at any time. A suspension may be extended one or more times, but may not last longer than three months in aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension shall end. A suspension can be ended by the General Meeting at any time.

A resolution of the General Meeting to suspend or dismiss a Director, other than on the proposal of the Board, may only be adopted by the General Meeting with an absolute majority of the votes cast, representing more than one-third of our issued capital.

Term of Appointment

The Articles of Association provide that each non-executive Director shall be appointed for a period of not more than three years. A Director's term of office shall lapse in accordance with the rotation schedule drawn up by the Board. A non-executive Director may be reappointed for additional periods of not more than three years. Our diversity policy,

drawn up in accordance with the Board Charter, will be considered in the preparation of the nomination for appointment or reappointment.

The independence of non-executive Directors is assessed prior to their appointment to the Board and, thereafter, annually. We will align the rotation periods of our non-executive directors with the rotation periods of the non-executive directors of Naspers.

Board Committees

While the whole Board remains accountable for our performance and affairs, it delegates to Board subcommittees and management certain functions to assist it to properly discharge its duties. Appropriate structures for those delegations are in place, accompanied by monitoring and reporting systems.

As at the date of the this Base Prospectus, the Board has constituted five committees from among the Directors to assist it to discharge its duties: an audit committee (the "**Audit Committee**"), a human resources and remuneration committee (the "**Human Resources and Remuneration Committee**"), a nomination committee (the "**Nomination Committee**"), a project committee (the "**Project Committee**") and a risk committee (the "**Risk Committee**"). Certain Directors are also members of the Naspers Board's social and ethics committee (the "**Naspers Social and Ethics Committee**").

Audit Committee

The members of this committee, chaired by Don Eriksson, are all independent, non-executive Directors. Both the internal and external auditors have access to the Audit Committee, through its chair. The internal and external auditors may also report their findings to the committee with members of executive management not in attendance. Among others, the main responsibilities of the audit committee are to address all matters required to be dealt with by an audit committee in terms of the Dutch Corporate Governance Code, including reviewing the annual financial statements, integrated annual report, internal controls, risk management and legal issues.

Human Resources and Remuneration Committee

The committee, chaired by Craig Enenstein, comprises only non-executive directors, the majority of whom are independent. Executive directors and certain members of management attend meetings by invitation as appropriate. Among others, the main responsibilities of the committee are to determine our remuneration philosophy and to review and approve remuneration packages of executive directors, including incentive schemes and compensation increases.

Nomination Committee

The committee, chaired by Rachel Jafta, comprises only non-executive directors, the majority of whom are independent. Executive directors and certain members of management attend meetings by invitation. The main responsibilities of the nomination committee are to make recommendations to the Board on the appointment of new directors and review the effectiveness of corporate governance guidelines and the charter of the Board.

Project Committee

This committee, chaired by Koos Bekker, comprises one independent non-executive director, two non-executive directors, one being the chair of the Board, who also serves as the chair of this committee, and two of the executive directors. This committee acts on behalf of the Board in respect of the management of urgent matters when the Board is not in session, subject to statutory limits and the Board's limitations on delegation.

Risk Committee

The committee, chaired by Don Eriksson, comprises at least three independent non-executive directors, and our Chief Executive Officer and the Financial Director. Among others, the main responsibility of the risk committee is to assist the Board in its responsibilities regarding the governance of risk and opportunities through formal processes.

Naspers Social and Ethics Committee

The committee, chaired by Don Eriksson, comprises a majority of non-executive directors of Naspers, the majority of whom are independent. The main function of this committee is to (i) address all matters required of such a committee by the South African Companies Act and the specific disclosures and best practice as recommended by the South African King Code; and (ii) assist the Board to develop and supervise implementation of the long-term value-creation strategy by bringing to the Board's attention stakeholder interest and relevant sustainability aspects, such as those recommended by the Dutch Corporate Governance Code.

Other Developments

On April 26, 2020, we completed the merger of our subsidiary, Dubizzle, with 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. We also contributed cash of approximately U.S.$75 million. Following the transaction, we will hold a 39% interest in EMPG. We will account for our interest in EMPG as an investment in associate.

On March 26, 2020, MIH Movile Holding B.V. signed an agreement to sell its subsidiary Wavy Global Holdings B.V. to Stockholm-based customer engagement platform, Sinch AB, in exchange for cash of approximately U.S.$68 million (approximately BRL 325 million), and a 2.70% equity investment in Sinch AB. The transaction is subject to regulatory approval. The Group expects to account for its interest in Sinch AB as an investment at fair value through other comprehensive income.

On March 5, 2020, OLX Brazil, the Group's joint venture with Adevinta, reached an agreement to acquire 100% of the shares of Grupo Zap for approximately U.S.$.650 million. Grupo Zap is an online real estate market player. The transaction is subject to approval by the Brazilian competition authorities and other customary closing conditions. Closing is expected to occur in the second half of 2020. The investment will be financed equally by the joint venture partners.

On March 25, 2020, the Group announced that OfferUp and letgo, which operate two of America's most popular apps to buy and sell locally, entered into an agreement to combine their businesses in the United States. Upon completion of the transaction on July 1, 2020, the OLX Group contributed its US letgo business to OfferUp and invested U.S.$100 million in cash in the combined entity in exchange for approximately 40% of the shares of the combined entity. The Group will account for its interest in OfferUp as an equity accounted associate.

TAXATION

Tax Warning

Potential investors and sellers of Notes should be aware that they may be required to pay stamp taxes or other documentary taxes or fiscal duties or charges in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In addition, payments of interest on the Notes, or income derived from the Notes, may be subject to taxation, including withholding taxes, in the jurisdiction of the Issuer, in the jurisdiction of the holder of Notes, or in other jurisdictions in which the holder of Notes is required to pay taxes. Any such tax consequences may have an impact on the net income received from the Notes.

The discussion below is for general information purposes only and is not tax advice or a complete description of all tax consequences relating to the acquisition, holding and disposal of the Notes.

Prospective investors should carefully consider the tax consequences of investing in the Notes and consult their own tax adviser about their own tax situation. Finally, potential investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time, with or without retroactive effect. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Material Dutch Tax Consequences

The following is a general summary of certain material Dutch tax consequences of the acquisition, holding and disposal of the Notes. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, this general summary should be treated with corresponding caution.

This summary is based on the tax laws of the Netherlands, published regulations thereunder and published authoritative case law, all as in effect on the date of this Base Prospectus, and all of which are subject to change, possibly with retroactive effect. Where the summary refers to "*the Netherlands*" or "*Dutch*" it refers only to the part of the Kingdom of the Netherlands located in Europe.

For the avoidance of doubt, this summary does not describe the consequences of the entering into effect of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*), which act will enter into effect as of January 1, 2021. Please see "*Risk factors—If the Notes become subject to a withholding tax on interest in the Netherlands, the Notes may be redeemed prior to their stated maturity*" for more information on the new withholding tax on interest in the Netherlands. Holders or prospective holders of Notes should consult their own tax advisors regarding the Dutch tax consequences relating to the acquisition, holding and disposal of the Notes in light of their particular circumstances as well as the new withholding on interest in the Netherlands (to become effective as of January 1, 2021).

Withholding tax

All payments of principal or interest made by the Issuer under the Notes may be made free of withholding or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as equity of the Issuer for Dutch tax purposes.

Taxes on income and capital gains

Please note that the summary in this section does not describe the Dutch tax consequences for:

(i) holders of Notes if such holders, and in the case of individuals, such holder's partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer under the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with such holder's partner (as defined in the Dutch Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5% or more of the total issued and outstanding capital of that company or of 5% or more of the issued and

outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5% or more of the company's annual profits or to 5% or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

(ii) pension funds, investment institutions (*fiscale beleggingsinstellingen*), exempt investment institutions (*vrijgestelde beleggingsinstellingen*) (as defined in the Dutch Corporate Income Tax Act 1969; *Wet op de vennootschapsbelasting 1969*) and other entities that are, in whole or in part, not subject to or exempt from Dutch corporate income tax; and

(iii) holders of Notes who are individuals for whom the Notes or any benefit derived from the Notes are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holders (as defined in the Dutch Income Tax Act 2001).

Dutch Resident Entities

Generally speaking, if the holder of Notes is an entity that is a resident or deemed to be resident in the Netherlands for Dutch corporate income tax purposes (a 'Dutch Resident Entity'), any payment under the Notes or any gain or loss realized on the disposal or deemed disposal of the Notes is subject to Dutch corporate income tax at a rate of 16.5% with respect to taxable profits up to €200,000 and 25% with respect to taxable profits in excess of that amount (rates and brackets for 2020).

Dutch Resident Individuals

If the holder of Notes is an individual resident or deemed to be resident in the Netherlands for Dutch income tax purposes (a 'Dutch Resident Individual'), any payment under the Notes or any gain or loss realized on the disposal or deemed disposal of the Notes is taxable at the progressive Dutch income tax rates (with a maximum of 49.5% in 2020), if:

(i) the Notes are attributable to an enterprise from which the holder of Notes derives a share of the profit, whether as an entrepreneur (*ondernemer*) or as a person who has a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise without being a shareholder (as defined in the Dutch Income Tax Act 2001); or

(ii) the holder of Notes is considered to perform activities with respect to the Notes that go beyond ordinary asset management (*normaal, actief vermogensbeheer*) or derives benefits from the Notes that are taxable as benefits from other activities (*resultaat uit overige werkzaamheden*).

If the above-mentioned conditions (i) and (ii) do not apply to the individual holder of Notes, such holder will be taxed annually on a deemed return (with a maximum of 5.28% in 2020) on the individual's net investment assets (*rendementsgrondslag*) for the year, insofar the individual's net investment assets for the year exceed a statutory threshold (*heffingvrij vermogen*). The deemed return on the individual's net investment assets for the year is taxed at a rate of 30%. Actual income, gains or losses in respect of the Notes are as such not subject to Dutch income tax.

The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on January 1 of the relevant calendar year. The Notes are included as investment assets. For the net investment assets on January 1, 2020, the deemed return ranges from 1.7893% up to 5.28% (depending on the aggregate amount of the net investment assets of the holder of Notes on January 1, 2020). The deemed return will be adjusted annually on the basis of historic market yields.

Non-residents of the Netherlands

A holder of Notes that is neither a Dutch Resident Entity nor a Dutch Resident Individual will not be subject to Dutch taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain or loss realized on the disposal or deemed disposal of the Notes, provided that:

(i) such holder does not have an interest in an enterprise or deemed enterprise (as defined in the Dutch Income Tax Act 2001 and the Dutch Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are attributable; and

(ii) in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Notes that go beyond ordinary asset management and does not derive benefits from the Notes that are taxable as benefits from other activities in the Netherlands.

Gift and inheritance taxes

Residents of the Netherlands

Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of Notes by way of a gift by, or on the death of, a holder of such Notes who is resident or deemed resident in the Netherlands at the time of the gift or the holder's death.

Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Notes by way of gift by, or on the death of, a holder of Notes who is neither resident nor deemed to be resident in the Netherlands, unless:

(i) in the case of a gift of a Note by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands; or

(ii) the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

For purposes of Dutch gift and inheritance taxes, among others, a person that holds the Dutch nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the ten years preceding the date of the gift or such person's death. Additionally, for purposes of Dutch gift tax, amongst others, a person not holding the Dutch nationality will be deemed to be resident in the Netherlands if such person has been resident in the Netherlands at any time during the twelve months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value added tax (VAT)

No Dutch VAT will be payable by a holder of Notes on (i) any payment in consideration for the issue of the Notes, or (ii) the payment of interest or principal by the Issuer under the Notes.

Other taxes and duties

No Dutch registration tax, stamp duty or any other similar documentary tax or duty will be payable by a holder of Notes in respect of (i) the issue of the Notes, or (ii) the payment of interest or principal by the Issuer under the Notes.

SUBSCRIPTION AND SALE

The Notes will be offered for sale by the Issuer to or through Citigroup Global Markets Limited pursuant to a distribution agreement entered into on July 13, 2020 (as supplemented, amended and/or restated from time to time, including by means of purchase agreement(s) relating to the relevant series of Notes offered, the "**Distribution Agreement**"). One or more Dealers may purchase Notes, as principal or agent, from the Issuer from time to time for resale to investors and other purchasers at varying prices relating to prevailing market prices at the time of resale as determined by any Dealer, or, if so specified in the relevant Final Terms or Drawdown Prospectus (or Pricing Supplement, in the case of Exempt Notes), for resale at a fixed offering price. If the Issuer and a Dealer agree, a Dealer may also utilise its reasonable efforts on an agency basis to solicit offers to purchase the Notes.

Unless otherwise specified in the relevant Final Terms or Drawdown Prospectus (or Pricing Supplement, in the case of Exempt Notes), any Notes sold to one or more Dealers as principal will be purchased by such Dealers at a price equal to 100.00% of the principal amount thereof less a percentage of the principal amount equal to a commission as agreed upon by the Issuer and the relevant Dealers. Notwithstanding this, a Dealer may sell Notes it has purchased from the Issuer as principal to certain dealers less a concession equal to all or any portion of the discount received in connection with such purchase. Such Dealer may allow, and such dealers may re-allow, a discount to certain other dealers. After the initial offering of Notes, the offering price (in the case of Notes to be resold at a fixed offering price), the concession and the reallowance may be changed.

The Issuer may withdraw, cancel or modify the offering contemplated hereby without notice and may reject offers to purchase Notes in whole or in part. Each Dealer shall have the right, in its discretion reasonably exercised, without notice to the Issuer, to reject in whole or in part any offer to purchase Notes received by it on an agency basis.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or any person acting on behalf of any Stabilizing Manager(s)) in the relevant Final Terms or Drawdown Prospectus (or Pricing Supplement, in the case of Exempt Notes) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or any person acting on behalf of any Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or any person acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws, regulations and rules.

The Stabilizing Manager(s) may purchase and sell Notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Stabilizing Manager(s) of a greater number of Notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Notes while the offering is in progress.

The Stabilizing Manager(s) may also impose a penalty bid. This occurs when a particular Stabilizing Manager repays to the Dealers a portion of the underwriting discount received by it because the Stabilizing Manager or its affiliates have repurchased Notes sold by or for the account of such Stabilizing Manager in stabilizing or short-covering transactions.

Neither the Issuer nor any of the Dealers makes any representation or prediction as to the direction or magnitude of any effect that the transactions described in the immediately preceding paragraph may have on the price of Notes. In addition, neither the Issuer nor the Dealers makes any representation that the Dealers will engage in any such transactions or that such transactions, once commenced, will not be discontinued without notice.

The Issuer has agreed to indemnify the Dealers against certain liabilities (including liabilities under the Securities Act) or to contribute to payments the Dealers may be required to make in respect thereof. The Issuer has also agreed to reimburse the Dealers for certain other expenses.

The Dealers and their affiliates have performed certain investment and commercial banking or financial advisory services for us and our affiliates from time to time for which they have received customary fees and commissions, and they expect to provide these services to us and our affiliates in the future, for which they expect to receive customary fees

and commissions. In addition, affiliates of certain of the Dealers are lenders under certain of our credit facilities, including the Revolving Credit Facility.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes issued under the Program. Any such short positions could adversely affect future trading prices of the Notes issued under the Program. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

No action has been or will be taken in any jurisdiction by the Issuer or any Dealers that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Base Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Base Prospectus comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Base Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

The Notes have not been and will not be registered under the Securities Act and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of, the Securities Act.

Each Dealer has agreed that, except as permitted by the Distribution Agreement, it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date (the "**distribution compliance period**") within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells Notes (other than a sale pursuant to Rule 144A) during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons substantially to the following effect:

"The Notes covered hereby have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S or Rule 144A under the Securities Act. Terms used above have the meanings given to them by Regulation S".

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Selling Restrictions

Prohibition of Sales to EEA and U.K. Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes that are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms or Drawdown Prospectus (or Pricing Supplement, in the case of Exempt Notes) in relation thereto to any retail investor in the EEA or in the U.K. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investors as defined in the Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

- *Financial promotion:* it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 would not, if the Issuer was not an authorized person, apply to the Issuer; and

- *General compliance:* it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Australian Corporations Act**")) in relation to the Program or any Notes has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission ("**ASIC**") or any other regulatory authority in Australia. Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that, unless the applicable Final Terms or Drawdown Prospectus (or Pricing Supplement, in the case of Exempt Notes) (or any other supplement to this Base Prospectus) otherwise provides, it:

a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

b) has not distributed or published, and will not distribute or publish, any information memorandum, prospectus or any other offering material or advertisement relating to the Program or any Notes in Australia,

unless:

(i) the aggregate consideration payable by each offeree or invitee is at least A$500,000 (or its equivalent in an alternative currency, and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act and, in all cases, complies with the terms of any authority granted under the Banking Act 1959 of the Commonwealth of Australia;

(ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Australian Corporations Act;

(iii) such action complies with all applicable laws, regulations and directives in Australia (including, without limitation, the financial services licensing requirements of Chapter 7 of the Australian Corporations Act); and

(iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

The People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that the Notes may not be offered or sold directly or indirectly within the People's Republic of China (the "**PRC**"). This Base Prospectus, the offering material or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This Base Prospectus, the offering material, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC.

The Notes may only be invested in by PRC investors that are authorized to engage in the investment in the Notes of the type being offered or sold. PRC investors themselves are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the People's Bank of China, the China Securities Regulatory Commission, the China Banking and Insurance Regulatory Commission, the State Administration of Foreign Exchange and/or other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant PRC foreign exchange regulations and/or overseas investment regulations.

France

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the applicable Final Terms or Drawdown Prospectus (or Pricing Supplement, in the case of Exempt Notes) or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) or qualified investors (*investisseurs qualifiés*) other than individuals acting for their own account, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Hong Kong

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, The Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), that is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes that are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance and any rules made thereunder.

Malaysia

Each Dealer has acknowledged that no lodgement of the relevant documents with the Securities Commission Malaysia ("**SC**") has been or will be made and no approval from the SC under the Capital Markets and Services Act 2007 of Malaysia ("**CMSA**") has been or will be obtained and this Base Prospectus has not been nor will it be registered with the SC as a prospectus under the CMSA for the offering or issuance of the Notes on the basis that the Notes will be offered or sold exclusively to persons outside Malaysia. Accordingly, each Dealer has represented and warranted and agrees that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase nor will it offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed, nor will it circulate or distribute, either this Base Prospectus or any other

document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Malaysia.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A, Chapter 289 of the Securities and Futures Act (the "**SFA**")), (ii) to a relevant person (as defined under Section 275(2) of the SFA), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, then

"securities" (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferrable for six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor under Section 274 of the SFA or to a relevant person, or (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law.

Singapore Securities and Futures Act Product Classification—Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Korea

Each Dealer has, severally, but not jointly, represented, warranted and agreed that it has not and will not, directly or indirectly, offer, sell or deliver any Notes in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined in the FETL), or to others for reoffering or resale, directly or indirectly, in Korea or to, or for the account

or benefit of, any resident of Korea (as such term is defined in the FETL), except as otherwise permitted by applicable Korean laws and regulations, including the Financial Investment Services and Capital Markets Act and the FETL and the decrees and regulations thereunder. The Notes have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the Notes may not be re-sold to Korean residents unless the purchaser of the Notes complies with all applicable regulatory requirements (including but not limited to government approval requirements under the FETL and its subordinate decrees and regulations) in connection with their purchase. The aggregate number of Notes offered in Korea or to a resident in Korea, shall in each case be less than 50. By purchasing the Notes, each noteholder will be deemed to represent, warrant and agree that for a period of one year from the Issue Date thereof, the Notes, may not be sub-divided or re-denominated so as to result in increasing the aggregate number of Notes to 50 or more.

Switzerland

This Base Prospectus, as well as any other material relating to the Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms or Drawdown Prospectus (or Pricing Supplement, in the case of Exempt Notes), do not constitute an issue prospectus pursuant to Articles 652a and/or 1156 of the Swiss Code of Obligations. The Notes will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the Notes, including, but not limited to, this Base Prospectus, do not claim to comply with the disclosure standards of the listing rules of the SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The Notes are being offered in Switzerland by way of a private placement, *i.e.*, to a small number of selected investors only, without any public offer and only to investors who do not purchase the Notes with the intention to distribute them to the public. The investors will be individually approached by us from time to time. This Base Prospectus as well as any other material relating to the Notes does not constitute an offer to any other person. This Base Prospectus may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

Taiwan

The Notes have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of the ROC and/or other regulatory authority of the ROC pursuant to relevant securities laws and regulations and may not be sold, issued or offered within the ROC through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of the ROC or relevant laws and regulations that requires a registration, filing or approval of the Financial Supervisory Commission of the ROC and/or other regulatory authority of the ROC. No person or entity in the ROC has been authorized to offer or sell the Notes in the ROC.

United Arab Emirates (including the Dubai International Financial Centre)

The Notes have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this Base Prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This Base Prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

This Base Prospectus relates to an "Exempt Offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "**DFSA**"). This Base Prospectus is intended for distribution only to persons of a type specified in those Rules. It must not be delivered to, or relied on, by any other person. The DFSA has no responsibility for reviewing prospectus nor taken steps to verify the information set out in it, and has no responsibility for it. The Notes to which this Base Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Notes offered should conduct their own due diligence on the Notes. If you do not understand the contents of this Base Prospectus you should consult an authorized financial adviser.

General

None of the Issuer, the Fiscal and Paying Agent and the Dealers represent that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche of Notes, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree.

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

No action has been or will be taken in any jurisdiction that would, or is intended to, permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any set of Final Terms or Drawdown Prospectus (or Pricing Supplement, in the case of Exempt Notes), in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any set of Final Terms or Drawdown Prospectus (or Pricing Supplement, in the case of Exempt Notes), and neither the Issuer nor any other Dealer shall have responsibility therefor.

GLOSSARY

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of certain of the defined terms used in this Base Prospectus.

2018 Foreign Investment Negative List	the Special Management Measures (Negative List) for the Access of Foreign Investment (2018) of the People's Republic of China
2025 Notes	the 5.500% fully and unconditionally guaranteed notes issued by the Company in an aggregate principal amount of U.S.$1.2 billion, due July 21, 2025
2027 Notes	the 4.850% fully and unconditionally guaranteed notes issued by the Company in an aggregate principal amount of U.S.$1.0 billion, due July 6, 2027
2030 Notes	the 3.680% notes issued by the Company in an aggregate principal amount of U.S.$1.25 billion, due January 21, 2030
A Ordinary Shares	A1 Ordinary Shares and A2 Ordinary Shares
A1 Ordinary Shares	A1 ordinary shares in the authorized share capital of the Company with a nominal value of €0.05 each, carrying one vote per share, convertible to A2 Ordinary Shares upon Naspers making, or being obliged to make, a filing with the AFM that it ceases to be entitled to exercise at least 50% plus one vote out of the total number of voting rights that may be exercised at a General Meeting
A2 Ordinary Shares	A2 ordinary shares in the authorized share capital of the Company with a nominal value of €50 each, carrying 1,000 votes per share, convertible to A1 Ordinary Shares upon Naspers making, or being obliged to make, a filing with the AFM that it holds at least 50% plus one vote of the total number of voting rights that may be exercised at a General Meeting
A Share Distribution	the distribution by Naspers of A Ordinary Shares to Naspers A Shareholders through a *pro rata* distribution in kind for no consideration, in terms of Section 46 of the South African Companies Act
Adevinta	Adevinta ASA, a company incorporated under the laws of Norway with registration number: 921 796226
AFM	the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*)
Alibaba	Alibaba Group Holding Limited, a company incorporated under the laws of the Cayman Islands with registration number: 90722
Annual Combined Carve-out Financial Statements	the combined carve-out financial statements of the Group as of, and for, each of the years ended March 31, 2019, 2018 and 2017 and the related notes thereto
Annual Consolidated Financial Statements	the consolidated financial statements of the Group as of, and for, the year ended March 31, 2020 and the related notes thereto
APMs	alternative performance measures
Articles of Association	the articles of association of the Company, as amended from time to time
Avito	Avito AB, a company incorporated under the laws of the Kingdom of Sweden with registration number: 556930-0485

AutoTrader South Africa	The Car Trader Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 2013/115404/07
Board	the management board (*bestuur*) of the Company
Board Charter	the rules and regulations, allocating duties to one or more Directors and regulating any such subjects as the Board deems necessary and appropriate, as adopted by the Board
Brainly	Brainly, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5611196
BYJU'S	Think & Learn Private Limited, a company incorporated under the laws of India with registration number: U80903KA2011PTC061427
Calculation Amount	If the Notes are issued with only one Specified Denomination, the Calculation Amount shall be the Specified Denomination. If the Notes are issued with more than one Specified Denomination, the highest common factor of such Specified Denominations shall be the Calculation Amount. The Calculation Amount shall be specified in the applicable Final Terms, Drawdown Prospectus or Pricing Supplement.
CAGR	compound annual growth rate
Carousell	Carousell Pte. Ltd., a company incorporated under the laws of Singapore with registration number: 201300296D
CFIUS	the Committee on Foreign Investment in the United States
Citrus Pay	Citrus Payment Solutions Private Limited, a company incorporated under the laws of India with registration number: U74900MH2011PTC216800, which was merged with PayU Payments Private Limited, a company incorporated under the laws of India with registration number: U72400MH2006PTC293037
Codecademy	Ryzac, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 4989457
Financial Statements	collectively, the Annual Consolidated Financial Statements and the Annual Combined Carve-out Financial Statements
Company	Prosus N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands with trade register number: 34099856
Delivery Hero	Delivery Hero SE, a company incorporated with the laws of the European Union and registered with commercial register (*Handelsregister*) of the local court (*Amstgericht*) of Berlin (Charlottenburg), Germany under registration number: HRB 198015
Director	a member of the Board
Dutch Corporate Governance Code	the Dutch corporate governance code dated December 8, 2016 as established under Section 2:391, subsection 5 of the Dutch Civil Code
Dutch Civil Code	the Dutch Civil Code (*Burgerlijk Wetboek*)

eBay	eBay Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 2871352
eMAG	Dante International S.A., a company incorporated under the laws of Romania with registration number: J40/372/2002
EMPG	EMPG Holdings Limited, a company limited by shares registered and incorporated in the Dubai International Financial Centre under licence number CL2690, and into which our former subsidiary, Dubizzle Limited (BVI), was merged on April 26, 2020
EU Platform-to-Business Relationships Regulation	Regulation (EU) 2019/1150 of the European Parliament and of the Council of June 20, 2019 on promoting fairness and transparency for business users of online intermediation services
EURIBOR	Euro Interbank Offer Rate
Euronext Dublin Official List	the official list of Euronext Dublin
Irish Listing Agent	The Bank of New York Mellon SA/NV, a company incorporated under the laws of Belgium and registered in the RPM Brussels with Company n° 0806.743.159.
Fiscal Year or FY	a fiscal year of the Company ended March 31
Flipkart	Flipkart Private Limited (formerly, Flipkart Limited), a company incorporated under the laws of Singapore with registration number: 201129903N
Frontier Car Group	Frontier Car Group, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 6017417
GDP	gross domestic product
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data
General Meeting	the general meeting (*algemene vergadering*) of the Company, being the corporate body, or where the context so requires, the physical meeting of shareholders of the Company
Regulated Market of Euronext Dublin	the Regulated Market of Euronext Dublin, a regulated market operated by The Irish Stock Exchange plc (trading as Euronext Dublin), a company incorporated under the laws of the Republic of Ireland with registration number: 96429
Group	the Company and its consolidated subsidiaries
Hong Kong Stock Exchange	the Hong Kong Stock Exchange, a market operated by the Stock Exchange of Hong Kong Limited, a company incorporated under the laws of Hong Kong with registration number: 0083874
Honor	Honor Technology, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5606290
iFood	iFood.com Agência de Restaurantes Online S.A., a company incorporated under the laws of Brazil with registration number: 33.479.023/0001-80

IFRS	International Financial Reporting Standards
iyzico	iyzi Ödeme ve Elektronik Para Hizmetleri A.Ş., a company incorporated under the laws of Turkey with registration number: 867612
iyzico Transaction	subject to customary closing conditions, including obtaining the requisite regulatory approvals, the Group's acquisition of iyzico
FSMA	the UK Financial Services and Markets Act 2000, as amended
JSE	the Johannesburg Stock Exchange, a licensed exchange operated by JSE Limited
Just Eat	Just Eat plc, a company incorporated under the laws of England and Wales, with registration number: 06947854
Keerom	Keeromstraat 30 Beleggings (RF) Limited, a company incorporated under the laws of South Africa with registration number: 1995/013914/06
Lead Independent Director	the lead independent director of the Board, as described under *"Additional Information—Directors and Senior Management—Directors"*
letgo	Letgo Global B.V. (previously Ambatana Holdings B.V.), a company incorporated under the laws of the Netherlands with trade register number: 63292319
letgo USA	Letgo USA B.V., a company incorporated under the laws of the Netherlands with trade register number: 66256437
LIBOR	London Inter-bank Offered Rate
Mail.ru Group	Mail.ru Group Limited, a company incorporated under the laws of the British Virgin Islands with registration number: 655058
MakeMyTrip	MakeMyTrip Limited, a company incorporated under the laws of Mauritius with registration number: 24478/5832
MIH Holdings	MIH Holdings Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 1993/005613/07
MIH TC Holdings	MIH TC Holdings Limited, a company incorporated under the laws of the British Virgin Islands with registration number: 1686618
Movile	Movile Internet Movel S.A., a company incorporated under the laws of Brazil with registration number: 35.300.379.128
Meesho	Meesho Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 6038527
MultiChoice	MultiChoice Group Limited, a company incorporated under the laws of South Africa with registration number: 2018/473845/06
N Ordinary Shares	the N ordinary shares in the capital of the Company with a nominal value of €0.05 each
Nasbel	Naspers Beleggings (RF) Limited, a company incorporated under the laws of South Africa with registration number: 1994/005106/06
Naspers	Naspers Limited, a company incorporated under the laws of South Africa with registration number: 1925/001431/06

Naspers Board	the board of directors of Naspers
Naspers Group	Naspers and its consolidated subsidiaries
Non-IFRS Measures	non-IFRS financial measures
OfferUp	OfferUp Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5362968
OLX Group	OLX Global B.V., a company incorporated under the laws of the Netherlands with trade register number: 34301226
PayPal	PayPal Holdings, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5684361
PaySense	PaySense Services India Private Limited, a company incorporated under the laws of India with registration number: U74999MH2015PTC266824
PayU	PayU Global B.V., a company incorporated under the laws of the Netherlands with trade register number: 60355883
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union of June 14, 2017
Protection Structure	the protection structure of the Company, as described under *"Shareholder Structure and Related Party Transactions—Protection Structure—Company Protection Structure"*
PSD2	Directive (EU) 2015/2366 of the European Parliament and of the Council of November 25, 2015 on payment services in the internal market
Red Dot Payment	Red Dot Payment Pte. Ltd., a company incorporated under the laws of Singapore with registration number: 201120797R
Redemption Margin	The redemption margin shall be a margin expressed as a number of basis points over an applicable rate of interest used to discount any applicable "make-whole" payment as specified in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus.
Remitly	Remitly, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5051455
Revolving Credit Facility	the Group's U.S.$2.5 billion multi-currency revolving credit facility
Schibsted	Schibsted ASA., a company incorporated under the laws of Norway with registration number: 933739384
Shares	the A ordinary shares in the capital of Naspers with a nominal value of ZAR0.02 each
SEC	U.S. Securities and Exchange Commission
Senior Management	the executive Directors together with the non-statutory members of the Company's senior management
Shares	collectively, A Ordinary Shares and N Ordinary Shares

SinDelantal	El Cocinero a Cuerda S.L., a company incorporated under the laws of Spain with registration number: B86509452
SimilarWeb	SimilarWeb Limited, a company incorporated under the laws of Israel with registration number: 514244714
SIRs	"*significant informational resources*" as contemplated in the SIR Bill
SIR Bill	the draft Russian law on amendments to the Information Law and the Personal Data Law
SOs	share options
SoloLearn	SoloLearn Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5356040
Souq	Souq Group Limited, a company incorporated under the laws of the British Virgin Islands with registration number: 1732266
South African Companies Act	the South African Companies Act, 71 of 2008, as amended, together with the regulations promulgated under it
South African King Code	the King Report on Corporate Governance for South Africa, 2016
Structure Contracts	the contractual arrangements Tencent exercises effective control over certain domestic Chinese companies that are licensed to operate value-added services to users in China
Swiggy	Bundl Technologies Private Limited, a company incorporated under the laws of India with registration number: U72200KA2013PTC096530
Telenor	Telenor ASA, a company incorporated under the laws of the Kingdom of Norway with registration number: 982463718
Tencent	Tencent Holdings Limited, a company incorporated in the British Virgin Islands and subsequently redomiciled to the Cayman Islands as an exempted company under the laws of the Cayman Islands with registration number: 131312
Trip.com	Trip.com.com International, Limited, an exempted company incorporated under the laws of the Cayman Islands with registration number: 976668
Udemy	Udemy, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 4779344
U.S. Securities Act	the U.S. Securities Act of 1933, as amended
Walmart	Walmart, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 732109
Wallapop	Wallapop S.L., a company incorporated under the laws of Spain with registration number: B66049057
WeBuyCars	We Buy Cars Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 2015/130772/07
Wibmo	Wibmo Inc., a company incorporated under the laws of the State of California, United States with registration number: C2077047

Zooz	Zooz Mobile Limited, a company incorporated under the laws of Israel with registration number: 514473248
Technical Terms	
B2C	business-to-consumer. B2C refers to business or transactions conducted directly between a company and consumers who are the end users of its products or services
C2C	consumer-to-consumer. C2C refers to business or transactions conducted directly between consumers of certain products or services
etail	electronic retail
fintech	financial technology
horizontals	marketplaces that cover all categories (also called generalists)
hyperlocal	relating to, or focusing on, matters concerning a small community or geographical area
MMO	massively multiplayer online
monetization	driving revenue growth by capturing value from services offered to customers and transactions by customers in the Group's marketplaces
PC	a personal computer and generally refers to a computer designed for use by one person at a time
PSP	a payment service provider
verticals	marketplaces that cater to a specific category, automotive, real estate, jobs and services
TSP	a technology system provider
Countries and Jurisdictions	
Argentina	the Argentine Republic
Australia	the Commonwealth of Australia
Bangladesh	the People's Republic of Bangladesh
Brazil	the Federative Republic of Brazil
British Virgin Islands	the British Virgin Islands, a British Overseas Territory
Bulgaria	the Republic of Bulgaria
Cayman Islands	the Cayman Islands, a British Overseas Territory
China or the PRC	the People's Republic of China
Colombia	the Republic of Colombia
European Union or the EU	the European Union, being the union of countries established by the Treaty on the Functioning of the European Union, originally named the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by: the Treaty on the European Union (signed in Maastricht on February 7, 1992), the Treaty of Amsterdam (signed in Amsterdam on November 2, 1997), the Treaty of

	Nice (signed in Nice on February 26, 2001) and the Treaty of Lisbon (signed in Lisbon on December 13, 2007)
France	the French Republic
Hong Kong	the Hong Kong Special Administrative Region of China
India	the Republic of India
Israel	the State of Israel
Japan	the State of Japan
Mauritius	the Republic of Mauritius
Mexico	the United Mexican States
Netherlands	the Netherlands
Peru	the Republic of Peru
Philippines	the Republic of the Philippines
Poland	the Republic of Poland
Portugal	the Portuguese Republic
Russia	the Russian Federation
South Africa	the Republic of South Africa
Spain	the Kingdom of Spain
Thailand	the Kingdom of Thailand
Turkey	the Republic of Turkey
UAE	the United Arab Emirates
United Kingdom or U.K.	the United Kingdom of Great Britain and Northern Ireland
United States or U.S.	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

GENERAL INFORMATION

Authorization

1. The establishment of the Program was authorized by a resolution of the Board of the Issuer passed or given on November 22, 2019. The issue of this Base Prospectus was authorized by a resolution of the Board of the Issuer passed or given on June 26, 2020. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorizations in connection with the offer, issue and performance of the Notes.

Significant/Material Change

3. Since March 31, 2020, there has been no material adverse change in our prospects or the prospects of us and our subsidiaries and there has been no significant change in the financial performance nor any significant change in the financial position of us and our subsidiaries.

Auditors

4. The Annual Consolidated Financial Statements have been audited by PwC Netherlands, an independent registered public audit firm located at Thomas R. Malthusstraat 5, 1066 JR Amsterdam, The Netherlands. PwC Netherlands has not resigned, been removed or not been reappointed as our auditors during the year ended March 31, 2020. The auditor signing the auditor's report on behalf of PwC Netherlands is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

   The Annual Combined Carve-out Financial Statements have been audited by PwC South Africa, an independent registered public audit firm located at 5 Silo Square, V&A Waterfront, Cape Town 8001, South Africa. PwC South Africa has not resigned, been removed or not been reappointed as our auditors during FY 2019, FY 2018 and FY 2017. The auditor signing the report on behalf of PwC South Africa is a registered auditor and member of the South African Institute of Chartered Accountants.

Documents on Display

5. Copies of the following documents will be available on our website at https://www.prosus.com/investors and, in addition, may be inspected in physical format or received in electronic format, during normal business hours, at the Specified Office of the Fiscal and Paying Agent for 12 months from the date of this Base Prospectus:

   (a) the constitutive documents of the Issuer;

   (b) our Annual Combined Carve-out Financial Statements as of, and for, the years ended March 31, 2019, 2018 and 2017 (which are a part of this Base Prospectus);

   (c) our Annual Consolidated Financial Statements as of, and for, for the year ended March 31, 2020 (which are a part of this Base Prospectus); and

   (d) the Fiscal and Paying Agency Agreement (which contains the forms of the Notes in global and definitive form).

   In addition, the foregoing documents may also be obtained in electronic format by contacting the Fiscal and Paying Agent. Notwithstanding the above, as of the date of this Base Prospectus, the foregoing documents are not available at the Specified Office due to office closures related to the COVID-19 outbreak, but remain available in electronic format. Upon such offices reopening, the documents will be made available in physical format at the Specified Office of the Fiscal and Paying Agent.

Clearing of the Notes

6. The Notes are expected to be accepted for clearance through DTC, Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number (ISIN), Financial Instruments Short Name (FISN) and/or Classification of Financial Instruments (CFI) code (as applicable) in relation to the Notes of each Tranche will be specified in the relevant Final Terms, Pricing Supplement or Drawdown Prospectus, as applicable. The relevant Final Terms, Pricing Supplement or Drawdown Prospectus, as applicable, shall specify any

other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Denomination

7. No Notes may be issued under the Program which (a) have a minimum denomination of less than U.S.$200,000 or €100,000 (or equivalent or higher in another currency), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs. Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, Pricing Supplement or Drawdown Prospectus, as applicable, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Issue Price and Yield

8. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Program will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus, as applicable. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

   The yield of each Tranche of Notes set out in the applicable Final Terms, Pricing Supplement or Drawdown Prospectus, as applicable, will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

Availability of Prospectus

9. This Base Prospectus is available on the website of Euronext Dublin (www.ise.ie).

Listing Agent

10. The Bank of New York Mellon SA/NV, Dublin Branch is acting solely in its capacity as the listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on its regulated market.

Conflicts

11. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and/or its respective affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own accounts and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and/or those of its respective affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer, consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Program. Any such short positions could adversely affect future trading prices of Notes issued under the Program. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Legal Entity Identifier

12. The Legal Entity Identifier (LEI) code of the Issuer is 635400Z5LQ5F9OLVT688.

Issuer Information

13. The Issuer's website is https://www.prosus.com/investors. Unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus. The Issuer was incorporated as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands named Myriad International Holdings B.V. on April 3, 1997. Myriad International Holdings B.V. was converted to a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands named Myriad International Holdings N.V. on May 16, 2019. The Issuer changed its name and is registered as Prosus N.V. as of September 16, 2019 with the Netherlands Chamber of Commerce (*Kamer van Koophandel*) under registration number 34099856 and its telephone number is +31 20 299 9777.

Validity of prospectus and prospectus supplements

14. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

Foreign Language

15. The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of financial position

as at 31 March 2020

	Notes	31 March 2020 US$'m	2019 US$'m	01 April[1] 2018 US$'m
ASSETS				
Non-current assets		**26 655**	23 021	20 721
Property, plant and equipment	5	**377**	143	622
Goodwill	6	**2 169**	2 035	2 198
Other intangible assets	7	**844**	794	979
Investments in associates	9	**22 233**	19 746	16 669
Investments in joint ventures	10	**72**	95	74
Other investments	11	**805**	47	65
Related party loans and receivables	17	**81**	140	56
Other receivables	15	**4**	6	21
Derivative financial instruments	40	**55**	1	1
Deferred taxation	12	**15**	14	36
Current assets		**9 109**	9 970	12 011
Inventory	13	**213**	148	172
Programme and film rights		**-**	-	35
Trade receivables	14	**111**	135	315
Other receivables	15	**420**	490	481
Related party loans and receivables	17	**109**	9	45
Derivative financial instruments	40	**-**	-	8
Short-term investments	37	**3 873**	7 037	-
Cash and cash equivalents	38	**4 181**	2 135	10 955
		8 907	9 954	12 011
Assets classified as held for sale	16	**202**	16	-
TOTAL ASSETS		**35 764**	32 991	32 732
EQUITY AND LIABILITIES				
Capital and reserves attributable to the group's equity holders		**29 100**	27 250	23 875
Share capital and premium	18	**606**	599	2 032
Other reserves	19	**(1 922)**	(207)	(684)
Retained earnings	20	**30 416**	26 858	22 527
Non-controlling interests		**214**	132	21
TOTAL EQUITY		**29 314**	27 382	23 896
Non-current liabilities		**4 303**	4 034	5 395
Long-term liabilities	21	**3 712**	3 244	3 666
Other non-current liabilities	22	**163**	540	867
Related party loans and payables	17	**3**	2	478
Cash-settled share-based payment liabilities	42	**233**	36	44
Provisions	23	**3**	3	8
Derivative financial instruments	40	**2**	33	123
Deferred taxation	12	**187**	176	209
Current liabilities		**2 147**	1 575	3 441
Current portion of long-term debt	21	**63**	22	130
Provisions	23	**9**	14	37
Trade payables		**291**	244	342
Accrued expenses and other current liabilities	24	**1 668**	1 249	2 766
Related party loans and payables	17	**13**	20	146
Taxation payable		**7**	13	16
Derivative financial instruments	40	**38**	3	3
Bank overdrafts	38	**32**	8	1
		2 121	1 573	3 441
Liabilities classified as held for sale	16	**26**	2	-
TOTAL EQUITY AND LIABILITIES		**35 764**	32 991	32 732

[1] A statement of financial position is presented as at 1 April 2018 on transition to IFRS-EU. Refer to note 2.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated income statement

for the year ended 31 March 2020

	Notes	31 March 2020 US$'m	2019 US$'m
Continuing operations			
Revenue from contracts with customers	26	**3 330**	2 655
Cost of providing services and sale of goods	27	**(2 177)**	(1 600)
Selling, general and administration expenses	27	**(1 762)**	(1 437)
Other gains/(losses) - net	28	**16**	(40)
Operating loss		**(593)**	(422)
Interest income	29	**201**	265
Interest expense	29	**(223)**	(200)
Other finance income - net	29	**114**	114
Share of equity-accounted results	9, 10	**3 930**	3 409
Impairment of equity-accounted investments	9, 10	**(21)**	(88)
Dilution losses on equity-accounted investments	9, 10	**(52)**	(182)
Net gains on acquisitions and disposals	30	**434**	1 610
Profit before taxation		**3 790**	4 506
Taxation	31	**(75)**	(258)
Profit from continuing operations		**3 715**	4 248
Loss from discontinued operations	4	**-**	(738)
Profit for the year		**3 715**	3 510
Attributable to:			
Equity holders of the group		**3 824**	3 581
Non-controlling interests		**(109)**	(71)
		3 715	3 510
Earnings per ordinary share (US cents) from continuing operations			
Basic	32	**235**	265
Diluted	32	**231**	262
Earnings per ordinary share (US cents) from total operations			
Basic	32	**235**	221
Diluted	32	**231**	218

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

for the year ended 31 March 2020

	Notes	31 March 2020 US$'m	31 March 2019 US$'m
Profit for the year		**3 715**	3 510
Other comprehensive income[1]			
Foreign currency translation reserve		**(1 361)**	(1 033)
Exchange loss arising on translating the net assets of foreign operations		**(1 361)**	(1 033)
Fair-value (losses)/gains	19	**(282)**	9
Fair-value (losses)/ gains on financial assets at fair value through other comprehensive income		**(282)**	9
Hedging reserve	40	**-**	-
Net movement in hedging reserve		**-**	(76)
Hedging reserve reclassified to the income statement		**-**	74
Net tax effect of movements in hedging reserve		**-**	2
Share of equity-accounted investments' direct reserve movements		**237**	919
Share-based compensation reserve		**429**	395
Valuation reserve	19	**(315)**	345
Foreign currency translation reserve		**123**	179
Total other comprehensive loss, net of tax, for the year		**(1 406)**	(105)
Total comprehensive income for the year		**2 309**	3 405
Attributable to:			
Equity holders of the group		**2 455**	3 521
Non-controlling interests		**(146)**	(116)
		2 309	3 405

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

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

for the year ended 31 March 2020

	Share capital and premium US$'m	Foreign currency trans-lation reserve US$'m	Valuation reserve US$'m	Existing control business combi-nation reserve US$'m	Share-based compen-sation reserve US$'m	Retained earnings US$'m	Share-holders' funds US$'m	Non-control-ling interest US$'m	Total US$'m
Balance at 1 April 2018	2 032	(642)	727	(2 070)	1 301	22 527	23 875	21	23 896
Total comprehensive income for the year	-	(806)	353	-	393	3 581	3 521	(116)	3 405
Profit for the year	-	-	-	-	-	3 581	3 581	(71)	3 510
Total comprehensive loss for the year	-	(806)	353	-	393	-	(60)	(45)	(105)
Distribution of MultiChoice Africa and Irdeto[1]	(1 433)	-	-	56	(3)	982	(398)	278	(120)
Share-based compensation movement[2]	-	-	-	-	41	-	41	2	43
Transactions with non-controlling shareholders[3]	-	-	-	927	-	(716)	211	(37)	174
Direct retained earnings and other movements[4]	-	-	(439)	-	(45)	484	-	-	-
Dividends	-	-	-	-	-	-	-	(16)	(16)
Balance at 31 March 2019	599	(1 448)	641	(1 087)	1 687	26 858	27 250	132	27 382
Balance at 1 April 2019	**599**	**(1 448)**	**641**	**(1 087)**	**1 687**	**26 858**	**27 250**	**132**	**27 382**
Total comprehensive income for the year	**-**	**(1 201)**	**(597)**	**-**	**429**	**3 824**	**2 455**	**(146)**	**2 309**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**3 824**	**3 824**	**(109)**	**3 715**
Total other comprehensive loss for the year	**-**	**(1 201)**	**(597)**	**-**	**429**	**-**	**(1 369)**	**(37)**	**(1 406)**
Distribution[5]	**-**	**-**	**-**	**-**	**-**	**(215)**	**(215)**	**-**	**(215)**
Share-capital movement[6]	**6**	**-**	**-**	**-**	**-**	**(6)**	**-**	**-**	**-**
Share-based compensation movement[2]	**-**	**-**	**-**	**-**	**26**	**(193)**	**(167)**	**(3)**	**(170)**
Transactions with non-controlling shareholders[3]	**-**	**-**	**-**	**(160)**	**-**	**(10)**	**(170)**	**232**	**62**
Other movements[7]	**-**	**-**	**-**	**9**	**-**	**(62)**	**(53)**	**-**	**(53)**
Direct retained earnings movements[4]	**1**	**2**	**(42)**	**(7)**	**(174)**	**220**	**-**	**-**	**-**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**	**(1)**
Balance at 31 March 2020	**606**	**(2 647)**	**2**	**(1 245)**	**1 968**	**30 416**	**29 100**	**214**	**29 314**

The accompanying notes are an integral part of these consolidated financial statements.

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

[2] Retained earnings includes a decrease of US$192.8m (2019: US$nil) related to the modification of share-based compensation benefits. The share-based compensation reserve includes a decrease of US$19.4m (2019: US$nil) as a result of this modification and an increase due to the current year expense recognised in the income statement of US$62.5m (2019: US$56.0m). Refer to note 27.

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

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

[5] Relates to distributions as a result of common control transactions. Refer to note 17.

[6] 1 185 996 011 N ordinary shares and 2 452 605 A ordinary shares were issued prior to the listing of Prosus on 11 September 2019. Pursuant to the listing, the group issued 438 656 059 N ordinary shares and 1 059 213 A ordinary shares. Refer to note 18.

[7] Relates mainly to the realisation of reserves as a result of various disposals and liquidations to retained earnings of US$61.6m and in existing control business combination reserve of US$8.5m.

Consolidated statement of cash flows

for the year ended 31 March 2020

	Notes	31 March 2020 US$'m	31 March 2019 US$'m
Cash flows from operating activities			
Cash from operations	33	**(475)**	(372)
Dividends received from investments and equity-accounted companies		**382**	342
Cash utilised in operating activities		**(93)**	(30)
Interest income received		**224**	201
Interest costs paid		**(230)**	(215)
Taxation paid		**(110)**	(101)
Net cash utilised in operating activities		**(209)**	(145)
Cash flows from investing activities			
Property, plant and equipment acquired		**(79)**	(97)
Proceeds from sale of property, plant and equipment		**4**	2
Intangible assets acquired		**(22)**	(11)
Acquisitions of subsidiaries and businesses, net of cash acquired	34	**(468)**	(102)
Disposals of subsidiaries and businesses	35	**22**	(147)
Acquisition of associates	36	**(156)**	(544)
Additional investment in existing associates	36	**(218)**	(733)
Partial disposals of associates		**-**	4
Disposal of associates		**87**	1 930
Additional investments in existing joint ventures	36	**(23)**	(18)
Disposal of joint ventures		**-**	34
Acquisition of short-term investments[1]		**(3 866)**	(8 591)
Maturity of short-term investments[1]		**7 010**	1 624
Cash movement in other investments and loans		**(21)**	(4)
Net cash generated from/(utilised in) investing activities		**2 270**	(6 653)
Cash flows from financing activities			
Proceeds from long- and short-term loans raised	21	**1 300**	62
Repayments of long- and short-term loans	21	**(1 047)**	(51)
Proceeds from related party loans	17	**-**	171
Payments to related parties[2]	17	**(58)**	(551)
Additional investments in existing subsidiaries[3]		**(64)**	(1 607)
Repayments of capitalised lease liabilities		**(29)**	(21)
Funding received from non-controlling shareholders		**127**	56
Dividends paid by subsidiaries to non-controlling shareholders		**(1)**	(16)
Distribution[4]		**(215)**	-
Other movements resulting from financing activities		**4**	2
Net cash generated from/(utilised in) financing activities		**17**	(1 955)
Net movement in cash and cash equivalents		**2 078**	(8 753)
Foreign exchange translation adjustments on cash and cash equivalents		**(37)**	(80)
Cash and cash equivalents at the beginning of the year		**2 127**	10 961
Cash and cash equivalents classified as held for sale	16	**(19)**	(1)
Cash and cash equivalents at the end of the year	38	**4 149**	2 127

[1] Relates to short-term cash investments with maturities of more than three months from the date of acquisition. Refer to note 37.

[2] Includes payments on behalf of related parties amounting to US$48.2m (2019:nil) and US$10.1m for loans advanced to related parties. Refer to note 17 for related party transactions and balances.

[3] Relates to transaction with non-controlling interest. The prior year includes the settlement of the group's put option liabilities. Refer to note 22.

[4] Relates to distributions as a result of common control transactions. Refer to note 17.

Cash flow information related to the 2019 financial year includes cash flows associated with discontinued operations. Refer to note 4.
The accompanying notes are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

Prosus N.V. (Prosus or the group) (formerly Myriad International Holdings N.V.) is a limited liability company incorporated under Dutch law, with its registered head office located at Symphony Offices, Gustav Mahlerplein 5, 1082 MS Amsterdam, The Netherlands, (registered in the Dutch commercial register under no. 34099856). Prosus is a subsidiary of Naspers Limited (Naspers), a company incorporated in South Africa. On 11 September 2019, Prosus was listed on the Euronext Amsterdam stock exchange, with a secondary listing on the JSE Limited stock exchange (JSE) in South Africa.

The Prosus group is a global consumer internet group and one of the largest technology investors in the world. Operating and investing in countries and markets across the world with long-term growth potential, Prosus builds leading companies that empower people and enrich communities. The group operates and partners with a number of leading internet businesses across the Americas, Africa, Central and Eastern Europe, and Asia in sectors including online classifieds, food delivery, payments and fintech, education, health, etail and social and internet platforms. The consolidated financial statements for the year ended 31 March 2020 have been authorised for issue by the Board of Directors on 29 June 2020.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These accounting policies have been applied consistently to all years presented, unless otherwise stated.

Basis of preparation

First-time consolidated financial statements of Prosus

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

Formation of the Prosus Group

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

- On 28 September 2018, Prosus distributed its interest in certain businesses of the Video-Entertainment business to Ming He, which then distributed it to its parent, MIH Holdings Proprietary Limited (MIHH). Subsequent to this distribution, the Video-Entertainment business was listed on the JSE Limited stock exchange.

- In June 2019 through a capital contribution in kind in return for N- and A ordinary shares, Prosus acquired the business of Ming He via the acquisition of MIH Services FZ LLC, various receivables to its intermediate parent MIHH and the shares and related activities in Ming He (the 'Ming He acquisition'), as passed on to Prosus's subsidiary Myriad International Holdings Asia B.V. As a result, Prosus then indirectly held Naspers' investment in Tencent Holdings Limited.

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

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

First-time adoption of International Financial Reporting Standards

Prosus existed as a company prior to 1 April 2018. It consists of Prosus and its direct and indirect subsidiaries, associated companies and joint ventures. Prosus did not previously prepare consolidated financial statements. As of the financial year ended 31 March 2020, Prosus started preparing consolidated financial statements based on IFRS-EU. Therefore, these consolidated financial statements have been prepared in accordance with IFRS 1 *First-Time Adoption of International Financial Reporting Standards* (IFRS 1). The transition date to IFRS is 1 April 2018. The consolidated financial statements presented here are based on uniform IFRS-EU accounting policies. As consolidated financial statements were not previously required to be prepared for the Prosus group, the reconciliations with those envisaged pursuant to IFRS 1.53 are not required. Accordingly, the comparative consolidated statement of financial position as at 1 April 2018 presented as part of the consolidated financial statements for the year 31 March 2020.

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

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

***First-time consolidated financial statements of Prosus** (continued)*

The consolidated financial statements for the year ended 31 March 2020 have been prepared in accordance with IFRS-EU, as well as the Interpretations (IFRICs) of the IFRS Interpretations Committee (IFRS IC) and the Interpretations published by the Standing Interpretations Committee (SIC) as well as the requirements under Dutch law Title 9 of Book 2.

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

Operating segments

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

Going concern

The consolidated and company financial statements are prepared on the going concern basis. Based on forecasts and available cash resources, the group and company have adequate resources to continue operations as a going concern in the foreseeable future. As at 31 March 2020, the group recorded US$8.03bn in net cash, comprising US$4.18bn of cash and cash equivalents and US$3.87bn in short-term cash investments. The group had US$3.52bn of interest-bearing debt (excluding capitalised lease liabilities) and an undrawn US$2.5bn revolving credit facility. Refer to note 18 "Share capital and premium – capital management" for details of how the group manages its capital to safeguard its ability to continue as a going concern.

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

Accounting judgements and sources of estimation uncertainty

The preparation of the financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates and assumptions affect the reported amounts of assets, liabilities and contingent assets and liabilities at the statement of financial position date as well as the reported income and expenses for the year. Although estimates are based on management's best knowledge and judgement of current facts as at the statement of financial position date, the actual outcome may differ from these estimates.

Estimates are made regarding the fair value of intangible assets recognised in business combinations; impairment of property, plant and equipment (refer to note 5); goodwill impairment (refer to note 6); recognition and impairment of other intangible assets (refer to note 7); impairment of financial assets carried at amortised cost and other assets (refer to note 14); the remeasurements required in business combinations and disposals of associates, joint ventures and subsidiaries (refer to note 30); the valuation and remeasurement of written put option liabilities (refer to note 22) and equity compensation benefits (refer to note 42). Where relevant, the group has provided sensitivity analyses demonstrating the impact of changes in key estimates and assumptions on reported results.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

***Accounting judgements and sources of estimation uncertainty** (continued)*

The following accounting judgements had the most significant impact on the consolidated financial statements:

Lag periods applied when reporting results of equity-accounted investments

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

Accounting for equity-accounted investments share of other comprehensive income and changes in net asset value

The group recognises its share of other comprehensive income and other changes in net assets of associates and joint ventures in the statement of comprehensive income.

Accounting for written put option liabilities

The group accounts for all written put options as liabilities equal to the present value of the expected redemption amount payable in the statement of financial position. This applies regardless of whether the group has the discretion to settle in its own equity instruments or cash. Written put option liabilities that are linked to a committed employment period are accounted for as cash-settled share-based compensation benefits. The expected redemption amounts payable for these written put options is dependent on the completion of an employment service period.

Accounting for share-based payment transactions

The group recognises cash- and equity-settled share-based payment expenses arising from its various share incentive schemes and exercises significant judgement when calculating these expenses. Expenses are generally based on the fair values of awards granted to employees. Fair value is measured using appropriate valuation and option pricing models, where applicable. The values assigned to the key assumptions used in the valuation models for the group's most significant share incentive schemes are disclosed in note 42.

(a) Basis of consolidation

The financial statements include the results of Prosus and its subsidiaries, associated companies and joint ventures.

Subsidiaries

Subsidiaries are entities over which the group has control. The existence and effect of potential voting rights are considered when assessing whether the group controls another entity to the extent that those rights are substantive. Subsidiaries are consolidated from the date on which control is obtained (acquisition date) up to the date control ceases. For certain entities, the group has entered into contractual arrangements which allow the group to control such entities. Because the group controls such entities, they are consolidated in the financial statements.

Intergroup transactions, balances and unrealised gains and losses are eliminated on consolidation.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in an acquisition of a business (acquiree) comprises the fair values of the assets transferred, the liabilities assumed, the equity interests issued by the group and the fair value of any contingent consideration arrangements where applicable. If the contingent consideration is classified as equity, it is not subsequently remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of contingent consideration are recognised in the income statement.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

***Business combinations** (continued)*

For each business combination, the group measures the non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Where a business combination is achieved in stages, the group's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through the income statement. The fair value of the group's previously held equity interest forms part of the consideration transferred in the business combination at the acquisition date.

When a selling shareholder is required to remain in the group's employment subsequent to a business combination, retention agreements are recognised as employee benefit arrangements where applicable and dealt with in terms of the accounting policy for employee or equity compensation benefits.

Goodwill

Goodwill in a business combination is recognised at the acquisition date when the consideration transferred and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. If the consideration transferred is lower than the fair value of the identifiable net assets of the acquiree (a bargain purchase), the difference is recognised in the income statement. The gain or loss arising on the disposal of an entity is calculated after consideration of attributable goodwill.

Transactions with non-controlling shareholders

Non-controlling shareholders are equity participants of the group and all transactions with non-controlling shareholders are therefore accounted for as equity transactions and included in the statement of changes in equity. In transactions with non-controlling shareholders, the excess of the cost/proceeds of the transaction over the group's proportionate share of the net asset value acquired/disposed is allocated to the "Existing control business combination reserve" in equity. Refer to section (c) for the group's accounting policy regarding written put options over non-controlling interests.

Common control transactions

Business combinations in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination (and where that control is not transitory) are referred to as common control transactions. The accounting policy for the acquiring entity would be to account for the transaction at book value in its consolidated financial statements. The book value of the acquired entity is the consolidated book value as reflected in the consolidated financial statements of the selling entity. The excess of the cost of the transaction over the acquirer's proportionate share of the net asset value acquired in common control transactions, will be allocated to the existing control business combination reserve in equity.

The group applies the above common control accounting policy to distributions of non-cash assets that is ultimately controlled by the same party or parties both before and after the distribution.

Associates and joint ventures

Investments in associated companies (associates) and joint ventures are accounted for in terms of the equity method.

Associates are entities over which the group exercises significant influence, but which it does not control or jointly control. Joint ventures are arrangements in which the group contractually shares control over an activity with others and in which the parties have rights to the net assets of the arrangement.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

***Associates and joint ventures** (continued)*

Most major foreign associates and joint ventures do not have year-ends that are coterminous with that of the group, and the group's accounting policy is to account for an appropriate lag period in reporting their results where it is impractical for the associates and joint ventures to provide relevant information in time. Significant transactions and events occurring between the investees' and the group's March year-end are taken into account.

Unrealised gains or losses on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in the relevant associate or joint venture, except where the loss is indicative of impairment of assets transferred.

For acquisitions of associates and joint ventures achieved in stages, the group measures the cost of its investment as the sum of the consideration paid for each purchase plus a share of the investee's profits and other equity movements. Other comprehensive income recognised in prior periods in relation to the previously held stake in investee is reversed through equity and a share of profits and other equity movements is also recorded in equity. Acquisition-related costs form part of the investment in the associate or joint venture.

When the group increases its shareholding in an associate or joint venture and continues to exercise significant influence or to exert joint control over the investee, the cost of the additional investment is added to the carrying value of the investee. The acquired share in the investee's identifiable net assets, as well as goodwill arising, is calculated using fair-value information at the date of acquiring the additional interest. Goodwill is included in the carrying value of the investment in the associate or joint venture.

Partial disposals of associates and joint ventures that do not result in a loss of significant influence or joint control are accounted for as dilutions. Dilution gains and losses are recognised in the income statement. The group's proportionate share of gains or losses previously recognised in other comprehensive income by associates and joint ventures are reclassified to the income statement when a dilution occurs if the gains or losses are required to be reclassified to the income statement in terms of the applicable accounting standard.

Where an associate or joint venture holds equity in the group, the carrying amount of the investment in the associate or joint venture is adjusted by an amount representing the group's indirect holding in its own equity because of the cross-holding. The amount of the group's share of the associate's or joint venture's results is determined after eliminating, from the associate's or joint venture's results, any income or dividends received by the associate or joint venture from the group.

Each associate and joint venture is assessed for impairment on an annual basis as a single asset. If impaired, the carrying value of the group's investment in the associate or joint venture is adjusted to its recoverable amount and the resulting impairment loss is included in "Impairment of equity-accounted investments" in the income statement.

The group's share of other comprehensive income and other changes in net assets of associates and joint ventures is recognised in the statement of comprehensive income.

Disposals

When the group ceases to have control (subsidiaries), exercise significant influence (associates) or exert joint control (joint ventures), the retained interest is remeasured to its fair value, with the change in the carrying value recognised in the income statement. This fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest. In addition, the amounts previously recognised in other comprehensive income in respect of the entity disposed are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

Where the group contributes a non-monetary asset (including a business) to an investee in exchange for an interest in that investee that is equity-accounted, the gain or loss arising on the remeasurement of the contributed non-monetary asset to fair value is recognised in the income statement only to the extent of other parties' interests in the investee.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

***Associates and joint ventures** (continued)*

***Disposals** (continued)*

The gain or loss is eliminated against the carrying value of the investment in the associate or joint venture to the extent of the group's interest.

(b) Financial assets

Classification, initial recognition and measurement

Financial assets are initially recognised when the group becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are classified as financial assets measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification is based on the objectives of the business model within which the financial asset is held and the characteristics of its contractual cash flows.

All financial assets not classified as at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets other than those forming part of effective hedging relationships to which hedge accounting is applied. A financial asset is classified in this category at initial recognition if it is acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit making, or, if it is designated in this category to eliminate or significantly reduce an accounting mismatch that would otherwise arise.

Purchases and sales of financial assets are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. Financial assets (excluding trade receivables that are not subject to a significant financing component) are initially measured at fair value plus, for an instrument not at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue. Trade receivables that are not subject to significant financing components are initially measured at the relevant transaction prices.

Financial assets are presented as non-current assets, except for those with maturities within 12 months from the statement of financial position date, which are classified as current assets.

Subsequent measurement

Amortised cost financial assets are subsequently measured using the effective interest method, reduced by relevant impairment allowances. Interest income, foreign exchange gains and losses and impairment losses on amortised cost financial assets are recognised in the income statement.

Changes in the fair value of equity investments classified as financial assets at fair value through other comprehensive income are recognised in other comprehensive income and are accumulated in the valuation reserve in the statement of changes in equity. Dividends received on equity investments at fair value through other comprehensive income are recognised in the income statement. On derecognition of financial assets at fair value through other comprehensive income, fair value changes accumulated in the valuation reserve are transferred to retained earnings.

Financial assets at fair value through profit or loss are subsequently carried at fair value with changes in fair value recognised in the income statement.

Refer to note 41 for the group's fair-value measurement methodology regarding financial assets.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where they have been transferred and the group has also transferred substantially all risks and rewards of ownership.

Financial assets are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to realise the asset and settle a related financial liability simultaneously.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Financial assets (continued)

Impairment

The group recognises expected credit losses (impairment allowances) on financial assets measured at amortised cost and accrued income balances. The group assesses, on a forward-looking basis, the impairment allowances associated with these financial assets and makes use of provision matrices relevant to its various operations in establishing impairment allowances, specifically for trade receivables.

For financial assets at amortised cost (including primarily trade receivables) and accrued income balances, the group measures impairment allowances at an amount equal to the lifetime expected credit losses on these financial assets. Lifetime expected credit losses are those losses that result from all possible default events over the expected life of the financial instrument.

The group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full or the outstanding amount exceeds its contractual payment terms.

At each reporting date the group assesses whether financial assets at amortised cost and/or accrued income balances are credit impaired. Financial assets are considered credit impaired when one or more events that have a detrimental impact on expected future cash flows have occurred. Evidence that a financial asset is credit impaired includes but is not limited to significant financial difficulty experienced by the borrower, a breach of contract such as defaulting on contractually due repayments or the probability of the borrower entering bankruptcy.

Impairment allowances for financial assets measured at amortised cost and accrued income balances are recognised in the income statement in an impairment allowance account. The gross carrying amount of the financial assets is reduced by the impairment loss allowance and is written off when the group has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof.

Refer to note 40 for further details regarding the group's credit risk management.

(c) Financial liabilities

Financial liabilities are recognised when the group becomes party to the contractual provisions of the relevant instrument. The group classifies financial liabilities at amortised cost or at fair value through profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses on these financial liabilities are recognised in the income statement. Other financial liabilities comprise primarily trade and other payables, borrowings and written put option liabilities. These financial liabilities are initially recognised at fair value, net of transaction costs.

Written put option liabilities represent contracts that impose (or may potentially impose) an obligation on the group to purchase its own equity instruments (including the shares of a subsidiary) for cash or another financial asset. Written put option liabilities are initially raised from the "Existing control business combination reserve" in equity at the present value of the expected redemption amount payable. Simultaneously, the group may still recognise non-controlling interest where the risks and rewards of ownership are not deemed to have been transferred to the group on initial recognition of the put option liability. Subsequent revisions to the expected redemption amount payable as well as the unwinding of the discount related to the measurement of the present value of the written put option liability, are recognised in "Other finance (costs)/income – net" in the income statement. Where a written put option liability expires unexercised or is cancelled, the carrying value of the financial liability is reclassified to the "Existing control business combination reserve" in equity.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Financial liabilities (continued)

Written put options that provide the group with the discretion to settle its obligations in the group's own equity instruments (including the shares of a subsidiary) are also accounted for as outlined above. Written put option liabilities are presented within "Other liabilities" in the statement of financial position. Written put option liabilities that are linked to a committed employment period are accounted for as cash-settled share-based compensation benefits. The expected redemption amounts payable for these written put options is dependent on the completion of an employment service period (refer to share-based compensation accounting policy below).

Financial liabilities are presented as current liabilities if payment is due or could be demanded within 12 months (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis. Financial liabilities are derecognised when the contractual obligation is discharged, cancelled or when it expires.

(d) Financial instruments used for hedge accounting

The group uses derivative financial instruments (derivatives) to reduce exposure to fluctuations in foreign currency exchange rates and interest rates. These instruments mainly comprise forward exchange contracts and interest rate (including cross currency) swap agreements. Forward exchange contracts protect the group from movements in exchange rates by fixing the rate at which a foreign currency asset or liability will be settled. Cross-currency interest rate swap agreements protect the group from movements in foreign exchange risk on a net investment in a foreign operation.

The group documents, at inception of hedging transactions, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives used in hedging transactions are expected to be and have been highly effective in offsetting changes in fair values or cash flows of hedged items. Hedging instruments are included in "derivative financial instruments" in the statement of financial position. The group designates derivatives as hedging instruments either in their entirety or elements thereof, as appropriate. The fair values of derivatives used for hedging purposes are disclosed in note 40.

The method of recognising the resulting gain or loss arising from the remeasurement of derivatives used for hedging is dependent on the nature of the item being hedged. The group designates a derivative as either a hedge of the fair value of a recognised asset, liability or firm commitment (fair value hedge), or a hedge of a forecast transaction or of the foreign currency risk of a firm commitment (cash flow hedge). The group also designates certain derivatives as hedges of the group's net investments in its foreign operations (cash flow hedges).

Fair value hedges

When a derivative is designated as a fair value hedge, changes in the fair value of the derivative are recorded in the income statement, along with changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The ineffective portion of the change in the fair value of the derivative is recognised in the income statement.

When the hedged forecast transaction or firm commitment subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to the income statement in the same period during which the hedged expected future cash flow affects in the income statement.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Financial instruments used for hedge accounting (continued)

***Cash flow hedges** (continued)*

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. The amount accumulated in the hedging reserve at that time remains in equity until, for a hedge resulting in the recognition of a non-financial item, it is included in the initial cost on initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period as the expected cash flows affect the income statement.

When a committed or forecast transaction is no longer expected to occur, the amounts accumulated in the hedging reserve are reclassified to the income statement.

Net investment hedges

When a derivative is designated as a hedging instrument in a hedge of the group's net investment in a foreign operation, the effective portion of the change in fair value of the hedging instrument is recognised in other comprehensive income and presented in the foreign currency translation reserve within equity. The ineffective portion of the change in fair value of the derivative is recognised in the income statement. The amount accumulated in the foreign currency translation reserve is reclassified to the income statement on disposal of the relevant foreign operation.

Certain derivative transactions, while providing effective economic hedges under the group's risk management policies, do not qualify for hedge accounting. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised immediately in the income statement.

(e) Leased assets

At inception of a contract, the group assesses whether a contract is, or contains a lease. A contract is, or contains a lease if it conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The groups leasing arrangements relate primarily to office buildings, warehouse space, equipment and vehicles. Lease agreements are generally entered into for fixed periods of between two and 10 years, depending on the nature of the underlying asset being leased.

Lessee accounting

The group recognises all leases (with limited exceptions) as right-of-use assets and obligations to make lease payments (lease liabilities) from the lease commencement date.

The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. The cost includes the initial amount of the respective lease liability adjusted for lease payments made before the commencement date of the lease, plus initial direct costs incurred and estimated costs to dismantle or destroy the underlying asset, less lease incentives received where applicable. The right-of-use asset is subsequently depreciated using the straight-line method over the earlier of the useful life of the underlying asset or the period of the lease term. In addition, the right-of-use asset is reduced by impairment losses if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease and where that rate cannot be readily determined the group entity uses the incremental borrowing rate.

This is the rate of interest that the group entity would have to pay to borrow the funds necessary to obtain an asset of a similar value to the respective right-of-use asset in a similar economic environment.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(e) Leased assets (continued)

***Lessee accounting** (continued)*

Lease payments included in the measurement of the lease liability comprise of the following:

- fixed payments;
- variable lease payments that depend on an index or rate;
- amounts expected to be payable under residual value guarantees;
- amounts in an optional renewal lease period if the group is reasonably certain to exercise an extension option
- the exercise price of a purchase option that the group is reasonably certain to exercise; and
- penalties for early termination of the lease unless the group is reasonably certain not to terminate the lease early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured where there is a change in future lease payments, a change in the group's estimate of amounts expected to be payable under a residual value guarantee or if the group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The group presents right-of-use assets in "property, plant and equipment" and capitalised lease liabilities in "long-term liabilities" in the statement of financial position.

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The group has applied the 'integrally linked' approach in respect of the tax consequences of lease contracts. At inception of a lease and on the transition date no deferred taxes are recognised as no temporary differences arise between the tax base and carrying amount of the net lease asset or liability (without taking into account advance payments). Subsequent to initial recognition, deferred taxes are recognised when temporary differences arise.

The group's leases do not impose covenants, but leased assets may not be used as security for borrowing purposes.

Previous accounting policy for leases

In the previous financial year, the group classified all of its leases as finance or operating leases based on the criteria described below.

Finance leases

Leases of property, plant and equipment are classified as finance leases where substantially all risks and rewards associated with ownership are transferred to the group as lessee. Assets under finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments, with the related lease obligation recognised at an equivalent amount. The interest rate implicit in the lease or, where this cannot be reliably determined, the group's incremental borrowing rate is used to calculate the present values of minimum lease payments. Capitalised leased assets are depreciated over their estimated useful lives, limited to the duration of the lease agreement. Each lease payment is allocated between the lease obligation and finance charges. The corresponding lease obligations, net of finance charges, are included in long-term liabilities or current portion of long-term debt. The interest element of the minimum lease payments is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating leases

Leases of assets under which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals (net of incentives received from the lessor if applicable) are charged to the income statement on a straight-line basis over the period of the lease.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment

Property, plant and equipment comprises of owned and leased assets.

Property, plant and equipment are stated at cost, being the purchase cost plus costs to prepare the assets for their intended use, less accumulated depreciation and accumulated impairment losses. Cost includes transfers from equity of gains/losses on qualifying cash flow hedges relating to foreign currency property, plant and equipment acquisitions. Property, plant and equipment, with the exception of land, are depreciated in equal annual amounts over each asset's estimated useful life to their residual values. Land is not depreciated as it is deemed to have an indefinite life.

Depreciation periods vary in accordance with the conditions in the relevant industries, but are subject to the following range of useful lives:

Class of asset	Owned	Leased
Buildings	5 to 50 years	2 to 10 years
Computer equipment	1 to 10 years	2 to 3 years
Manufacturing equipment	2 to 15 years	2 to 4 years
Improvements to buildings	2 to 12 years	3 to 5 years
Office equipment	2 to 25 years	2 to 4 years
Vehicles	2 to 10 years	2 to 5 years

Where parts of property, plant and equipment require replacement at regular intervals, the carrying value of an item of property, plant and equipment includes the cost of replacing the part when that cost is incurred, if it is probable that future economic benefits will flow to the group and the cost can be reliably measured. The carrying values of the parts replaced are derecognised on capitalisation of the cost of the replacement part. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately where it has an estimated useful life that differs from that of the item as a whole.

Major leasehold improvements are amortised over the shorter of the respective lease terms and estimated useful lives.

Subsequent costs, including major renovations, are included in an asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each statement of financial position date. Gains and losses on disposals are determined by comparing the proceeds to the asset's carrying value and are recognised in "Other (losses)/gains – net" in the income statement.

Work in progress are assets still in the construction phase and not yet available for use. These assets are carried at cost and are not depreciated. Depreciation commences once the assets are available for use as intended by management.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of those assets. All other borrowing costs are expensed as incurred. A qualifying asset is an asset that takes more than a year to get ready for its intended use.

(g) Intangible assets

Intangible assets acquired are capitalised at cost. Intangible assets with finite useful lives are amortised using the straight-line method over their estimated useful lives. The useful lives and residual values of intangible assets are reassessed on an annual basis.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(g) Intangible assets (continued)

Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Class of asset	Useful life
Patents	5 years
Title rights	10 years
Brand names and trademarks	25 years
Software	10 years
Intellectual property rights	10 years
Customer-related assets	11 years

Costs that are directly associated with the production of identifiable and unique software products controlled by the group, and which will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overheads. All other costs associated with developing or maintaining software programmes are expensed as incurred.

Web and application (app) development costs are capitalised as intangible assets if it is probable that the expected future economic benefits attributable to the asset will flow to the group and its cost can be measured reliably, otherwise these costs are expensed as incurred.

Research expenditure is expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets if the costs can be measured reliably, the products or processes are technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. Development costs that do not meet these criteria are expensed as incurred.

Work in progress are assets still in the development phase and not yet available for use. These assets are carried at cost and are not amortised but are tested for impairment at each reporting date. Amortisation commences once the assets are available for use as intended by management.

(h) Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill and intangible assets with indefinite useful lives are allocated to cash-generating units for purposes of impairment testing. An impairment test is performed by determining the recoverable amount of the cash-generating unit to which the goodwill or intangible assets with indefinite useful lives relates. The recoverable amount of a cash-generating unit or individual asset is the higher of its value in use and its fair value less costs of disposal. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in "Other gains/(losses) – net" in the income statement. Impairment losses recognised on goodwill are not reversed in subsequent periods.

Other intangible assets and property, plant and equipment

Other intangible assets (with finite useful lives) and items of property, plant and equipment are reviewed for indicators of impairment at least annually. Indicators of impairment include, but are not limited to: significant underperformance relative to expectations based on historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the group's overall business and significant negative industry or economic trends.

Intangible assets still in the development phase, and not yet available for use (work in progress), are tested for impairment on an annual basis. An impairment loss is recognised in "Other losses – net" in the income statement when the carrying amount of an asset exceeds its recoverable amount.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Impairment of non-financial assets (continued)

***Other intangible assets and property, plant and equipment** (continued)*

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less costs of disposal is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date less the incremental costs directly attributable to the disposal of an asset or cash-generating unit, excluding finance costs and income tax expense.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash inflows of other assets or groups of assets (a cash generating unit level).

An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the revised recoverable amount exceeds the carrying amount. The reversal of such an impairment loss is recognised in "Other losses – net" in the income statement.

(i) Inventory

Inventory is stated at the lower of cost and net realisable value. The cost of inventory is determined by means of the weighted average method.

The cost of finished products and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes finance costs. Costs of inventories include the transfer from other comprehensive income of gains/losses on qualifying cash flow hedges relating to foreign currency denominated inventory purchases. Net realisable value is the estimate of the selling price, less the costs of completion and selling expenses. Allowances are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

(j) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost which equals the cost or face value of the asset. Cash and cash equivalents comprise cash on hand and deposits held at call with banks. Certain cash balances are restricted from immediate use according to terms with banks or other financial institutions. For purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(k) Short-term investments

Short-term investments are cash investments with maturities of more than three months from the date of acquisition. On initial recognition, short-term investments are recognised at fair value plus directly attributable transaction costs and are subsequently measured at amortised cost.

(l) Provisions

Provisions are obligations of the group where the timing or amount (or both) of the obligation is uncertain.

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The group recognises a provision relating to its estimated exposure on all products still under warranty at the statement of financial position date. A provision for onerous contracts is established when the expected benefits to be derived under a contract are less than the unavoidable costs of fulfilling the contract. Restructuring provisions are recognised in the period in which the group becomes legally or constructively committed to a formal restructuring plan.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(l) Provisions (continued)

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is determined by discounting the anticipated future cash flows expected to be required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in the income statement

(m) Taxation

Tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such cases, the related tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

The statutory Dutch corporate tax rate applicable to Prosus for the year ending 31 March 2020 is 25% (2019: 25%). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It accounts for uncertain tax positions where appropriate, on the basis of amounts expected to be paid to the tax authorities. International tax rates vary from jurisdiction to jurisdiction.

Deferred taxation

Deferred tax assets and liabilities have been calculated using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date, being the rates the group expects to apply to the periods in which the assets are realised or the liabilities are settled.

Deferred taxation is provided on the taxable or deductible temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction, other than a business combination, that, at the time of the transaction, affects neither the accounting nor the taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences and unused tax losses can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

(n) Foreign currencies

The consolidated financial statements are presented in US dollar (US$) which is the group's presentation currency. However, the group measures the transactions of its operations using the functional currency determined for that specific operating entity which is the currency of the primary economic environment in which the operation conducts its business.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of the valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as part of qualifying cash flow hedges.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(n) Foreign currencies (continued)

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair-value gain or loss recognised in the income statement. Translation differences on non-monetary equity investments classified at fair value through other comprehensive income are recognised in other comprehensive income and accumulated in the valuation reserve as part of the fair-value remeasurement of such items.

The results and financial position of all foreign operations (none of which operates in hyperinflationary economy) that have a functional currency that is different from the group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date.
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the spot rate on the dates of the transactions).
- Components of equity are translated at the closing rate in terms of Dutch law. Exchange differences on translation of equity are recognised directly in retained earnings.
- All other resulting exchange differences except equity are recognised in other comprehensive income and accumulated in the "Foreign currency translation reserve" in the statement of changes in equity.

Foreign operations

The group recognises foreign exchange differences relating to monetary items that form part of its net investment in its foreign operations in other comprehensive income where settlement of the item is neither planned nor likely to take place in the foreseeable future.

When a foreign operation is disposed of, the accumulated foreign exchange differences are reclassified to the income statement, as part of the gain or loss on sale.

(o) Revenue recognition

Revenue from contracts with customers is derived from the sale of goods and rendering of services. Revenue is measured based on the transaction price specified in the contract with the customer. The group recognises revenue when (or as) it transfers control of goods and/or services to its customers, which is when specific criteria have been met for each of the group's activities as described below. Revenue is recognised at the amount the group expects to be entitled to in exchange for the goods and/or services transferred to customers.

Revenue is shown net of value-added tax (VAT), returns, rebates and discounts. For contracts that permit returns, rebates or discounts, revenue is recognised only to the extent that it is highly probable that a significant reversal of revenue will not occur as a result of such items. The amount of revenue recognised is adjusted for expected returns, rebates or discounts which are estimated based on the group's historical experience and taking into consideration the type of customer, the type of transaction and the specific terms of each arrangement. The right to return goods is measured at the former carrying amount of the inventory less expected costs to recover goods where applicable.

Where contracts include multiple goods and/or services, the transaction price is allocated to each distinct good or service (or performance obligation) based on respective stand-alone selling prices. Where stand-alone selling prices are not directly observable, they are estimated.

The group identifies all parties that are integral to it generating revenue on its online platforms as its customers and, accordingly, incentives (including cash discounts and discount vouchers/coupons) provided to any party transacting on the platform are treated as a reduction of revenue.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(o) Revenue recognition (continued)

The group considers, for each contract with a customer, whether it is a principal or an agent. The group regards itself as the principal in a transaction where it controls a promised good or service before the good or service is transferred to a customer. Where the group is the principal in a transaction, it recognises revenue in the gross amount of consideration to which it expects to be entitled. The group is the principal in the majority of transactions that it enters into.

Revenue earned, but for which the group's right to the consideration is not yet unconditional is presented as accrued income as part of other receivables in the statement of financial position. Payments received in advance from contracts with customers represent an obligation to transfer future goods and/or services and are presented as part of accrued expenses and other liabilities in the statement of financial position.

The group is not party to contracts where the period between the transfer of goods and/or services and payment exceeds one year. Consequently, the group does not adjust its transaction prices for financing components.

Revenue recognition for the group's major revenue streams is outlined below in the following paragraphs.

Ecommerce revenue
Revenue represents amounts received or receivable from customers relating to online goods sold on the group's etail and other internet platforms and from services rendered. Services rendered include advertising, travel package revenue and commissions, classifieds listings revenue, payment transaction commissions and fees, food delivery revenue, mobile and other content revenue and comparison-shopping commissions and fees.

Revenue from goods sold is recognised when the goods are delivered and accepted by customer. The group recognises classifieds listings and related fees on listing of an item for sale and success fees and other relevant commissions when a transaction is completed on the group's websites. Payments and fintech, food delivery, mobile content and comparison-shopping revenues are recognised once a transaction is completed and is based on the applicable fee for each transaction performed.

Advertising revenues
The group mainly derives advertising revenues from advertisements published in its newspapers and magazines and shown online on its websites and instant-messaging windows. Online advertising revenues are recognised over the period in which the advertisements are displayed using a time-based measure.

(p) Employee benefits

Retirement benefits

The group provides retirement benefits to its full-time employees, primarily by means of monthly contributions to a number of defined contribution pension and provident funds. The assets of these funds are generally held in separate trustee administered funds. The group's contributions to retirement funds are recognised as an expense in the period in which employees render the related service.

Medical aid benefits

The group's contributions to medical aid benefit funds for employees are recognised as an expense in the period in which the employees render services to the group.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(p) Employee benefits (continued)

Post-employment benefits

Some group companies provide post-employment benefits to their retirees. The entitlement to post-employment healthcare benefits is subject to the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the minimum service period. Independent actuaries carry out annual valuations of these obligations. All remeasurements resulting from experience adjustments and changes in actuarial assumptions are recognised immediately in other comprehensive income. These obligations are unfunded.

Termination benefits

The group recognises termination benefits when it is demonstrably committed to either terminate the employment of employees before the normal retirement date, or provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Where termination benefits fall due more than 12 months after the reporting period, they are discounted. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Termination benefits are immediately recognised as an expense in the income statement.

Share-based compensation

The group grants share options, share appreciation rights (SARs), performance stock units (PSUs) and restricted stock units (RSUs) to its employees under a number of equity compensation plans. The group recognises an employee benefit expense in the income statement, representing the fair value of share options, SARs, PSUs and RSUs granted. A corresponding credit to equity is raised for equity-settled plans, whereas a corresponding credit to liabilities is raised for cash-settled plans.

The fair value of the options, SARs, PSUs and RSUs at the date of grant under equity-settled plans is charged to the income statement over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. For cash-settled plans, the group remeasures the fair value of the recognised liability at each reporting date and at the date of settlement, with changes in fair value recognised in the income statement.

A share option, SAR, PSU or RSU scheme is considered equity-settled when the transaction is settled through the issue of equity instruments of Prosus or its subsidiaries or where the group has no obligation to settle awards with participants. They are considered cash-settled when there is an obligation to settle in cash or other asset (including shares of Naspers Limited).

On the final vesting date of equity-settled plans, the group transfers the accumulated balance relating to vested share options, PSUs and RSUs from the share-based compensation reserve to retained earnings.

(q) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the group by the weighted average ordinary shares outstanding during the financial year excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The group discloses headline earnings per share as determined in accordance with Circular 1/2019, headline earnings, as issued by the South African Institute of Chartered Accountants, pursuant to the JSE Listings Requirements.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(q) Earnings per share (continued)

Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined separately identifiable remeasurements relating to, amongst others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains and losses on acquisitions and disposals of investments as well as assets, dilution gains and losses on equity-accounted investments, remeasurement gains and losses on disposal groups classified as held for sale and remeasurements included in equity-accounted earnings, net of related taxes (both current and deferred) and the related non-controlling interests.

Basic headline earnings per share are determined by dividing the headline earnings described above by the weighted average ordinary shares outstanding during the financial year excluding treasury shares. Diluted headline earnings per share are determined by dividing the headline earnings by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

In the event that the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalisation without consideration, the calculation of the basic and diluted earnings per share for the comparative period are adjusted retrospectively.

(r) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction against share premium.

Where subsidiaries hold Naspers N ordinary shares, the consideration paid to acquire those shares, including attributable incremental costs, is deducted from shareholders' equity as treasury shares. Such shares are predominantly held for equity compensation plans. Where such shares are subsequently sold or reissued, the cost of those shares is released, and realised gains or losses are recorded as treasury shares in equity.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decisionmaker. The chief operating decisionmaker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions. The group proportionately consolidates its share of the results of its associates and joint ventures in the various reportable segments. This is considered to provide additional information on the economic value of these investments.

(t) Disposal groups held for sale and discontinued operations

Non-current assets and liabilities (disposal groups) are classified as held for sale, and presented as current assets and liabilities in the statement of financial position, when their carrying values will be recovered principally through a sale transaction and when such sale is considered highly probable. The assets and liabilities of disposal groups held for sale are stated at the lower of carrying value and fair value less costs of disposal. From the date on which disposal groups are classified as held for sale, the group applies the measurement provisions of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* which includes, amongst other requirements, the cessation of the recognition of depreciation and amortisation.

Discontinued operations comprise those activities of the group that were disposed of during a reporting period or which were classified as held for sale at the end of the period, and represent a separate major line of business or geographical area that can be clearly distinguished for operational and financial reporting purposes. The results of discontinued operations are presented separately in the income statement.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(u) Accounting developments

(i) The group has adopted all new and amended accounting pronouncements that are relevant to its operations and that are effective for financial years commencing 1 April 2019. The impact of adopting new accounting pronouncements is outlined below and includes, significantly, the first-time application of IFRS 16 *Leases* (IFRS16) with effect from 1 April 2019. A number of other pronouncements were also effective from 1 April 2019. but did not have a significant effect on the group's consolidated financial statements.

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

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

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

The group has applied the following practical expedients:

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

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(u) Accounting developments (continued)

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

The group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'long-term liabilities' in the statement of financial position. Interest on lease liabilities is included in 'interest expense' in the income statement and included in the cash flows from operating activities in the statement of cash flows.

The group's leasing arrangements relate primarily to office buildings, warehouse space, equipment and motor vehicles. Lease agreements are generally entered into for fixed periods of between two and 10 years, depending on the nature of the underlying asset being leased.

Leasing arrangements may contain extension and/or termination options that are exercisable by the group. In determining the lease term for arrangements that contain extension and/or termination options the group considers all facts and circumstances that may create an economic incentive to exercise an extension and/or not exercise a termination option. The leases do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

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

The impact on the financial statements on transition to IFRS 16 is detailed below.

Lease liabilities recognised

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

[1] *The group disclosed these lease commitments on an undiscounted basis in the Combined Consolidated Carve-Out Financial Statements for the year ended 31 March 2019.*

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(u) Accounting developments (continued)

(ii) The following new standards, interpretations and amendments to existing standards, that are considered relevant to the group, are not yet effective as at 31 March 2020. The group is currently evaluating the effects of these standards and interpretations, which have not been early adopted:

Standard/Interpretation	Title	Effective for year ending
IAS 1/IAS 8	*Presentation of financial statements*	March 2021
IFRS 3	*Business combinations*	March 2021
IFRS 9 /IAS 39/ IFRS 7	*Financial Instruments*	March 2021
IFRS 10/IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined by the IASB

Other new standards, interpretations and amendments to existing standards not yet effective

None of the other new standards, interpretations and amendments to existing standards that are not yet effective as at 31 March 2020 are expected to have a significant impact on the group.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES

Financial year ended 31 March 2020

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

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

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

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

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

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

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

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2020 (continued)

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

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

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

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

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

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2020 (continued)

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

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

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

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

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

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

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

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

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2020 (continued)

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

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

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

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

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

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

Financial year ended 31 March 2019

In August 2018 the group invested US$60m for a 100% effective and fully diluted interest in the issued share capital of Zooz Mobile Limited (Zooz), a management and optimisation payment provider based in Israel. The transaction was accounted for as a business combination with an effective date of August 2018. The purchase price allocation: cash and deposits US$2m; trade and other receivables US$1m; intangible assets US$22m; trade and other payables US$1m; loan liabilities US$1m; deferred tax liability US$5m and the balance of US$42m to goodwill. The main intangible assets recognised in the business combination were technology and customer relationships.

In December 2018 the group invested US$36m for a 69% effective interest (65% fully diluted) in the issued share capital of Aasaanjobs Private Limited (Aasaanjobs), an online recruitment marketplace based in India. The transaction was accounted for as a business combination with an effective date of December 2018. The purchase price allocation: cash and deposits US$23m; trade and other receivables US$1m; intangible assets US$5m; trade and other payables US$3m; deferred tax liability US$2m and the balance of US$13m to goodwill. The main intangible assets recognised in the business combination were customer relationships and tradenames.

Since the acquisition dates of the above business combinations, revenue of US$1m and net losses of US$9m have been included in the income statement. Had the revenue and net losses of the above business combinations been included from 1 April 2018 group revenue from continuing operations and net profit from continuing operations would have amounted to US$3.29bn and US$4.15bn respectively.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2019 (continued)

The main factor contributing to the goodwill recognised in these acquisitions was the acquirees' market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US$2m were recorded in "(Losses)/gains on acquisitions and disposals" in the income statement regarding the above-mentioned acquisitions.

In April 2018 the group acquired the share capital held by non-controlling shareholders of its subsidiary Dubizzle Limited (Dubizzle) for US$190m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Dubizzle and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective and fully diluted interest in Dubizzle.

In August 2018 the group's subsidiary Letgo Global B.V. (previously named Ambatana Holdings B.V.) acquired the share capital held by non-controlling shareholders of Letgo USA B.V. for US$189m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in the business and the derecognition of the related non-controlling interest. Following a US$150m funding round in June 2018, the group's shareholding in Letgo Global B.V. increased from an effective 73.4% at 31 March 2018 to 80% (77% fully diluted) at 31 March 2019.

In January 2019, the group acquired the share capital held by non-controlling shareholders of its subsidiary Avito AB (Avito) for US$1.16bn. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Avito and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective interest (99.5% fully diluted) in Avito.

In March 2019, the group acquired an additional interest in its subsidiary Silver Indonesia JVCo B.V. (Silver Indonesia) from non-controlling shareholders for US$46m. Following the acquisition, the group holds a 66% effective interest in Silver Indonesia.

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

In May 2018 the group invested US$35m for a 16% effective interest (15% fully diluted) in Honor Technology, Inc. (Honor) a comprehensive home-care company for older adults in the US. The group accounts for its interest as an investment in an associate.

In May 2018 the group invested US$89m in Frontier Car Group, Inc. (Frontier Car Group), an online car marketplace headquartered in Berlin and currently operating in eight countries, for a 36% effective (35% fully diluted) shareholding. The group accounts for its interest as an investment in an associate. The group also entered into a collaboration with FCG in India during February 2019 through an investment of US$25m in the group's subsidiary India Used Car Group B.V.

In July 2018 the group invested an additional US$12m in PaySense Private Limited (PaySense), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. Following this investment, the group holds a 19% effective interest (17% fully diluted) in PaySense. The group accounted for its interest in PaySense as an investment in an associate.

The group invested an additional US$79m in Bundl Technologies Private Limited (Swiggy), a leading online food-ordering and delivery platform in India, during July 2018, followed by a further investment of US$637m in January 2019. Following these investments, the group holds a 39% effective interest (35% fully diluted) in Swiggy. The group continues to account for its interest as an investment in an associate.

In December 2018 the group invested US$383m in Think & Learn Private Limited (BYJU's) for a 12% effective (12% fully diluted) shareholding in India's largest education company and the creator of India's largest personalised learning app. The group accounts for its interest as an investment in an associate.

3. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2019 (continued)

The following relates to significant disposals by the group during the reporting period:

During May 2018 the group announced the disposal of its 12% effective interest (11% fully diluted) in Flipkart Limited – its equity-accounted etail investment in India – to US-based retailer Wal-Mart International Holdings, Inc. for US$2.2bn (inclusive of applicable withholding taxes and amounts held in escrow). Amounts held in escrow following the disposal have been included as part of "Other receivables" in the statement of financial position. The transaction was concluded in August 2018 following regulatory approval. A gain on disposal of US$1.6bn has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement. This gain includes the reclassification of a foreign currency translation reserve of US$97m to the income statement. Related income tax expenses of US$177m have been included as part of "Taxation" in the income statement.

In September 2018 the group concluded the sale of its 52% interest in Tek Travels Private Limited, its online B2B travel distribution business, for US$37m. A gain on disposal of US$6m has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement.

In September 2018, the group spun off its Sub-Saharan African Video-Entertainment business, which was subsequently listed as part of MultiChoice Group Limited (the MultiChoice Group) in February 2019. The group's Video-Entertainment segment, has been presented as a discontinued operation in these consolidated financial statements (refer to note 4). The group recorded a loss of US$738m as part of "Loss from discontinued operations" in the income statement following the distribution.

4. LOSS FROM DISCONTINUED OPERATIONS

In September 2018 the group disposed of its sub-Saharan African Video-Entertainment business, which was subsequently listed and distributed by the Naspers group to its shareholders in an unbundling transaction in February 2019 (refer to note 3). The segment offered digital satellite and digital terrestrial television services to subscribers as well as mobile and internet services through MultiChoice Africa in sub-Saharan Africa. Through Irdeto, the business provided digital content management and protection systems to customers globally to protect, manage and also monetise digital media on any platform. These businesses represented a separate line of business and were classified as the Video-Entertainment segment. The results and cash flows of the group's Video-Entertainment segment have been presented as discontinued operations in these consolidated financial statements. Discontinued operations also includes the group's subscription video-on-demand service in Poland which was closed at the end of January 2019 and which formed part of the Video-Entertainment segment.

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

Income statement information of discontinued operations

	31 March 2019 US$'m
Revenue from contracts with customers[1]	644
Expenses[1]	(770)
Loss before tax	(126)
Taxation	(21)
Loss for the year	(147)
Loss on disposal of discontinued operation[2]	(591)
Loss from discontinued operations	(738)
Loss from discontinued operations attributable to:	
Equity holders of the group	(722)
Non-controlling interest	(16)
	(738)

[1] Includes sales of goods and services of US$82.6m and purchases of goods and services of US$247.9m from MultiChoice South Africa.

[2] Relates to the realisation of foreign currency translation reserve losses of US$591.1m on the distribution of discontinued operations.

Revenue from contracts with customers

Revenue from discontinued operations comprised the following:	
Subscription revenue	463
Advertising revenue	12
Hardware sales and maintenance revenue	81
Technology revenue	81
Other revenue	7
Revenue from contracts with customers	644

Cash flow statement information of discontinued operations

Net cash utilised in operating activities	(138)
Net cash utilised in investing activities	(7)
Net cash generated from financing activities	148
Cash generated by discontinued operations	3

4. LOSS FROM DISCONTINUED OPERATIONS (continued)

Related party balances

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

Per share information related to discontinued operations

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

5. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings US$'m	Computer and office equip-ment US$'m	Furniture and fittings US$'m	Other US$'m	Total US$'m
1 April 2019					
Cost	**96**	**53**	**49**	**4**	**202**
Accumulated depreciation and impairment	**(18)**	**(26)**	**(19)**	**(1)**	**(64)**
Carrying value at 1 April 2019	**78**	**27**	**30**	**3**	**138**
Change in accounting policy[1]	**181**	**7**	**-**	**6**	**194**
Restated carrying value at 1 April 2019	**259**	**34**	**30**	**9**	**332**
Foreign currency translation effects	**(39)**	**(3)**	**(2)**	**-**	**(44)**
Transferred to assets classified as held for sale	**(3)**	**(1)**	**-**	**-**	**(4)**
Reclassifications	**-**	**3**	**(3)**	**-**	**-**
Acquisitions of subsidiaries and businesses	**23**	**2**	**2**	**1**	**28**
Disposals of subsidiaries and businesses	**(2)**	**(2)**	**-**	**-**	**(4)**
Acquisitions of assets	**26**	**23**	**14**	**1**	**64**
Acquisitions of right-of-use assets	**87**	**6**	**-**	**1**	**94**
Disposals/scrappings	**(10)**	**(1)**	**-**	**(1)**	**(12)**
Depreciation	**(51)**	**(17)**	**(9)**	**(3)**	**(80)**
31 March 2020					
Cost	**347**	**75**	**52**	**12**	**486**
Accumulated depreciation and impairment	**(57)**	**(31)**	**(20)**	**(4)**	**(112)**
Carrying value at 31 March 2020	**290**	**44**	**32**	**8**	**374**
Work in progress at 31 March 2020					**3**
Total carrying value at 31 March 2020					**377**

[1] The group adopted IFRS 16 from 1 April 2019 and accordingly the capitalised lease assets as at 31 March 2020 relate to all leases including those previously classified as operating leases in terms of IAS 17 which were not recognised on the statement of financial position. Refer to note 2 for details of the group's adoption of new accounting pronouncements during the year.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings US$'m	Computers and office equip-ment US$'m	Furniture and fittings US$'m	Other[1] US$'m	Total US$'m
1 April 2018					
Cost	108	100	49	849	1 106
Accumulated depreciation and impairment	(37)	(61)	(20)	(366)	(484)
Carrying value at 1 April 2018	71	39	29	483	622
Foreign currency translation effects	(9)	(5)	(5)	(6)	(25)
Acquisitions of subsidiaries and businesses	-	1	1	1	3
Disposals of subsidiaries and business	(33)	(18)	(3)	(442)	(496)
Acquisitions	58	27	16	3	104
Disposals/scrappings	-	(2)	(1)	(1)	(4)
Depreciation[2]	(9)	(15)	(7)	(35)	(66)
31 March 2019					
Cost	96	53	49	4	202
Accumulated depreciation and impairment	(18)	(26)	(19)	(1)	(64)
Carrying value at 31 March 2019	78	27	30	3	138
Work in progress at 31 March 2019					5
Total carrying value at 31 March 2019					143

[1] Included in other is transmission equipment of US$436.2m related to the Video-Entertainment business which was disposed of to shareholders (refer to 4).

[2] Includes depreciation of US$41.2m associated with discontinued operations (refer to note 4).

5. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying value of work in progress mainly comprises buildings and equipment.

The carrying values and depreciation of right-of-use assets are as follows[1]:

	31 March 2020	
	Carrying value US$'m	Depreciation charge for the year[2] US$'m
Vehicles	7	(2)
Buildings	199	(44)
Computers, furniture and office equipment	19	(4)
	225	(50)

[1] The group adopted IFRS 16 from 1 April 2019 and accordingly the capitalised lease assets as at 31 March 2020 relate to all leases including those previously classified as operating leases in terms of IAS 17 which were not recognised on the statement of financial position. Refer to note 2 for details of the group's adoption of new accounting pronouncements during the year.

[2] Relates to depreciation expense for right-of-use assets during the current year.

Included in the acquisition of property, plant and equipment is an amount of US$81.7m (2019: US$0.5m) relating to leased assets, which are non-cash in nature. Refer to note 25 for details of the group's assets pledged as collateral.

6. GOODWILL

	31 March	
	2020	2019
	US$'m	US$'m
Cost		
Opening balance	**2 269**	2 532
Foreign currency translation effects	**(282)**	(262)
Acquisitions of subsidiaries and businesses	**566**	105
Disposals of subsidiaries and businesses	**(138)**	(93)
Transferred to assets classified as held for sale	**(152)**	(13)
Closing balance	**2 263**	2 269
Accumulated impairment		
Opening balance	**234**	334
Foreign currency translation effects	**(17)**	(38)
Impairment	**10**	6
Disposals of subsidiaries and businesses	**(133)**	(68)
Closing balance	**94**	234
Carrying value	**2 169**	2 035

The group recognised impairment losses on goodwill of US$9.6m (2019: US$6.4m) related to various smaller ecommerce investments.

Management used up to 10-year projected cash flow models, terminal growth rates ranging between 2% and 5.5% and post-tax discount rates ranging between 11% and 21% in performing the impairment tests. The group uses up to 10-year projected cash flow models as many businesses have monetisation timelines longer than five years as further explained below.

Impairment testing of goodwill

The group has allocated goodwill to various cash-generating units (CGUs). The recoverable amounts of these cash-generating units have been determined based on the higher of the value in use calculations and the fair value less costs of disposal. Fair value less costs of disposal of these cash generating units takes into account the transaction value for the group's recent acquisitions or upcoming disposal where applicable or is determined using option pricing methodology. Value in use is based on discounted cash flow calculations. The group based its cash flow calculations on 10-year budgeted and forecast information approved by senior management and/or the various boards of directors of group companies. Long-term average growth rates for the respective countries in which the entities operate or, where more appropriate, the growth rate of the cash-generating units, were used to extrapolate cash flows into the future. The discount rates used reflect specific risks relating to the relevant cash-generating units and the countries in which they operate while maximising the use of market observable data. Other assumptions included in cash flow projections vary widely between cash-generating units due to the group's diverse range of business models, and are closely linked to entity-specific key performance indicators.

Goodwill is tested annually as at 31 December or more frequently if there is a change in circumstance that indicates that it might be impaired. At 31 March 2020 the group reassessed its goodwill impairment calculations as well as the appropriateness of recoverable amounts used as a result of the Covid-19 pandemic. For the CGUs that were recently acquired, management performed an assessment of whether there was any reason to adjust the transaction price as the basis for the fair value less costs of disposal and concluded that this was not the case. The updated value in use amounts used were considered appropriate based on the updated budgets and forecasts and the reasonable expectation that the businesses will recover from the impact of the pandemic. The group reassessed its 10-year budgets and forecasts by adjusting cash flow projections and budgets to include the effects of the Covid-19 pandemic. The group also updated its discount rates where required. These adjustments took into account the impact of the pandemic on revenue and margins as well as the periods of interruptions to business operations as a result of lock-down trading restrictions.

6. GOODWILL (continued)

Impairment testing of goodwill (continued)

Covid-19 has had a broad impact on the group, with the restrictions impacting some businesses negatively where they are unable to operate and on the other hand, having a positive impact on the group's major business operations where online services and sale of goods is the primary solution for social distancing measures imposed. The impairment loss recognised as at 31 March 2020 therefore, takes into account the impact of the pandemic on the group and its cash-generating units which is the group's best estimate amidst this current uncertain economic environment. The goodwill impairment relates to the group's ecommerce classifieds business.

Estimating the future performance of the group's cash generating units is challenging during this pandemic. As circumstances change and/or information becomes available, the group may be required to recognise impairments in future periods.

The group's impairment testing of goodwill takes into account that, in most instances, longer forecast periods are required for many ecommerce businesses. These longer forecast periods are required as the group's ecommerce businesses generally only reach maturity once sufficient market share has been gained, the businesses have reached the appropriate scale and have become revenue generative/profitable. The forecast period is assessed annually to ensure it remains appropriate for the relevant businesses. Key assumptions in estimating these future cash flows over the forecast period include the cash generating unit's ability to capture the required market share and the additional investment required in order for it to reach the appropriate scale. The group uses look-back analysis to assess past performance of its cash generating units and uses it to validate past judgements and predict future performance.

For certain cash generating units risk adjustments are made to discount rates used when calculating the value in use. Value in use calculations are performed using the appropriate operational cash flows, and accordingly, discount rates take into account country risk premiums and inflation differentials as appropriate.

Where the group has committed to the sale of a cash generating unit or has determined that an impairment loss should be recognised on a cash generating unit based on its value in use, the group also calculates that cash generating unit's fair value less costs of disposal to ensure that the recognition of an impairment loss is appropriate.

Post-tax discount rates have been applied as value in use was determined using post-tax cash flows. Impairment testing is performed using the appropriate currency cash flows, and accordingly, discount rates take into account country risk premiums and inflation differentials as appropriate.

The calculation of value in use is most sensitive to the following assumptions:

- projected revenue and EBITDA growth rates;
- growth rates used to extrapolate cash flows beyond the budget and forecast period, including the terminal growth rate applied in the final projection year; and
- discount rates.

When determining cash flows over the forecast periods, EBITDA margin assumptions vary between the group's diverse range of businesses.

The group's classifieds segment accounts for over 78% of the overall balance of goodwill and, accordingly, assumptions made in determining the cash flows of the classifieds cash generating units have a significant impact on the annual impairment assessment. Key assumptions underlying revenue forecasts for cash generating units in the classifieds segment include the cash generating unit's anticipated market share, the number of listings expected over the forecast period and the revenue and EBITDA contribution of each such listing. EBITDA margins assumed range between 30% and 63%, depending on the stage of maturity of the relevant business. Terminal growth rates and discount rates used in performing impairment tests are detailed in the table below.

If either the pre- or post-tax discount rate applied to cash flows were to increase relatively by 5% or the growth rate used to extrapolate cash flows were to decrease relatively by 5%, or if both the discount rate and the growth rate were to increase and decrease relatively by 5% respectively, there would be no further significant impairments that would have to be recognised.

6. GOODWILL (continued)

Impairment testing of goodwill (continued)

The group allocated goodwill to the following groups of cash-generating units:

	Carrying value of goodwill 31 March 2020 US$'m	Basis of determi-nation of recoverable amount	Pre-tax discount rates at 31 March[1] 2020 %	Post-tax discount rate applied to cash flows at 31 March[1] 2020 %	Growth rate used to extrapolate cash flows at 31 March[1] 2020 %
Groups of cash-generating units					
Avito AB	1 057	Value in use	19.2	16.5	3.5
Frontier Car Group Inc. (FCG)[2]	287	FVLCoD[3]			
Payment Solutions Private Limited (Citrus Pay)	90	Value in use	17.0	14.5	4.0
iyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (Iyzico)[2]	88	FVLCoD[3]			
PaySense Private Limited[2]	85	FVLCoD[3]			
OLX B.V.	77	Value in use	15.6	13.4	4.0
Dubizzle Limited (BVI)	75	FVLCoD[3]			
Letgo Global B.V.	55	FVLCoD[3]			
Silver Indonesia JVCo B.V. (OLX Indonesia)	48	Value in use	17.7	17.5	4.0
Movile Internet Movel S.A.	46	Value in use	24.7	19.0	4.0
Dante International S.A. (eMAG)	46	Value in use	17.5	16.0	4.5
Zooz Mobile Limited	40	Value in use	12.0	11.0	4.0
Wibmo Inc.[2]	40	FVLCoD[3]			
Red Dot Payment Private Limited (RDP)[2]	36	FVLCoD[3]			
The Car Trader Proprietary Limited (AutoTrader)	20	Value in use	28.7	21.0	5.0
OLX Portugal S.A.	22	Value in use	33.6	18.0	2.0
Aasaanjobs Private Limited	13	FVLCoD[3]			
Various other units	44	Value in use	Various	Various	Various
	2 169				

[1] Goodwill is tested annually as at 31 December or more frequently if change in circumstance indicates that it might be impaired.

[2] This cash-generating unit includes goodwill from acquisitions that were made during the current year based on the value of the recent transactions. Refer to note 3 for details.

[3] Recoverable amount was based on the fair value less costs of disposal of these cash generating units taking into account the transaction value for the group's recent acquisitions and in the case of Letgo Global B.V. and Dubizzle Limited (BVI) the group's recent transaction for disposal pending regulatory approval (Refer to note 43).The fair value for these cash-generating units is a level 3 measurement.

Post-tax discount rates have been applied in calculations as value in use was determined using post-tax cash flows.

6. GOODWILL (continued)

Impairment testing of goodwill (continued)

	Carrying value of goodwill 31 March 2019 US$'m	Basis of determi-nation of recoverable amount	Pre-tax discount rates at 31 March[1] 2019 %	Post-tax discount rate applied to cash flows at 31 March[1] 2019 %	Growth rate used to extrapolate cash flows at 31 March[1] 2019 %
Groups of cash-generating units					
Avito AB	1 262	Value in use	17.3	15.0	5.0
Letgo Global B.V. (previously Ambatana Holdings B.V.)	200	Value in use	20	17.5	5.0
Payment Solutions Private Limited (Citrus Pay)[2]	98	Value in use	16.6	14.0	4.0
OLX B.V.	77	Value in use	15.4	13.5	5.0
Dubizzle Limited (BVI)	75	Value in use	15.9	15.5	4.0
Movile Internet Movel S.A.	69	Value in use	23.5	18.0	5.0
Silver Indonesia JVCo B.V. (OLX Indonesia)	59	Value in use	19.3	17.0	4.0
Dante International S.A. (eMAG)	48	Value in use	17.3	16.0	3.0
Zooz Mobile Limited	40	Value in use	13.1	12.0	4.0
The Car Trader Proprietary Limited (AutoTrader)	29	Value in use	26.5	21.0	4.0
OLX Portugal S.A.	22	Value in use	17.5	16.0	1.5
Aasaanjobs Private Limited[3]	14	FVLCoD[3]			
Various other units	42	Value in use	Various	Various	Various
	2 035				

[1] Goodwill is tested annually as at 31 December or more frequently if change in circumstance indicates that it might be impaired.

[2] This cash-generating unit includes goodwill from acquisitions that were made during the prior year based on the value of the recent transactions.

[3] Recoverable amount was based on the fair value less costs of disposal of these cash generating units taking into account the transaction value for the group's acquisition.The fair value for these cash-generating units is a level 3 measurement.

Post-tax discount rates have been applied in calculations as value in use was determined using post-tax cash flows.

7. OTHER INTANGIBLE ASSETS

	Intellectual property rights and patents US$'m	Customer related assets US$'m	Brand names and title rights US$'m	Software US$'m	Total US$'m
1 April 2019					
Cost	**2**	**552**	**636**	**82**	**1 272**
Accumulated amortisation and impairment	**-**	**(172)**	**(262)**	**(46)**	**(480)**
Carrying value at 1 April 2019	**2**	**380**	**374**	**36**	**792**
Foreign currency translation effects	**-**	**(55)**	**(58)**	**(6)**	**(119)**
Acquisitions of subsidiaries and businesses	**-**	**106**	**90**	**59**	**255**
Disposals of subsidiaries and businesses	**(1)**	**(3)**	**-**	**(2)**	**(6)**
Acquisitions	**-**	**8**	**-**	**7**	**15**
Amortisation	**(1)**	**(43)**	**(41)**	**(18)**	**(103)**
Cost	**-**	**579**	**612**	**125**	**1 316**
Accumulated amortisation and impairment	**-**	**(186)**	**(247)**	**(49)**	**(482)**
Carrying value at 31 March 2020	**-**	**393**	**365**	**76**	**834**
Work in progress at 31 March 2020[(1)]					**10**
Total carrying value at 31 March 2020					**844**

[(1)] Includes acquisitions of US$10.0m.

7. OTHER INTANGIBLE ASSETS (continued)

	Intellectual property rights and patents US$'m	Customer related assets US$'m	Brand names and title rights US$'m	Software US$'m	Total US$'m
1 April 2018					
Cost	90	682	722	84	1 578
Accumulated amortisation and impairment	(76)	(221)	(253)	(49)	(599)
Carrying value at 1 April 2018	14	461	469	35	979
Foreign currency translation effects	(1)	(67)	(62)	(6)	(136)
Acquisitions of subsidiaries and businesses	1	23	8	26	58
Disposals of subsidiaries and businesses	(9)	(4)	(1)	(9)	(23)
Acquisitions	-	4	-	6	10
Impairment	(1)	-	-	-	(1)
Amortisation[1]	(2)	(37)	(40)	(16)	(95)
31 March 2019					
Cost	2	552	636	82	1 272
Accumulated amortisation and impairment	-	(172)	(262)	(46)	(480)
Carrying value at 31 March 2019	2	380	374	36	792
Work in progress at 31 March 2019[2]					2
Total carrying value at 31 March 2019					794

[1] *Includes amortisation of US$1.4m associated with discontinued operations (refer to note 4).*

[2] *Includes acquisitions of US$2.2m*

The group recognised no impairment losses on other intangible assets (2019: US$0.6m). The recoverable amount of the intangible assets that was impaired in the prior year was US$nil in 2019. The intangible assets impaired were written off in full as no future cash inflows were associated with them.

The impairment losses have been included in “Other losses – net” in the income statement, of which US$0.6m related to 2019 and has been included in the classifieds segment.

8. SIGNIFICANT SUBSIDIARIES

The following information relates to the group's interest in its significant subsidiaries as at 31 March:

Name of subsidiary	Effective percentage interest[1]		Nature of business	Country of incorporation	Functional currency
	2020 %	2019 %			
Unlisted companies					
Corporate companies					
MIH B2C Holdings B.V.	**100.00**	100.00	Investment holding	The Netherlands	US$
MIH Internet Holdings B.V.	**100.00**	100.00	Investment holding	The Netherlands	US$
Classifieds					
Aasaanjobs Private Limited	**68.55**	68.55	Classifieds	India	INR
Avito AB	**100.00**	100.00	Classifieds	Sweden	SEK
Brocante Lab SAS (Selency)	**54.79**	54.79	Classifieds	France	EUR
Dubizzle Limited (BVI)[2]	**100.00**	100.00	Classifieds	UAE	AED
Frontier Car Group Inc (FCG)[3]	**84.37**	-	Classifieds	Germany	EUR
Letgo Global B.V.	**79.94**	79.94	Classifieds	The Netherlands	US$
Letgo USA B.V. (merged with Letgo Global B.V.)	**-**	79.94	Classifieds	The Netherlands	US$
Netrepreneur Connections Enterprises Inc. (Sulit)[5]	**-**	100.00	Classifieds	Philippines	PHP
OLX B.V.	**100.00**	100.00	Classifieds	The Netherlands	US$
OLX Portugal S.A.	**100.00**	100.00	Classifieds	Portugal	EUR
Silver Indonesia JVCo B.V. (OLX Indonesia)	**65.78**	65.78	Classifieds	The Netherlands	US$
The Car Trader Proprietary Limited (AutoTrader)	**100.00**	100.00	Classifieds	South Africa	ZAR
321sprzedane.pl Sp. z.o.o. (Poland Used Car Group)[4]	**84.37**	-	Classifieds	Poland	PLN
Etail					
Dante International S.A. (eMAG)	**80.08**	80.11	Retail and ecommerce	Romania	RON
Extreme Digital Zrt[4]	**41.64**	-	Retail and ecommerce	Hungary	HUF

[1] The percentage interest shown is the financial effective interest, after disregarding the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

[2] Refer to note 43 for the disposal of the group's interest subsequent to the current year.

[3] The group acquired an additional interest in the current year and now accounts for its interest as a subsidiary.

[4] Refer to note 3 for the acquisition of the group's interest during the current year.

[5] The subsidiary was contributed in exchange for an interest in Carousell Private Limited during the current reporting period (refer to note 3). The group classified Sulit as held for sale during the prior year.

8. SIGNIFICANT SUBSIDIARIES (continued)

The following information relates to the group's interest in its significant subsidiaries as at 31 March:

Name of subsidiary	Effective percentage interest[1] 2020 %	2019 %	Nature of business	Country of incorporation	Functional currency
Payments and fintech					
iyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (Iyzico)[2]	**88.66**	-	Payments platform	Turkey	TRY
PayU Global B.V.	**98.77**	98.80	Payments platform	The Netherlands	US$
PayU Payments Private Limited	**98.77**	98.80	Payments platform	India	INR
PaySense Private Limited[3]	**79.20**	-	Credit platform	India	INR
Red Dot Payment Private Limited[2]	**72.43**	-	Payments platform	Singapore	SGD
Wibmo Inc.[2]	**98.77**	-	Payments platform	United States of America	US$
Zooz Mobile Limited	**98.77**	98.80	Payments platform	Israel	US$
Food delivery					
iFood.com Agência de Restaurantes Online S.A.(iFood)	**54.68**	53.77	Food delivery	Brazil	BRL
Other ecommerce					
Movile Internet Móvel S.A.	**82.02**	80.65	Mobile value added	Brazil	BRL
Sympla Internet Soluções S.A.	**65.44**	62.84	Mobile value added	Brazil	BRL

[1] The percentage interest shown is the financial effective interest, after disregarding the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

[2] Refer to note 3 for the acquisition of the group's interest during the current year.

[3] The group acquired an additional interest in the current year and now accounts for its interest as a subsidiary.

9. INVESTMENTS IN ASSOCIATES

The following information relates to the group's financial interest in its significant associates as at 31 March:

Name of associated company	Effective percentage interest[1]		Nature of business	Country of incorporation	Functiona currency	Year-end
	2020 %	2019 %				
Listed companies						
Delivery Hero SE	**21.16**	22.30	Food delivery	Germany	EUR	December
Mail.ru Group Limited	**27.90**	28.00	Internet-related services	British Virgin Islands	RUB	December
MakeMyTrip Limited[2]	-	42.60	Online travel	Mauritius	INR	March
Tencent Holdings Limited	**31.00**	31.10	Internet-related services	Cayman Islands	RMB	December
Unlisted companies						
Classifieds						
Frontier Car Group, Inc. (FCG)[3]	-	35.70	Classifieds	Germany	EUR	December
Payments and fintech						
Kreditech Holding SSL GmbH[4]	**-**	34.90	Consumer lending	Germany	EUR	December
Primrose Hill Ventures Private Limited (ZestMoney)[5]	**19.44**	21.40	Consumer lending	India	INR	December
PaySense Private Limited[3]	**-**	18.80	Consumer lending	India	INR	March
Remitly, Inc.	**20.95**	22.60	Digital transfer	United States of America	US$	December
Food delivery						
Bundl Technologies Private Limited (Swiggy)[6]	**40.02**	38.80	Food delivery	India	INR	March

[1] *The percentage interest shown is the financial effective interest, after disregarding the interests of equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.*

[2] *The group exchanged its interest in MakeMyTrip for an investment in Trip.com Group Limited (formerly Ctrip.com International Limited) (Trip.com) during the current year. The group accounts for its investment in Trip.com as an investment at fair value through other comprehensive income (refer note 11).*

[3] *The group acquired an additional interest in the current year and accounts for its investment as a subsidiary (refer to note 8).*

[4] *During the current year the group's effective interest was diluted. The group accounts for its investment in Kreditech as an investment at fair value through other comprehensive income (refer note 11).*

[5] *The group accounts for its interest as an investment in an associate on account of its board representation.*

[6] *Refer to note 3 for the group's additional investment during the current year.*

9. INVESTMENTS IN ASSOCIATES (continued)

The following information relates to the group's financial interest in its significant associates as at 31 March:

Name of associated company	Effective percentage interest[1]		Nature of business	Country of incorporation	Functional currency	Year-end
	2020 %	2019 %				
Unlisted companies (continued)						
Other ecommerce						
Brainly, Inc.	**43.81**	34.00	Educational technology	United States of America	US$	December
emTransit B.V.(Dott)[2]	**19.70**	13.00	Travel	The Netherlands	EUR	March
Honor Technology, Inc. (Honor)[2]	**16.47**	16.40	Home care	United States of America	US$	December
Meesho, Inc.[2][3]	**12.16**	-	Online marketplace	United States of America	US$	March
NTEx Transportation Services Private Limited (ElasticRun)[3]	**20.57**	-	Logistic services	India	INR	March
Ryzac, Inc. (Codecademy)	**21.03**	21.10	Educational technology	United States of America	US$	December
SimilarWeb Limited	**23.93**	24.50	Internet metrics	Israel	NIS	December
Sololearn, Inc.[2]	**15.24**	15.30	Educational technology	United States of America	US$	March
Think & Learn Private Limited (BYJU's)[2]	**11.31**	12.20	Educational technology	India	INR	March
Udemy, Inc.[2]	**14.81**	11.80	Educational technology	United States of America	US$	March

[1] *The percentage interest shown is the financial effective interest, after disregarding the interests of equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.*

[2] *The group accounts for its interest as an investment in an associate on account of its board representation.*

[3] *The group acquired its interest in these entities during the current year (refer to note 3).*

Adjustments are made for significant transactions and events that take place where lag periods are applied. These adjustments routinely include impairments and fair-value adjustments related to the underlying financial instruments of associates measured at fair value through profit or loss or at fair value through other comprehensive income.

9. INVESTMENTS IN ASSOCIATES (continued)

The fair values of the group's investments in its listed associates are detailed below:

	31 March	
	2020	2019
	US$'m	US$'m
Listed investments		
Tencent Holdings Limited	**145 249**	136 180
Mail.ru Group Limited	**985**	1 501
MakeMyTrip Limited		1 208
Delivery Hero SE	**3 134**	1 506

The above fair values have been measured using quoted prices in active markets and the disclosed amounts therefore represent level 1 fair-value measurements.

	31 March	
	2020	2019
	US$'m	US$'m
Opening balance	**19 746**	16 669
Associates acquired - gross consideration[1]	**437**	1 279
net assets acquired	**132**	517
goodwill and other intangibles recognised	**328**	821
deferred taxation recognised	**(23)**	(59)
Associates disposed of[2]	**(575)**	(461)
Share of current year other reserve movements	**129**	482
other reserve movements recognised in other comprehensive income	**228**	919
direct equity movements	**(99)**	(437)
Share of equity-accounted results	**3 973**	3 418
Equity-accounted results due to purchase accounting	**(21)**	(11)
amortisation of other intangible assets	**(31)**	(19)
realisation of deferred taxation	**10**	8
Impairment	**(21)**	(88)
Dividends received	**(377)**	(342)
Foreign currency translation effects	**(1 000)**	(1 027)
Dilution losses	**(58)**	(173)
Closing balance	**22 233**	19 746
Investments in associates		
Listed	**20 728**	18 175
Unlisted	**1 505**	1 571
Total investments in associates	**22 233**	19 746

[1] *Includes the contribution of Netrepreneur Connections Enterprises Inc. for an interest in Carousell Private Limited.*

[2] *This relates to the deemed disposal of Frontier Car Group (FCG), PaySense and Make My Trip.*

9. INVESTMENTS IN ASSOCIATES (continued)

The group recognised US$3.9bn (2019: US$3.4bn) from associates as its share of equity-accounted results in the income statement. Cumulative unrecognised losses relating to associates that have been fully impaired, amounted to US$nil (2019: US$4.6m) as at 31 March 2020.

The group recognised total dilution losses of US$52.2m (2019: US$181.7m) as part of "Dilution gains/(losses) on equity-accounted investments" in the income statement. The aggregate net dilution losses include US$57.6m (2019: US$173.3m) related to dilutions in the group's shareholding in Tencent, Delivery Hero, MakeMyTrip, Mail.ru and other unlisted investments.

The total dilution loss presented in the income statement also includes US$5.4m (2019: USS$7.9m) relating to the reclassification of a portion of the group's foreign currency translation reserves from other comprehensive income to the income statement following shareholding dilutions.

Impairment losses related mainly to equity-accounted investments focussed on the provision of consumer goods in the other ecommerce business (March 2019: equity-accounted investment focussed on the provision of consumer lending and financial services in the payments business). The group impaired this investment as performance and the opportunity to leverage the investment in some of the group's core markets fell below expectations.

The group's share of equity-accounted investments' other comprehensive income and reserves relates mainly to the revaluation of the associates' investments at fair value through other comprehensive income.

The group recognised no deferred tax on its investments in associates.

9. INVESTMENTS IN ASSOCIATES (continued)

Material associates' summarised financial information

	31 March[1] Tencent Holdings Limited		31 March[1] Mail.ru Group Limited	
	2020 US$'m	2019 US$'m	**2020 US$'m**	2019 US$'m
Dividends received	**377**	342	**-**	-
Non-current assets	**98 321**	77 637	**2 853**	2 763
Current assets	**35 491**	32 341	**326**	381
Total assets	**133 812**	109 978	**3 179**	3 144
Non-current liabilities	**31 805**	24 564	**320**	228
Current liabilities	**33 908**	30 160	**562**	381
Total liabilities	**65 713**	54 724	**882**	609
Revenue	**54 045**	46 443	**1 464**	1 013
Net profit/(loss) from continuing operations	**13 454**	11 872	**172**	(125)
Other comprehensive income/(loss)	**310**	286	**6**	(5)
Total comprehensive income/(loss)	**13 764**	12 158	**178**	(130)

Reconciliation of summarised financial information to carrying value of investment

	31 March[1] Tencent Holdings Limited		31 March[1] Mail.ru Group Limited	
	2020 US$'m	2019 US$'m	**2020 US$'m**	2019 US$'m
Opening net assets	**55 254**	43 961	**2 535**	2 939
Profit/(loss) for the year	**13 454**	11 872	**172**	(125)
Other comprehensive income/(loss)	**310**	286	**6**	(5)
Transactions with equity holders	**3 514**	2 515	**10**	111
Dividends	**(1 217)**	(1 100)	**-**	-
Foreign currency translation effects	**(3 216)**	(2 280)	**(440)**	(385)
Other	**-**	-	**14**	-
Closing net assets	**68 099**	55 254	**2 297**	2 535
Non-controlling interests	**(7 924)**	(4 871)	**(10)**	(6)
	60 175	50 383	**2 287**	2 529
Group's effective interest in associate (at year-end)	**18 654**	15 669	**638**	709
Goodwill	**11**	11	**101**	121
Carrying value of investment	**18 665**	15 680	**739**	830

[1] Reflects the summarised financial information of the above associates as at 31 December, adjusted for significant transactions and events that take place during the lag period applied for accounting purposes.

9. INVESTMENTS IN ASSOCIATES (continued)

Material associates' summarised financial information

	31 March[1] MakeMyTrip Limited[2]		31 March[1] Delivery Hero SE	
	2020 US$'m	2019 US$'m	**2020 US$'m**	2019 US$'m
Non-current assets		187	**1 456**	746
Current assets		502	**1 678**	982
Total assets		689	**3 134**	1 728
Non-current liabilities		60	**319**	168
Current liabilities		183	**682**	367
Total liabilities		243	**1 001**	535
Revenue		481	**1 372**	769
Net profit/(loss) from continuing operations		(170)	**78**	(130)
Net profit from discontinuing operations		-	**249**	61
Other comprehensive loss		(94)	**(31)**	(107)
Total comprehensive income/(loss)		(264)	**296**	(176)

Reconciliation of summarised financial information to carrying value of investment

	31 March[1] MakeMyTrip Limited[2]		31 March[1] Delivery Hero SE	
	2020 US$'m	2019 US$'m	**2020 US$'m**	2019 US$'m
Opening net assets		668	**1 193**	1 478
Profit/(loss) for the year		(170)	**327**	(69)
Other comprehensive loss		(94)	**(31)**	(107)
Transactions with equity holders		42	**685**	20
Foreign currency translation effects		-	**(41)**	(130)
Other		-	**-**	1
Closing net assets		446	**2 133**	1 193
Non-controlling interests		-	**2**	3
		446	**2 135**	1 196
Group's effective interest in associate (at year-end)		190	**452**	267
Goodwill		274	**872**	934
Carrying value of investment		464	**1 324**	1 201

[1] *Reflects the summarised financial information of the above associates as at 31 December, adjusted for significant transactions and events that take place during the lag period applied for accounting purposes.*
[2] *The group exchanged its interest in MakeMyTrip for an investment in Trip.com during the current year. The group accounts for its investment in Trip.com as an investment at fair value through other comprehensive income (refer note 11).*

9. INVESTMENTS IN ASSOCIATES (continued)

Other associates' summarised financial information

	31 March	
	2020 US$'m	2019 US$'m
Net loss from continuing operations	**(327)**	(166)
Other comprehensive income	**42**	32
Total comprehensive loss	**(285)**	(134)
Carrying value of investments	**1 505**	1 571
Total carrying value of investments in associates	**22 233**	19 746

The group had no capital commitments or contingent liabilities at 31 March 2020 and 2019 in respect of its investments in associates.

10. INVESTMENTS IN JOINT VENTURES

The following information relates to the group's financial interest in its significant joint ventures at 31 March:

Name of joint venture	Effective interest[1]		Nature of business	Country of incorporation	Functional currency	Year-end
	2020 %	2019 %				
Unlisted companies						
El Cocinero a Cuerda S.L. (SinDelantal Mexico)	**26.79**	26.40	Food delivery	Spain	EUR	December
Silver Brazil JVCo B.V. (OLX Brazil)	**50.00**	50.00	Classifieds	The Netherlands	US$	December

[1] *The percentage interest shown is the financial effective interest, after disregarding the interests of equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.*

Adjustments are made for significant transactions and events that take place where lag periods are applied.

10. INVESTMENTS IN JOINT VENTURES (continued)

	31 March	
	2020	2019
	US$'m	US$'m
Opening balance	**95**	74
Joint ventures acquired - gross consideration	**23**	19
Joint venture disposed of[1]	**-**	(5)
Share of equity-accounted results	**(21)**	3
Equity-accounted results due to acquisition accounting	**(1)**	(1)
Foreign currency translation effects	**(24)**	5
Closing balance	**72**	95

[1] *During the prior reporting period, the group increased its interest in Sympla Internet Soluções SA resulting in the entity becoming a subsidiary.*

The group recognised losses of US$21.3m (2019 profits: US$3m) as its share of equity-accounted profits in 2020 from joint ventures in the income statement. Cumulative unrecognised losses relating to joint ventures that have been fully impaired, amounted to US$nil (2019: US$nil) as at 31 March 2020.

No impairment losses (2019: US$nil) on investments in joint ventures have been recorded.

None of the group's interests in joint ventures are considered to be individually material.

The group recognised no deferred tax on its investments in joint ventures

In March 2020 Silver Brazil JVCo B.V. (OLX Brazil), the group's joint venture with Adevinta ASA, reached an agreement to acquire 100% of the shares of Grupo Zap for approximately US$650m. Grupo Zap is an online real estate market player. The transaction is subject to approval by the Brazilian competition authorities and other customary closing conditions. Closing is expected in the second half of 2020. The investment will be financed equally by the joint venture partners. Apart from the aforementioned transaction, the group had no capital commitment or contingent liabilities in respect of its investments in joint ventures at 31 March 2020 and none for 31 March 2019 .

11. OTHER INVESTMENTS

	31 March	
	2020	2019
	US$'m	US$'m
Investments at fair value through other comprehensive income	**792**	47
Investments at fair value through profit or loss	**13**	-
Total other investments	**805**	47

Fair value gains or losses on investments held at fair value through other comprehensive income are not reclassified to the income statement. There is no current intention to dispose of these investments.

Significant equity investments at fair value through other comprehensive income

Significant equity investments at fair value through other comprehensive income include the following:

	31 March			
	Fair value		Dividend income	
	2020	**2019**	**2020**	**2019**
	US$'m	**US$'m**	**US$'m**	**US$'m**
Listed Investments				
Trip.com Group Limited (formerly Ctrip.com International Limited)[(1)]	**704**	-	**-**	-
	704	-	**-**	-
Unlisted Investments				
Creditas Financial Solutions Limited	**24**	13	**-**	-
Carousell Private Limited (Carousell)	**23**	-	**-**	-
Grishin Robotics Fund, L.P.	**7**	8	**-**	-
SV Angel Funds	**6**	9	**1**	1
Bakkt Holdings LLC	**8**	5	**-**	-
Kreditech Holding SSL Gmbh	**7**	-	**-**	-
Other	**13**	12	**4**	-
	88	47	**5**	1
Total other investments	**792**	47	**5**	1

[(1)] *The group exchanged its interest in MakeMyTrip for an investment in Trip.com during the current year. Refer to note 3.*

12. DEFERRED TAXATION

The deferred tax assets and liabilities and movements thereon were attributable to the following items:

	1 April 2019 US$'m	Charged to income US$'m	Acquisition of subsidiaries and businesses US$'m	Disposals of subsidiaries and businesses US$'m	Foreign exchange effects US$'m	31 March 2020 US$'m
Deferred taxation assets						
Provisions and other current liabilities	**6**	**1**	**1**	**-**	**(1)**	**7**
leases	**-**	**2**	**-**	**-**	**-**	**2**
Tax losses carried forward	**8**	**(4)**	**-**	**-**	**(1)**	**3**
Other	**15**	**(8)**	**-**	**1**	**2**	**10**
Total deferred tax assets	**29**	**(9)**	**1**	**1**	**-**	**22**
Offsetting of deferred tax liabilities	**(15)**					**(7)**
Net deferred tax assets	**14**					**15**
Deferred taxation liabilities						
Intangible assets	**169**	**(32)**	**60**	**(1)**	**(19)**	**177**
Other	**22**	**(4)**	**-**	**-**	**(1)**	**17**
Total deferred tax liabilities	**191**	**(36)**	**60**	**(1)**	**(20)**	**194**
Offsetting of deferred tax assets	**(15)**					**(7)**
Net deferred tax liabilities	**176**					**187**
Net deferred taxation	**(162)**	**27**	**(59)**	**2**	**20**	**(172)**

	1 April 2018 US$'m	Charged to income US$'m	Acquisition of subsidiaries and businesses US$'m	Disposals of subsidiaries and businesses US$'m	Foreign exchange effects US$'m	31 March 2019 US$'m
Deferred taxation assets						
Provisions and other current liabilities	9	4	-	(5)	(2)	6
Tax losses carried forward	32	(10)	-	(11)	(3)	8
Other	18	(2)	-	-	(1)	15
Total deferred tax assets	59	(8)	-	(16)	(6)	29
Offsetting of deferred tax liabilities	(23)					(15)
Net deferred tax assets	36					14
Deferred taxation liabilities						
Intangible assets	204	(13)	8	(4)	(26)	169
Other	28	(1)	-	(2)	(3)	22
Total deferred tax liabilities	232	(14)	8	(6)	(29)	191
Offsetting of deferred tax assets	(23)					(15)
Net deferred tax liabilities	209					176
Net deferred taxation	(173)	6	(8)	(10)	23	(162)

12. DEFERRED TAXATION (continued)

The ultimate outcome of additional taxation assessments may vary from the amounts accrued. However, management believes that any additional taxation liability over and above the amounts accrued would not have a material adverse impact on the group's combined income statement and statement of financial position.

The group has tax losses carried forward of approximately US$2.6bn (2019: US$2.4bn). A summary of the tax losses carried forward at 31 March 2020 by tax jurisdiction and the expected expiry dates are set out below:

	Asia US$'m	Europe US$'m	Latin America and USA US$'m	Africa US$'m	Other US$'m	Total US$'m
Expires in year one	**19**	**147**	**-**	**-**	**-**	**166**
Expires in year two	**21**	**109**	**2**	**-**	**6**	**138**
Expires in year three	**24**	**121**	**-**	**-**	**6**	**151**
Expires in year four	**28**	**322**	**1**	**-**	**7**	**358**
Expires in year five	**46**	**244**	**1**	**-**	**8**	**299**
after year five	**141**	**961**	**336**	**22**	**-**	**1 460**
	279	**1 904**	**340**	**22**	**27**	**2 572**

Total deferred taxation assets amount to US$15.4m (2019: US$14.3m), of which US$9.3m (2019: US$8.8m) are expected to be utilised within the next 12 months and US$6.1m (2019: US$5.5m) after 12 months. Total deferred taxation liabilities amount to US$186.6m (2019: US$175.6m), of which US$18.5m (2019: US$17.5m) are expected to be settled within the next 12 months and US$168.1m (2019: US$158.1m) after 12 months. Deferred tax assets and liabilities do not have an expiry date.

Included in the group's recognised deferred tax assets is an amount of US$nil (2019: US$nil), of which the utilisation depends on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences, and the relevant group entity from which the deferred tax asset arises has suffered a loss in either the current or a preceding period. These entities are expected to return to profitability in the foreseeable future.

13. INVENTORY

	31 March	
	2020 US$'m	2019 US$'m
Carrying value		
Finished products, trading inventory and consumables, gross	**221**	155
Less: Allowance for slow-moving and obsolete inventories	**(8)**	(7)
Net inventory	**213**	148

The total allowance charged to the income statement to write inventory down to net realisable value amounted to US$1.3m (2019: US$1.9m), and reversals of these allowances amounted to US$0.3m (2019: US$1.4m). Net realisable value write-downs relate primarily to inventory within the etail segment.

The group's inventory allowance takes into account the impact of trading restrictions as a result of the global Covid-19 pandemic. As at 31 March 2020, the impact of Covid-19 on the inventory allowance was not material as the inventory held had not aged significantly and it is expected that the inventory will be marketable and sold once trading restrictions are eased.

14. TRADE RECEIVABLES

	31 March	
	2020 US$'m	2019 US$'m
Carrying value		
Trade accounts receivable, gross	**134**	155
Less: Allowance for impairment of trade receivables	**(23)**	(20)
	111	135
The movement in the allowance for impairment of trade receivables during the year was as follows:		
Opening balance	**(20)**	(50)
Additional allowances charged to income statement	**(19)**	(5)
Allowances reversed through the income statement	**10**	18
Acquisition of subsidiaries	**(1)**	-
Disposal of subsidiaries	**2**	15
Transferred to assets classified as held for sale	**2**	-
Foreign currency translation effects	**3**	2
Closing balance	**(23)**	(20)

The group's maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables mentioned above. The group does not hold any form of collateral as security relating to trade receivables. Refer to note 40 for the group's credit risk management.

At 31 March 2020 and 2019 the total allowance for impairment of trade receivables comprised both portfolio allowances and specific allowances. The majority of the allowance related to a portfolio allowance, which cannot be identified with specific receivables.

In determining the group's allowance for the impairment of trade receivables the impact of the Covid-19 pandemic on the collectability of the trade receivables was considered. The impairment assessment considered trade restrictions imposed on the group's businesses and the resultant economic uncertainty that may impact the debtors' ability to settle the amounts owing. As at 31 March 2020 the impact of the Covid-19 pandemic was not material.

The ageing of trade receivables as well as the amount of the impairment allowance per age class is presented below:

	31 March 2020			31 March 2019		
	Carrying value US$'m	**Impair-ment US$'m**	**Expected loss rate**	Carrying value US$'m	Impair-ment US$'m	Expected loss rate
Current	**82**	**(1)**	**1%**	102	(1)	1%
Past due 30 to 59 days	**15**	**(4)**	**27%**	17	(1)	6%
Past due 60 to 89 days	**7**	**(2)**	**29%**	6	(1)	17%
Past due 90 to 119 days	**7**	**(2)**	**29%**	6	(1)	17%
Past due 120 days and older	**23**	**(14)**	**61%**	24	(16)	67%
	134	**(23)**		155	(20)	

15. OTHER RECEIVABLES

	31 March	
	2020	2019
	US$'m	US$'m
Prepayments	**85**	98
Accrued income[1]	**22**	22
Staff debtors*	**5**	4
VAT and related taxes receivable	**66**	79
Merchant and bank receivables*[2]	**188**	156
Sundry deposits	**8**	8
Interest receivable on cross-currency interest rate swap*	**8**	8
Disposal proceeds receivable*	**14**	97
Other receivables**	**28**	24
Total other receivables	**424**	496
Less: non-current portion of other receivables[3]	**(4)**	(6)
Current portion of other receivables	**420**	490

[1] Relates to revenue from contracts with customers. Refer to note 26 for movements in accrued income balances.

[2] Merchant and bank receivables are presented net of an allowance for expected impairment (credit) losses of US$6.6m (2019: US$6.5m). Refer to note 40 for details of the group's credit risk management policy.

[3] Relates to non-current prepaid rental deposits and employment linked prepayments.

** Financial assets*

*** Includes financial assets of US$20.9m (2019: US$14.3m)*

16. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

In April 2019 the group concluded the contribution of its subsidiary Netrepreneur Connections Enterprises, Inc. (Sulit) to Carousell Private Limited (Carousell) for an equity interest in Carousell. Sulit was classified as held for sale as at 31 March 2019. Refer to note 3 for further details regarding the disposal.

In October 2019 the group concluded the sale of its 100% effective interest in its subsidiary BuscaPé Company Informaçao e Technologia Limitada (BuscaPé). The assets and liabilities of BuscaPé were classified as held for sale as at 30 September 2019. Refer to note 3 for further details regarding the disposal.

In March 2020 the assets and liabilities of the group's subsidiary Wavy Global Holdings B.V. (Wavy) were classified as held for sale as the group signed an agreement to sell its investment to Stockholm-based customer engagement platform, Sinch AB. (refer to note 43).

Further in March 2020, the group signed an agreement to contribute the assets and liabilities of the US letgo business in exchange for an equity interest in OfferUp Inc., a US online marketplace (refer to note 43).

16. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (continued)

The assets and liabilities classified as held for sale as at 31 March 2020 and 2019 are detailed in the table below:

	31 March	
	2020	2019
	US$'m	US$'m
Assets classified as held for sale		
Property, plant and equipment	**4**	-
Goodwill and other intangible assets	**152**	13
Trade and other receivables	**27**	2
Cash and cash equivalents	**19**	1
	202	16
Liabilities classified as held for sale		
Long-term liabilities	**3**	-
Provisions	**1**	-
Trade payables	**4**	-
Accrued expenses and other current liabilities	**18**	2
	26	2

17. RELATED PARTY TRANSACTIONS AND BALANCES

The group entered into transactions and has balances with a number of related parties, including associates, joint ventures, directors (key management personnel), shareholders, and entities under common control. Transactions that are eliminated on consolidation as well as gains or losses eliminated through the application of the equity method are not included. The transactions and balances with related parties are summarised below:

	31 March	
	2020	2019
	US$'m	US$'m
Sale of goods and services to related parties[(1)]		
MakeMyTrip Limited[(2)]	**5**	12
MIH Holdings Proprietary Limited	**9**	-
Various other related parties	**2**	1
	16	13

[(1)] The group receives revenue from a number of its related parties in connection with service agreements. The nature of these related party relationships are that of associates.

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

	31 March	
	2020	2019
	US$'m	US$'m
Services received from related parties[(1)]		
MIH Holdings Proprietary Limited	**9**	-
MIH Ecommerce Holdings Proprietary Limited	**4**	4
Various related parties	**1**	2
	14	6

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

17. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	31 March	
	2020	2019
	US$'m	US$'m
Dividends paid as part of distribution		
MIH Holdings Proprietary Limited[1]	**215**	-
	215	-

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

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

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

	31 March	
	2020	2019
	US$'m	US$'m
Receivables[1]		
Myriad Services Limited	**-**	61
Myriad/MIH (Malta) Limited	**8**	22
MIH Holdings Proprietary Limited	**9**	6
MIH Services FZ LLC Trust[2]	**66**	114
Zoop Tecnologia e Meios de Pagamento Ltda (Zoop)	**6**	-
Honor Technology, Inc	**8**	-
Tencent Technology (Shenzhen) Co Ltd	**90**	-
Other	**3**	4
Less: Allowance for impairment of loans and receivables[3]	**-**	(58)
Total related party receivables	**190**	149
Less: non-current portion of related party receivables	**(81)**	(140)
Current portion of related party receivables	**109**	**9**
The movement in the allowance for impairment of related party receivables during the year was as follows:		
Opening balance	**58**	58
Additional allowances charged to the income statement	**-**	-
Allowances utilised	**(58)**	-
Closing balance	**-**	58

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

[2] Refer to note 42 for the group's equity compensation benefits administered by share trusts.

[3] Refer to note 40 for the group's impairment methodology for related party receivables.

17. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	31 March	
	2020	2019
	US$'m	US$'m
Payables		
MIH Holdings Proprietary Limited	**6**	-
Myriad / MIH (Malta) Limited	**4**	17
Mail.ru Group Limited	**2**	2
Other	**4**	3
Total related party payables	**16**	22
Less: non-current portion of related party payables	**(3)**	(2)
Current portion of related party payables	**13**	20

Reconciliation of related parties arising from financing activities

	31 March	
	2020	2019
	US$'m	US$'m
Balance at 1 April 2019	**2**	**478**
Additional related party liabilities recognised	**-**	**171**
Repayments of long- and short-term related parties	**-**	**(551)**
Interest accrued	**-**	**35**
Foreign exchange translation	**1**	**-**
Related party loans waived[(1)]	**-**	**(131)**
Balance at 31 March 2020	**3**	**2**

[(1)] The loans were waived before the disposal of the Video-Entertainment business on 28 September 2018.

Terms of significant related party receivables and payables:

These above 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 receivables and payables are interest free.

17. RELATED PARTY TRANSACTIONS AND BALANCES(continued)

Directors' remuneration

The executive directors received the following remuneration and emoluments:

	2020 US$'000	2019 US$'000
Executive directors		
Salary	**1 952**	1 953
Annual short-term incentive payments	**2 233**	1 182
Pension contributions and other benefits paid on behalf of director	**285**	326
Share-based payment expense	**15 839**	3 049
Total	**20 309**	6 510

The non-executive directors received the following remuneration and emoluments:

Non-executive directors		
Directors' fees	**1 448**	-
Committee and trust fees	**358**	-
Other fees	**85**	-
Total	**1 891**	-

Key management received the following remuneration:

Key management		
Short-term employee benefits	**14 744**	14 240
Post-employment benefits	**799**	555
Share-based payment expense	**58 681**	36 108
Total	**74 224**	50 903

The group has not provided any personal loans, advances or guarantees to the executive and non-executive directors.

The statutory directors of the company changed as of 16 May 2019. The 2019 financial years remuneration relates to the former statutory directors. The 2020 financial year's remuneration includes the remuneration of the former statutory directors until the date of resignation and the remuneration of the newly appointed executive directors from the date of appointment.

17. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Directors' interest in Prosus shares

The directors of Prosus A (and their associates) had the following interests in Prosus A1 ordinary shares as at 31 March:

	2020			2019		
	Prosus A ordinary shares			Prosus A ordinary shares		
	Beneficial			Beneficial		
Name	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total
S J Z Pacak[1]	**-**	**383**	**383**	-	-	-
J D T Stofberg[1]	**-**	**639**	**639**	-	-	-
Total	**-**	**1 022**	**1 022**	-	-	-

[1] Shares acquired as a result of the unbundling by Naspers of all of its internet interests outside of South Africa into Prosus, listed on Euronext Amsterdam, on 11 September 2019.

The directors of Prosus (and their associates) had the following interests in Prosus N ordinary shares as at 31 March:

	2020			2019[1]		
	Prosus N ordinary shares			Prosus N ordinary shares		
	Beneficial			Beneficial		
Name	**Direct**	**Indirect**	**Total**	Direct	Indirect	Total
J P Bekker	**-**	**4 688 691**	**4 688 691**	-	4 688 691	4 688 691
C L Enenstein	**-**	**415**	**415**	-	415	415
F L N Letele	**1 474**	**-**	**1 474**	1 474	-	1 474
S J Z Pacak[2][3]	**-**	**630 635**	**630 635**	376 635	291 548	668 183
T M F Phaswana[4]	**-**	**1 030**	**1 030**	-	3 530	3 530
V Sgourdos	**32 483**	**87 367**	**119 850**	32 483	84 661	117 144
M R Sorour	**2 145**	**442**	**2 587**	2 145	442	2 587
J D T Stofberg[5]	**183 317**	**141 888**	**325 205**	183 317	291 888	475 205
B J van der Ross	**2 550**	**820**	**3 370**	2 550	820	3 370
B van Dijk	**51 809**	**922 451**	**974 260**	51 809	922 451	974 260
Total	**273 778**	**6 473 739**	**6 747 517**	650 413	6 284 446	6 934 859

[1] Shares acquired as a result of the unbundling by Naspers of all of its internet interests outside of South Africa into Prosus, listed on Euronext Amsterdam, on 11 September 2019.

[2] On 16 September 2019, a total of 180 000 Naspers N ordinary shares were sold by Steve Pacak and 20 000 Naspers N ordinary shares, 200 000 Prosus N.V. N ordinary shares and 200 000 MultiChoice Group Limited ordinary shares were delivered to Steve upon payment of the amount of R30 378 633.89 (being the listed market value on the date of the offers) from the proceeds of the sale of the 180 000 Naspers N ordinary shares (distributed to Steve), to settle the amount due to the Trust. Shares held as direct beneficial were transferred to his family trust.

[3] On 28 January 2020, Steve Pacak sold 37 548 Prosus N ordinary shares at an average price of R1 086.44 per share.

[4] On 3 October 2019, Fred Phaswana sold 2 500 Prosus N ordinary shares at an average price of R1 117.83 per share. Fred retired from the board and committees on 1 April 2020.

[5] On 4 February, Cobus Stofberg sold 150 000 Prosus N ordinary shares at an average price of R1 085.9987 per share.

Additional information on the remuneration and share-based compensation of members of the board and the remuneration of key management is disclosed in the remuneration report.

18. SHARE CAPITAL AND PREMIUM

	31 March	
	2020 US$'m	2019 US$'m
Authorised		
Nil ordinary shares of US$100 each (2019: nil)	**-**	-
5 000 000 000 N ordinary shares of EUR0.05 each (2019: nil)	**280**	-
10 000 000 A1 ordinary shares of EUR0.05 each (2019: nil)	**1**	-
10 000 A2 ordinary shares of EUR50.0 each (2019: nil)	**1**	-
	282	-
Issued		
Nil ordinary shares of US$100 each (2019: 1 717 777)	**-**	172
1 624 652 070 N ordinary shares of EUR0.05 each (2019: nil)	**89**	-
3 511 818 A1 ordinary shares of EUR0.05 each (2019: nil)	**1**	-
	90	172
Share premium	**516**	427
	606	599

Treasury shares

The group holds no ordinary shares (2019: Nil), or nil% (2019: Nil%), of the gross number of ordinary shares in issue at 31 March 2020 as treasury shares. Equity compensation plans administered by Naspers group share trusts hold 2 236 042 (2019: Nil) of the N ordinary shares issued.

Voting and dividend rights

The company's issued share capital at 31 March 2020 consists of 3 511 818 A1 ordinary shares and 1 624 652 070 N ordinary shares. The N ordinary shares are listed on the Euronext Amsterdam stock exchange with a secondary listing on the JSE and, on a poll, carry one vote per share. The A1 ordinary shares are not listed on a stock exchange and, on a poll, carry one vote per share. The A2 ordinary shares are not listed on a stock exchange and currently none are issued. In the event that Naspers's shareholding in Prosus drops below 50% plus one vote, the A1 ordinary shares will convert to A2 ordinary shares and, on a poll, carry 1 000 votes per share.

In terms of the Prosus's articles of association, N ordinary shareholders are entitled to dividends. The dividends declared to A ordinary shareholders are equal to one-fifth of the dividends to which N ordinary shareholders are entitled.

In respect of all other rights, the A ordinary shares rank pari passu with the N ordinary shares of the company.

Prosus is a subsidiary of Naspers, a company incorporated in South Africa.

Share capital and Share premium

Refer to company financial statements for a reconciliation of group equity to the company's equity. Significant differences from the equity of the company arises from the accounting treatment of the restructuring that occurred upon formation of the Prosus group.

Unissued share capital

The directors of the company have unrestricted authority, until the next annual general meeting, to allot and issue the unissued 3 375 347 930 N ordinary shares, 6 488 182 A1 ordinary shares and 10 000 A2 ordinary shares of the company. This authority was granted by the Netherlands Authority for the Financial Markets subject to the provisions of the Dutch Civil Codes (*Burgerlijk Wetboek*), other applicable Dutch laws and regulations and any other exchange on which the shares of the company may be quoted or listed from time to time.

18. SHARE CAPITAL AND PREMIUM (continued)

	2020 Number of shares	2019 Number of shares
Movement in ordinary shares in issue during the year		
Ordinary shares in issue at 1 April	**1 717 777**	1 717 777
Ordinary shares cancelled and converted to N ordinary shares	**(1 717 777)**	
N Ordinary shares issued[1]	**1 624 652 070**	-
A1 Ordinary shares issued[1]	**3 511 818**	-
Shares in issue at 31 March	**1 628 163 888**	1 717 777

[1] The weighted average number of shares for the period ended 31 March 2019 for purposes of note 32, have been adjusted to include those shares issued for no consideration from the start of the earliest period presented, i.e. 1 April 2018 to permit comparability in accordance with IAS 33 Earnings Per Share.

	2020 US$'m	2019 US$'m
Share premium		
Balance at 1 April	**516**	1 933
Decrease as a result of a common control transactions[1]	**-**	(1 417)
Balance at 31 March	**516**	516

[1] The decrease in share premium is as a result of the restructuring that occurred in the formation of the Prosus group. Refer to note 2 for more information.

Refer to note 42 for the group's equity compensation plans.

Capital management

The group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits for other stakeholders by pricing products and services commensurately with the level of risk.

Prosus relies upon distributions, including dividends, from its subsidiaries, associates and joint ventures to generate the funds necessary to meet the obligations and other cash flow requirements of the combined group. The operations of the group have historically been funded in a number of ways, including both debt and equity financing. Recent acquisitions were primarily funded through debt financing. The group's businesses are beginning to scale and accordingly, they are expected to become cash generative and able to sustain their operating capital requirements. The group received US$377.3m (2019: US$342.0m) in dividends from Tencent during the year and US$458.0m after the year-end – an increase of 21% compared to the 2020 financial year.

The group's general business strategy is to acquire developing businesses and to provide funding to meet the cash needs of those businesses until they can, within a reasonable period of time, become self-funding. Funding is provided through a combination of loans and share capital, depending on the country-specific regulatory requirements. From a subsidiary's perspective, intergroup loan funding is generally considered to be part of the capital structure. The focus on increased profitability and cash flow generation will continue into the foreseeable future, although the group will continue to actively evaluate potential growth opportunities within its areas of expertise.

18. SHARE CAPITAL AND PREMIUM (continued)

Capital management (continued)

The group will also grow its business in the future by making equity investments in growth companies. The group anticipates that it may fund future acquisitions and investments through the issue of debt and equity instruments and utilisation of available cash resources.

The group follows a risk-based approach to the determination of the optimal capital structure. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or modify the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group issued a seven-year US$1bn bond in July 2013. The bond had a maturity date of July 2020 and carried a fixed interest rate of 6% per annum. Following the issuance of a 10-year bond in 2020 (refer below) the group repaid the principal and accrued interest up to the maturity date of the bond in February 2020.

The group issued a 10-year US$1.2bn bond in July 2015. The bond matures in July 2025 and carries a fixed interest rate of 5.5% per annum. The group issued a 10-year US$1.0bn bond in July 2017. The bond matures in July 2027 and carries a fixed interest rate of 4.85% per annum.

The group issued a 10-year US$1.25bn bond in January 2020. The bond matures in January 2030 and carries a fixed interest rate of 3.68% per annum. The purpose of this offering was to raise proceeds to redeem the US$1.0bn bond that was redeemable in July 2020. The net proceeds of the offering of this bond was used by the group for the redemption of the 2020 bond and otherwise for general corporate purposes.

The group has an undrawn revolving credit facility (RCF) US$2.5bn of which US$2.33bn matures in April 2025 and US$0.17bn in April 2023 and bears interest at one month US LIBOR plus 1.25%, before commitment and utilisation fees.

The borrower under the bonds and the undrawn US$2.5bn (2019: undrawn balance of US$2.5bn) RCF (refer to the group's unutilised banking facilities disclosed in note 40) is Prosus N.V. and the facilities are guaranteed by Naspers Limited. The borrower is obligated to pay a commitment fee equal to 35% of the applicable margin under the RCF. The undrawn balance of the RCF is available to fund future investments and development expenditure by the group as part of its growth strategy. On 2 April 2020 (effective date) the RCF agreement was amended to remove Naspers Limited as the guarantor of the facility.

As of 31 March 2020 the group had total interest-bearing debt (including capitalised lease liabilities) of US$3.7bn (2019: US$3.2bn) and net cash balance including short-term cash investments of US$8.03bn (2019: US$9.16bn). The net interest-bearing debt-to-equity ratio was negative (2019: negative) at 31 March 2020 due to the group's net cash position. The group excludes capitalised lease liabilities from total interest-bearing debt when evaluating and managing capital. These items are considered to be operating in nature. The adjusted total interest-bearing debt (excluding capitalised lease liabilities) was US$3.5bn (2019: US$3.24bn) and the adjusted net interest-bearing debt-to-equity ratio was negative due to the group's net cash position of US$8.03bn (2019: US$9.16bn) at 31 March 2020.

The group does not have a formally targeted debt-equity ratio. The group has specific financial covenants in place with various financial institutions to govern its debt, all of which were complied with during the reporting period. These financial covenants are linked to various financial metrics including the net-debt-to-adjusted-EBITDA ratio and interest cover.

The group's listed bonds are rated by Moody's and Standard & Poor's (S&P) as Baa3 and BBB-, respectively, and both with a stable outlook.

19. OTHER RESERVES

	31 March	
	2020	2019
	US$'m	US$'m
Other reserves in the statement of financial position comprise:		
Foreign currency translation reserve	**(2 647)**	(1 448)
Valuation reserve	**2**	641
Existing control business combination reserve	**(1 245)**	(1 087)
Share-based compensation reserve	**1 968**	1 687
	(1 922)	(207)

The foreign currency translation reserve relates to exchange differences arising on the translation of foreign operations' income statements and statements of comprehensive income at average exchange rates for the year and their statements of financial position at the ruling exchange rates at the reporting date if the functional currency differs from the group's presentation currency. The movement on the foreign currency translation reserve for the year relates primarily to the effects of foreign exchange rate fluctuations related to the group's net investments in its subsidiaries.

The valuation reserve relates to fair-value changes in financial assets at fair value through other comprehensive income, differences between the fair value and the contractually stipulated value of shares issued in business combinations and other acquisitions as well as the group's share of equity-accounted investees' revaluations of their financial assets at fair value through other comprehensive income. No amounts contained in the valuation reserve will be reclassified to the income statement in future periods.

The existing control business combination reserve is used to account for transactions with non-controlling shareholders, whereby the excess of the cost of the transactions over the acquirer's proportionate share of the net asset value acquired/sold is allocated to this reserve in equity. Written put option liabilities and other obligations that may require the group to purchase its own equity instruments by delivering cash or another financial asset are also initially recognised from this reserve. Similarly, written put option liabilities and other similar obligations are reclassified to this reserve in the event of cancellation or expiry. On disposal of a business, any amounts accumulated in the existing control business combination reserve in respect of that business are transferred to retained earnings.

The grant date fair value of share incentives issued to employees in equity-settled share-based payment transactions is accounted for in the share-based compensation reserve over the vesting period, if any. The reserve is adjusted at each reporting period when the entity revises its estimates of the number of share incentives that are expected to vest. The impact of revisions of original estimates, if any, is recognised in the income statement, with a corresponding adjustment to this reserve in equity.

A significant proportion of the group's foreign currency translation, valuation and share-based compensation reserves relates to the group's interests in its equity-accounted investments, particularly Tencent.

20. RETAINED EARNINGS

The board recommends that shareholders are entitled to a gross payment in the form of a capital repayment of 11 euro cents per listed N ordinary share. Holders of A1 ordinary shares will receive a dividend distribution of 0.602 euro cents per share. Furthermore, the board recommends that holders of N ordinary shares as at 23 October 2020 (the dividend record date) who do not wish to receive a capital repayment can make a choice to receive a dividend instead. A choice for one option implies an opt-out of the other option. If confirmed by holders of N ordinary shares at the annual general meeting on 18 August 2020, elections to receive a dividend instead of a capital repayment will need to be made by shareholders by 9 November 2020. Capital repayments and dividends will be payable to shareholders recorded in the books on the dividend record date and paid on 17 November 2020.

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

21. LONG-TERM LIABILITIES

	Long-term liabilities	**Current portion**	**Total liabilities**	Long-term liabilities	Current portion	Total liabilities
	31 March					
	2020			2019		
	US$'m	**US$'m**	**US$'m**	US$'m	US$'m	US$'m
Interest-bearing	3 692	49	3 741	3 242	13	3 255
Capitalised lease liabilities	184	42	226	5	3	8
Loans and other liabilities	3 508	7	3 515	3 237	10	3 247
Non-interest-bearing	20	14	34	2	9	11
Loans and other liabilities	20	14	34	2	9	11
Total liabilities	3 712	63	3 775	3 244	22	3 266

Interest-bearing: Capitalised lease liabilities

Type of lease	**Currency of year-end balance**	**Year of final repayment**	**Weighted average interest rate**	**31 March 2020 US$'m**	2019 US$'m
Buildings	Various	2020 - 2035	1.49% - 13.00%	**202**	-
Computers, furniture and office equipment	Various	2020 - 2026	3.08% - 12.86%	**18**	6
Vehicles	Various	2020 - 2024	1.54% - 9.14%	**6**	2
Total capitalised lease liabilities				**226**	8

21. LONG-TERM LIABILITIES (continued)

Interest-bearing: Capitalised lease liabilities (continued)

Maturity profile

	31 March	
	2020 US$'m	2019 US$'m
Minimum instalments		
Payable within year one	**49**	3
Payable within year two	**52**	2
Payable within year three	**40**	2
Payable within year four	**28**	2
Payable within year five	**22**	-
Payable after year five	**66**	-
	257	9
Future finance costs on capitalised lease liabilities	**(31)**	(1)
Present value of capitalised lease liabilities	**226**	8
Present value		
Payable within year one	**42**	3
Payable within year two	**48**	2
Payable within year three	**37**	2
Payable within year four	**25**	1
Payable within year five	**19**	-
Payable after year five	**55**	-
Present value of capitalised lease liabilities	**226**	8

21. LONG-TERM LIABILITIES (continued)

Interest-bearing: Loans and other liabilities

	Asset secured	Currency of year-end balance	Year of final repay-ment	Weighted average year-end interest rate	31 March 2020 US$'m	2019 US$'m
Unsecured						
Publicly traded bond[1]		US$	2020	6.00%	**-**	1 000
Publicly traded bond[1]		US$	2025	5.50%	**1 200**	1 200
Publicly traded bond[1]		US$	2027	4.85%	**1 000**	1 000
Publicly traded bond[1]		US$	2030	3.68%	**1 250**	-
Various institutions		Various	Various	Various	**8**	22
Secured						
Exim Bank S.A.	Building	EUR	2021 - 2029	Euribor 1M + (1.44%-1.47%)	**37**	19
Raiffeisen Bank S.A.	Building	EUR	2021 - 2028	Euribor 1M + 1.47%	**21**	19
Various institutions		Various	Various	Various	**17**	-
Total facilities					**3 533**	3 260
Unamortised loan costs					**(18)**	(13)
					3 515	3 247

[1] *The publicly traded bonds are listed on the Irish Stock Exchange (Euronext Dublin). Refer to note 18*

21. LONG-TERM LIABILITIES (continued)

Non-interest-bearing: Loans and other liabilities

Loans	Asset secured	Currency of year-end balance	Year of final repayment	31 March 2020 US$'m	2019 US$'m
Secured					
Automotive Finance Corporation	Various	US$	2020	**8**	-
Unsecured					
Earn-out obligations		Various	Conditional	**22**	6
Other		Various	Various	**4**	5
				34	11
Total long-term liabilities					
Repayment terms of long-term liabilities (excluding capitalised lease liabilities)					
Payable within year one				**21**	19
Payable within year two				**23**	1 011
Payable within year three				**15**	5
Payable within year four				**14**	4
Payable within year five				**10**	6
Payable after year five				**3 484**	2 226
				3 567	3 271
Unamortised loan costs				**(18)**	(13)
				3 549	3 258
Interest rate profile of long-term liabilities (long- and short-term portion, including capitalised lease liabilities)					
Liabilities at fixed rates: 1 to 12 months				**49**	6
Liabilities at fixed rates: more than 12 months				**3 626**	3 201
Interest-free loans				**34**	11
Liabilities linked to variable rates				**66**	48
				3 775	3 266

21. LONG-TERM LIABILITIES (continued)

Reconciliation of liabilities arising from financing activities

	Capitalised lease liabilities[1]	Interest bearing liabilities	Non-interest bearing liabilities
	31 March		
	2020 US$'m	2020 US$'m	2020 US$'m
Balance at 1 April 2019	**8**	**3 247**	**11**
Change in accounting policy[1]	**194**	**-**	**-**
Additional liabilities recognised	**58**	**1 285**	**13**
Additional earnout obligations	**-**	**-**	**2**
Repayments of long- and short-term debt	**(29)**	**(1 032)**	**(15)**
Repayments of interest on capitalised lease liabilities	**(9)**	**-**	**-**
Interest accrued	**8**	**1**	**-**
Acquisition of subsidiary	**12**	**33**	**20**
Disposal of subsidiary	**(2)**	**(5)**	**-**
Disposal of a business	**(1)**	**-**	**-**
Amortisation of transaction costs	**-**	**3**	**-**
Capitalisation of transaction costs	**-**	**(8)**	**-**
Foreign exchange translation	**(12)**	**(5)**	**-**
Transfer to held for sale	**(2)**	**(1)**	**-**
Other	**1**	**(3)**	**3**
Balance at 31 March 2020	**226**	**3 515**	**34**
Less: Current portion	**(42)**	**(7)**	**(14)**
Non-current liabilities	**184**	**3 508**	**20**

[1] Capitalised lease liabilities relate to all leases including those previously classified as operating leases in terms of IAS 17 which were not recognised on the statement of financial position. Refer to 2 for details of the group's adoption of new accounting pronouncements during the reporting period.

21. LONG-TERM LIABILITIES (continued)

Reconciliation of liabilities arising from financing activities

	Finance lease liabilities[1]	Interest bearing liabilities	Non-interest bearing liabilities
		31 March	
	2019 US$'m	2019 US$'m	2019 US$'m
Balance at 1 April 2018	435	3 216	58
Additional liabilities recognised	-	60	2
Repayments of long- and short-term debt	(21)	(26)	(2)
Settlements of earnout obligations	-	-	(23)
Settlements of obligations relating to investing activities	-	-	(17)
Interest accrued	-	2	-
Remeasurement of contingent consideration	-	-	(3)
Acquisition of subsidiary	-	1	-
Disposal of subsidiary	(405)	(1)	-
Amortisation of transaction costs	-	2	-
Foreign exchange translation	(1)	(7)	(4)
Balance at 31 March 2019	8	3 247	11
Less: Current portion	(3)	(10)	(9)
Non-current liabilities	5	3 237	2

[1] *Relates to previously classified finance leases in terms of IAS 17.*

22. OTHER NON-CURRENT LIABILITIES

	31 March	
	2020	2019
	US$'m	US$'m
Written put option liabilities[(1)]	**869**	827
Post-employment liabilities	**3**	2
Total other liabilities	**872**	829
Less: Current portion of other liabilities included in accrued expenses and other current liabilities (refer to note 24)	**(709)**	(289)
Non-current portion of other liabilities	**163**	540

(1) Relates to put options written over the non-controlling interests in the group's letgo classifieds business, Frontier Car Group, Dante International S.A. (eMAG), Movile Internet Movel S.A. and various other smaller ecommerce units.

During the year, the group recognised an aggregate gain on the remeasurement of written put option liabilities of US$53.0m (2019: US$52.8m) as part of "Other finance (costs)/income - net" in the income statement (refer to note 29). The movement in the put option liability in the current year is predominantly as a result of the group's acquisition of Frontier Car Group, Extreme Digital and PaySense which increased the liability, as well the decrease in the put option liability related to letgo classifieds business. The group signed an agreement in March 2020 to contribute its US letgo classifieds business in exchange for an equity interest in OfferUp Inc., a US online marketplace. The put option liability related to this business was measured with reference to its transaction value as it will be settled upon closing of this transaction (refer to note 43). The net remeasurement gain recognised is predominantly as a result of the decrease of the put option liability arising from a decline in value of the letgo classifieds business and the increase in the put option liability arising from the increase in value of the eMAG and Movile businesses.

The maturity profile of the group's written put option liabilities is detailed in the table below and reflects the first date on which the respective written put options can be contractually exercised:

	31 March	
	2020	2019
	US$'m	US$'m
Exercisable within one year	**709**	289
Exercisable within one to two years	**29**	286
Exercisable after two to five years	**131**	252
Total other liabilities	**869**	827

The group has the contractual discretion to settle all written put option obligations either in cash or in Naspers N ordinary shares.

The majority of the group's written put option liabilities are exercisable when non-controlling shareholders request an initial public offering (IPO) of the relevant group subsidiary and the IPO is either declined by the group or is ultimately unsuccessful.

Sensitivity analysis

The measurement of written put option liabilities is based on the value of the underlying businesses, calculated either through a discounted cash flow analyses or through prices observed in orderly transactions. At 31 March 2020, 36% (2019: 27%) of the total balance of written put option liabilities have been measured using discounted cash flow analyses. The discounted cash flow analysis took into account adjusted cash-flow projections and budgets as a result of Covid-19 pandemic. This adjustment took into account the impact of the pandemic on revenue and margins as well as the periods of interruptions to business operations as a result of lock-down restrictions. Accordingly, the measurement of written put option liabilities is subject to significant estimation uncertainty.

22. OTHER NON-CURRENT LIABILITIES (continued)

Sensitivity analysis (continued)

The following analysis illustrates the sensitivity of written put option liabilities to reasonable changes in the most significant underlying variables used in their measurement:

	31 March	
	2020	2019
Increase/(decrease) in written put option liabilities and loss/(gain) in the income statement	**US$'m**	US$'m
1% increase in the discount rate and a 1% decrease in the terminal growth rate	**(53)**	(36)
1% decrease in the discount rate and a 1% increase the terminal growth rate	**62**	44

Other assumptions contained in the discounted cash flow analyses used by the group when valuing written put option liabilities vary widely between obligations due to the group's diverse range of business models and are closely linked to entity-specific key performance indicators. For put options valued using orderly transactions, the group assessed whether the transaction value as at 31 March 2020 was appropriate in light of the Covid-19 pandemic. This took into account the current operational performance, adjusted budget forecasts as well as broader market expectations. On 31 March 2020, the impact of the Covid-19 pandemic on the written put option liabilities based on transaction value was not considered to be significant, and the transaction value was therefore still considered to be appropriate.

Movements during the year on the group's written put option liabilities are detailed below. Cash flows arising from the settlement of written put option liabilities are presented as part of financing activities in the statement of cash flows.

	31 March	
	2020	2019
	US$'m	US$'m
Opening balance	**827**	2 394
Additional obligations raised	**142**	83
Remeasurements recognised in the income statement	**(53)**	(53)
Settlements	**-**	(1 566)
Foreign currency translation effects	**(47)**	(31)
Closing balance	**869**	827

23. PROVISIONS

	31 March	
	2020	2019
	US$'m	US$'m
Pending litigation	**5**	10
Reorganisation	**1**	2
Long-service and retirement gratuity	**3**	4
Other	**3**	1
Total provisions	**12**	17
Less: Non-current portion of provisions	**(3)**	(3)
Current portion of provisions	**9**	14

Provisions relate to a variety of obligations for the group as follows:

The group is currently involved in various litigation matters. The litigation provision has been estimated based on management assessment on likelihood of requirements on legal counsel and management's estimates of costs and possible claims relating to these after taking appropriate legal advice. Please refer to note 25(d) for contingent assets disclosed in respect of the group's litigation matters.

The provision for reorganisation relates to the relocation costs of certain of our operations.

The provision for long service and retirement gratuity relates to the estimated cost of these employee benefits.

Included in other provisions are estimated amounts related to other regulatory matters.

24. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 March	
	2020	2019
	US$'m	US$'m
Deferred income[(1)]	**51**	42
Accrued expenses*	**153**	172
Amounts owing in respect of investments acquired*	**4**	47
Taxes and other statutory liabilities	**59**	72
Bonus accrual	**53**	46
Accrual for leave	**16**	10
Other personnel accruals	**27**	27
Payments received in advance	**19**	14
Cash-settled share-based payment liability (refer to note 42)	**143**	168
Payables from reverse factoring arrangements*	**58**	57
Merchant payable*	**357**	285
Written put option liabilities (refer to note 22)*	**709**	289
Other current liabilities**	**19**	20
	1 668	1 249

[(1)] Relates to revenue received in advance from contracts with customers. Refer to note 26 for movements in deferred income balances.

** Financial liabilities*

*** Includes financial liabilities of US$15.8m (2019: US$14.3m)*

25. COMMITMENTS AND CONTINGENCIES

The group is subject to commitments and contingencies, which occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group plans to fund these commitments and contingencies out of existing facilities and internally generated funds.

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2020 amount to US$nil (2019: US$5.6m).

(b) Other commitments

The group entered into contracts for the receipt of various services. These service contracts are for the receipt of information technology and computer support services, access to networks, consulting services and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amount to US$102.9m (2019: US$23.2m).

(c) Lease commitments

Lease commitments include the group's short-term lease arrangements as well as other contractual lease agreements whose commencement date is after 31 March 2020. 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. Lease commitments as at 31 March 2019 relate to lease agreements previously classified as operating leases in terms of IAS 17 which were not recognised on the statement of financial position. The group has the following lease commitments at 31 March 2020:

	31 March	
	2020	2019
	US$'m	US$'m
Minimum lease payments:[1]		
Payable in year one	**1**	34
Payable in year two	**1**	34
Payable in year three	**2**	33
Payable in year four	**2**	27
Payable in year five	**2**	17
Payable after five years	**5**	36
	13	181

[1] The significant decrease in the current year is due to the adoption of IFRS 16. Refer to note 2 for the adoption of new accounting pronouncements during the reporting period.

(d) Litigation claims

Taxation matters

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

(e) Assets pledged as collateral

The group pledged property, plant and equipment, investments, cash and cash equivalents, trade receivables and other working capital as collateral against its secured long-term liabilities with an outstanding balance of US$83.9m (2019: US$46.4m). Refer to note 21 for further details.

26. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

The group has recognised the following assets and liabilities in the statement of financial position that relate to revenue from contracts with customers:

Accrued income (refer to note 15)

	31 March 2020 US$'m	2019 US$'m
Accrued income	**22**	22
Accrued income net of impairment allowance[(1)]	**22**	22

[(1)] Refer to note 40 for the group's credit risk management policy. Impairment allowances recorded on accrued income balances were not significant.

Deferred income (refer to note 24)

	31 March 2020 US$'m	2019 US$'m
Deferred income	**51**	42
	51	42

Revenue recognised in relation to deferred income liabilities

The following table depicts the amount of revenue recognised in each reporting period that related to amounts included within the opening balance of deferred income for that reporting period:

	31 March 2020 US$'m	2019 US$'m
Revenue recognised that was included in the deferred income balance at the beginning of the year	**23**	24

There were no significant changes in accrued income or deferred revenue balances during any of the periods presented.

26. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

Unsatisfied long-term contracts
The group has no unsatisfied long-term contracts as at 31 March 2020 (2019: US$nil).

27. EXPENSES BY NATURE

	31 March	
	2020	2019
	US$'m	US$'m
Operating profit includes the following items:		
Depreciation classification		
Selling, general and administration expenses	**80**	25
Amortisation classification		
Selling, general and administration expenses	**103**	95
Lease payments[1]		
Short-term lease payments	**2**	6
Auditor's remuneration - PwC in the Netherlands[2]		
Audit fees of the financial statements	**2**	-
Other audit services	**2**	1
Tax services	**-**	1
Auditor's remuneration - PwC network outside the Netherlands		
Audit fees of the financial statements	**4**	3
Total audit fees	**8**	5
Staff costs		
The total cost of employment of all employees, including executive directors, was as follows:		
Salaries, wages and bonusses	**810**	681
Retirement benefit costs	**2**	-
Medical aid fund contributions	**-**	1
Post-employment benefits	**1**	1
Cash settled share-based compensation expenses	**88**	53
Equity settled share-based compensation expenses	**63**	57
	964	**793**
Training costs	**8**	7
Retention option expense	**61**	11
Total staff costs	**1 033**	811
Advertising expenses	**299**	292
Cost of providing services and sale of goods	**1 942**	1 400
Other purchases and expenses	**472**	403
Total	**3 939**	3 037

[1] Lease expenses recognised during 31 March 2019 relate to previously classified operating leases in terms of IAS 17. Refer to note 2 for details of the adoption of new accounting pronouncements during the reporting period.
*[2] The fees listed relate to the procedures applied to the company and its consolidated group entities by accounting firms and external auditors as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act (*Wet Toezicht Accountantsorganisaties*) as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups. The fees relate to the audit of the financial statements for the respective financial year.*

28. OTHER GAINS/(LOSSES) - NET

	31 March	
	2020	2019
	US$'m	US$'m
Loss on sale of assets	**-**	(1)
Fair-value adjustments on financial instruments	**4**	(27)
Impairment losses	**(10)**	(7)
impairment of goodwill and other intangible assets	**(10)**	(7)
Gains recognised on loss of significant influence	**13**	-
Dividends received on investments	**5**	-
Other	**4**	(5)
Total other gains/(losses) - net	**16**	(40)

Refer to notes 6 and 7 for further information on the above impairments.

29. FINANCE INCOME/(COSTS)

	31 March	
	2020	2019
	US$'m	US$'m
Interest income		
Loans and bank accounts	**198**	265
Other	**3**	-
	201	265
Interest expense		
Loans and overdrafts	**(208)**	(196)
Capitalised lease liabilities	**(8)**	-
Other	**(7)**	(4)
	(223)	(200)
Net profit from foreign exchange translation and fair-value adjustments on derivative financial instruments		
On translation of assets and liabilities	**32**	46
On translation of forward exchange contracts and cross-currency interest rate swap	**29**	15
	61	61
Remeasurement of written put option liabilities	**53**	53
Other finance income - net	**114**	114
Total finance income/(costs) - net	**92**	179

30. NET GAINS ON ACQUISITIONS AND DISPOSALS

	31 March	
	2020	2019
	US$'m	US$'m
Gains on sale of investments - net	**447**	1 618
Gains recognised on loss of control transactions	**17**	-
Remeasurement of contingent consideration	**-**	3
Transaction-related costs[1]	**(85)**	(18)
Securities tax on internal restructuring	**(18)**	-
Remeasurement of previously held interest	**73**	7
	434	1 610

[1] Includes transaction-related cost regarding the listing of the Prosus, as well as other acquisition and disposal transactions.

31. TAXATION

	31 March	
	2020	2019
	US$'m	US$'m
Current taxation	**102**	264
current year	**102**	261
prior year	**-**	3
Deferred taxation	**(27)**	(6)
current year	**(27)**	(15)
prior year	**-**	9
Total taxation per income statement	**75**	258
Reconciliation of taxation		
Taxation at statutory rates[1]	**948**	1 126
Adjusted for:		
non-deductible expenses[2]	**130**	59
non-taxable income[2]	**(214)**	(54)
temporary differences not provided for[3]	**228**	106
assessed losses utilised	**(2)**	(4)
initial recognition of prior year taxes	**(1)**	-
other taxes	**6**	9
tax attributable to equity-accounted earnings	**(983)**	(853)
tax adjustment for foreign taxation rates	**(37)**	(131)
Taxation provided in income statement	**75**	258

[1] The reconciliation of taxation has been performed using the statutory tax rate of Prosus of 25% (2019: 25%). The impact of different tax rates applied to profits earned in other jurisdictions is disclosed above as "Tax adjustment for foreign taxation rates".

[2] Non-deductible expenses relate primarily to impairment losses and dilutions of equity-accounted investments. Non-taxable income relates primarily to the gains on disposals of subsidiaries and associates.

[3] Temporary differences not provided for relate primarily to loss-making entities that did not recognise deferred tax assets.

32. EARNINGS PER SHARE

	31 March							
	2020				2019			
	Gross US$'m	**Taxation US$'m**	**Non-controlling interests US$'m**	**Net US$'m**	Gross US$'m	Taxation US$'m	Non-controlling interests US$'m	Net US$'m
Earnings								
Basic earnings attributable to shareholders				**3 824**				4 303
Impact of dilutive instruments of subsidiaries, associates and joint ventures				**(65)**				(47)
Diluted earnings attributable to shareholders				**3 759**				4 256
Headline adjustments[2]								
Adjustments for:	**(1 089)**	**11**	**49**	**(1 029)**	(655)	179	(21)	(497)
Impairment of goodwill and other intangible assets	**10**	**-**	**-**	**10**	5	-		5
Loss on sale of assets	**-**	**-**	**-**	**-**	1	-	-	1
Gain on loss on of control transactions	**(17)**	**-**	**-**	**(17)**	-	-	-	-
Gains on loss on of significant influence	**(13)**	**-**	**1**	**(12)**	-	-	-	-
Net gains on acquisitions and disposals of investments	**(447)**	**4**	**49**	**(394)**	(1 618)	181	-	(1 437)
Remeasurement of previously held interest	**(73)**	**-**	**-**	**(73)**	(7)	-	1	(6)
Dilution losses on equity-accounted investments	**52**	**-**	**-**	**52**	182	-	-	182
Remeasurements included in equity-accounted earnings[1]	**(622)**	**7**	**(1)**	**(616)**	694	(2)	(22)	670
Impairment of equity-accounted investments	**21**	**-**	**-**	**21**	88	-	-	88
Basic headline earnings				**2 795**				3 806
Diluted headline earnings				**2 730**				3 759

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

[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. Refer to note 2 for detailed accounting policy relating to earnings per share.

32. EARNINGS PER SHARE (continued)

	2020 Number of shares	2019 Number of shares[1]
Number of ordinary shares in issue at year-end[2]	**1 628 163 888**	1 628 163 888
Adjusted for A1 ordinary share's earnings percentage	**(2 809 454)**	(2 809 454)
Weighted average number of ordinary shares in issue during the year	**1 625 354 434**	1 625 354 434
Adjusted for effect of future share-based payment transactions	**-**	-
Diluted weighted average number of ordinary shares in issue during the year	**1 625 354 434**	1 625 354 434
Earnings per ordinary share (US cents) from continuing operations		
Basic	**235**	265
Diluted	**231**	262
Headline earnings per ordinary share (US cents)		
Basic	**172**	234
Diluted	**168**	232

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

[2] Ordinary shares includes both A ordinary shares and N ordinary shares.

33. CASH FROM OPERATIONS

	31 March	
	2020	2019
	US$'m	US$'m
Profit before tax from continuing operations per income statement	**3 790**	4 506
Adjustments relating to continuing operations:		
Non-cash and other	**(4 092)**	(4 711)
Loss on sale of assets	**-**	1
Depreciation and amortisation	**183**	120
Retention option expense	**61**	11
Share-based compensation expenses	**151**	110
Net finance income	**(92)**	(179)
Share of equity-accounted results	**(3 930)**	(3 409)
Impairment of equity-accounted investments	**21**	88
Gains on acquisitions and disposals	**(519)**	(1 628)
Dilution losses on equity-accounted investments	**52**	182
Gains recognised on loss of significant influence	**(13)**	-
Net realisable value adjustments on inventory, net of reversals	**1**	2
Impairment losses	**10**	7
Other	**(17)**	(16)
Operating cash flows of discontinued operations, net of adjustments for non-cash and other items	**-**	(46)
	(302)	(251)
Working capital	**(173)**	(121)
Cash movement in trade and other receivables	**18**	(3)
Cash movement in payables and accruals	**(165)**	(62)
Cash movement in programme and film rights	**-**	19
Cash movement in inventories	**(26)**	(75)
Total cash utilised in operations	**(475)**	(372)

34. ACQUISITIONS OF SUBSIDIARIES AND BUSINESSES

	31 March	
	2020	2019
	US$'m	US$'m
Fair value of assets and liabilities:		
property, plant and equipment	**28**	3
other intangible assets	**255**	58
net current assets	**253**	48
deferred taxation	**(59)**	(8)
long-term liabilities	**(65)**	(3)
	412	98
Non-controlling interests	**(53)**	(13)
Derecognition of equity-accounted investments	**(78)**	(15)
Remeasurement of previously held interest	**(73)**	(7)
Goodwill recognised	**566**	105
Purchase consideration	**774**	168
Contribution of subsidiary	**(24)**	-
Amount to be settled in future	**(3)**	-
Net cash in subsidiaries and businesses acquired	**(279)**	(66)
Net cash outflow from acquisitions of subsidiaries and businesses	**468**	102

35. DISPOSALS OF SUBSIDIARIES AND BUSINESSES

	31 March	
	2020	2019
	US$'m	US$'m
Carrying values of assets and liabilities:		
property, plant and equipment	**4**	496
goodwill	**5**	25
other intangible assets	**6**	25
net current liabilities	**(20)**	(11)
deferred taxation	**(2)**	(10)
long-term liabilities	**-**	(406)
foreign currency translation reserve realised	**191**	594
	184	713
Distribution to owners	**-**	119
Non-controlling interests	**10**	(288)
Existing control business combination reserve	**(21)**	55
(Loss)/gain on disposal - net	**(153)**	(567)
shown as part of continuing operations	**(153)**	24
shown as part of discontinued operations	**-**	(591)
Selling price	**20**	32
Net cash in subsidiaries and businesses disposed of	**2**	(179)
Net cash inflow/(outflow) from disposals of subsidiaries and businesses	**22**	(147)

36. ACQUISITION OF AND ADDITIONAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Included in acquisition of and additional investments in associates of US$374.0m (2019: US$1 277.0m) are the following: Swiggy US$100.1m, Meesho Inc US$79.7m, Udemy US$43.0m, NTEx Transportation services (ElasticRun) US$30.2m, Brainly Inc US$25.0m and other acquisitions of US$96.0m (2019: Swiggy US$716.4m, BYJU's US$383.2m, Frontier Car Group US$89.4m, Honor US$35.0m, PaySense US$11.5m and other acquisitions of US$41.5m). These investments were classified as investments in associates.

Included in acquisition of and additional investments in joint ventures of US$23.0m (2019: US$18.8m) is El Cochinero US$23.0m (2019: El Cochinero US$8.8m and THL MIH Limited US$7.8m and other additional investments of US$1.2m). These investments were classified as investments in joint ventures.

37. SHORT-TERM INVESTMENTS

The carrying values of short-term investments as at 31 March are shown below.

		31 March	
	Weighted average interest rate	**2020 US$'m**	2019 US$'m
Money-market and long-term deposits	2.1%	**3 839**	6 967
Accrued interest income		**34**	70
		3 873	7 037

The money-market and long-term deposits of US$3.84bn (2019: US$6.97bn) are denominated in US dollar.

The above investments have maturity dates (from the date of acquisition) of between three and 12 months and have accordingly not been disclosed as part of cash and cash equivalents.

Short-term investments are classified as financial assets at amortised cost. Due to their short-term nature, the carrying values of these investments are considered to be a reasonable approximation of their fair values. None of the group's short-term investments were past due or subject to significant impairment allowances as at 31 March 2020.

Short-term investments are held by entities that have the same functional currencies as the currencies in which the investments are denominated and accordingly do not give rise to foreign currency risk. Due to the nature of short-term investments, there is an insignificant exposure to price risk.

Refer to note 40 for further information regarding the credit risk of short-term investments.

38. CASH AND CASH EQUIVALENTS

	31 March	
	2020	2019
	US$'m	US$'m
Cash at bank and on hand	**848**	1 222
Short-term bank deposits[1]	**3 333**	913
Bank overdrafts	**(32)**	(8)
	4 149	2 127
Restricted cash		
The following cash balances are restricted from immediate use:		
Classifieds	**5**	4
Payments and Fintech	**166**	128
Other Ecommerce	**1**	-
Total restricted cash	**172**	132

[1] Included in short-term bank deposits is an amount of US$650.0m (2019: US$410.0m) which represents money-market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies.

Restricted cash is still included in cash and cash equivalents due to the fact that it mostly relates to cash held on behalf of customers.

39. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decisionmaker (CODM) in order to allocate resources to the segments and to assess their performance. The CODM has been identified as the group's executive directors, who make strategic decisions. The Prosus group has the same governance structures as its ultimate controlling parent, Naspers. It has the same board and management oversight, including the same individuals comprising the CODM. Accordingly, the CODM for Naspers Limited is the same CODM for the Prosus group.

The group proportionately consolidates its share of the results of its associated companies and joint ventures in its reportable segments. This is considered to provide additional information on the economic reality of these investments and corresponds to the manner in which the CODM assesses segmental performance.

The group has identified its operating segments based on its business by service or product as follows: social and internet platforms and ecommerce and corporate. Below are the types of services and products from which each segment generates revenue:

Continuing operations

Ecommerce – the group operates internet platforms to provide various services and products. These platforms and communities offer ecommerce, communication, social networks, entertainment and mobile value-added services. The reportable segments within ecommerce include classifieds, payments and fintech, food delivery, etail, travel and other ecommerce.

- *Classifieds* – the group operates a number of leading online classifieds platforms comprising general classifieds (such as OLX and letgo) and verticals (automotive and real estate verticals) in more than 32 markets globally.
- *Payments and fintech* – operates one of the largest mobile and online payment platforms in 20 markets through PayU, an online payment services provider. This segment also includes the group's fintech and credit interests via associates and subsidiaries.
- *Food delivery* – the group invests in leading global online food ordering and delivery platforms operating in regions including India, Latin America and across Europe, Asia and the Middle East through its investments in Delivery Hero, Swiggy and iFood.
- *Etail* – comprises the group's etail subsidiaries (eMAG) and, up to the first half of the financial year ended 31 March 2019, the group's associate Flipkart. The group's operations are spread across Central and Eastern Europe and India.
- *Travel* – in the prior year, the group through its investment in MakeMyTrip in India operated a platform for online travel services including flight tickets and hotel reservations. We include eight months of results for MakeMyTrip in our segmental results for the current period, representing our share of its earnings for the period up to disposal and a catch-up of the lag period applied in reporting its results. After the Trip.com transaction, our travel segment will cease to exist and will not be reported on after this financial year.
- *Other ecommerce* – this segment comprises the group's mobile and other content businesses and up to the date of disposal the groups online comparison shopping business. Also included is various corporate support functions for the ecommerce segment.

- *Social and internet platforms* – The group holds listed investments in social and internet platforms through Tencent, China's largest and most used internet services platform and Mail.ru, a leading internet company in Russian speaking markets.

- *Corporate* – this segment comprises entities providing various corporate functions and activities. These services include, but are not limited to, executive oversight, information management, legal, treasury, control and accounting, human resources, taxes and investor relations.

Sales between the above segments are eliminated in the "Inter-segmental" column. The revenue from external parties and all other items of income, expenses, profits and losses reported in the segment report is measured in a manner consistent with that in the income statement. EBITDA, as presented in the segmental report, refers to earnings before interest, tax, depreciation, amortisation and cash-settled share-based payment expenses.

The revenues from external customers for each major group of products and services are disclosed in note 26. The group is not reliant on any one major customer as the group's products are consumed by the general public in a large number of countries.

39. SEGMENT INFORMATION (continued)

Discontinued operations

Discontinued operations relate to the group's sub-Saharan Video-Entertainment business which the disposed of and which was subsequently listed and distributed by the Naspers group to its shareholders in an unbundling transaction in February 2019 (refer to note 3). This segment offered digital satellite and digital terrestrial television services to subscribers as well as mobile and internet services through MultiChoice Africa in the sub-Saharan Africa. Through Irdeto, the business provided digital content management and protection systems to customers globally to protect, manage and also monetise digital media on any platform. These businesses represented a separate line of business and were classified as the video entertainment segment. Discontinued operations also includes the group's subscription video-on-demand service in Poland which was closed at the end of January 2019 and which formed part of the Video-Entertainment segment.

	Revenue Year ended 31 March					
	2020			2019		
	US$'m	**US$'m**	**US$'m**	US$'m	US$'m	US$'m
	External	**Inter-segmental**	**Total**	External	Inter-segmental	Total
Ecommerce	**4 266**	**-**	**4 266**	3 596	-	3 596
- Classifieds	**1 281**	**-**	**1 281**	857	-	857
- Payments and Fintech	**422**	**6**	**428**	354	6	360
- Food Delivery	**751**	**-**	**751**	377	-	377
- Etail	**1 363**	**-**	**1 363**	1 529	-	1 529
- Travel	**146**	**-**	**146**	233	1	234
- Other and eliminations	**303**	**(6)**	**297**	246	(7)	239
Social and internet platforms	**17 189**	**-**	**17 189**	14 744	-	14 744
- Tencent	**16 779**	**-**	**16 779**	14 457	-	14 457
- Mail.ru	**410**	**-**	**410**	287	-	287
Corporate	**-**	**-**	**-**	-	-	-
Total economic interest from continuing operations	**21 455**	**-**	**21 455**	18 340	-	18 340
Less: Equity-accounted investments	**(18 125)**	**-**	**(18 125)**	(15 685)	-	(15 685)
Total consolidated from continuing operations	**3 330**	**-**	**3 330**	2 655	-	2 655
Total consolidated from discontinued operations	**-**	**-**	**-**	644	-	644
Total consolidated	**3 330**	**-**	**3 330**	3 299		3 299

39. SEGMENT INFORMATION (continued)

	Year ended 31 March 2020						
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
	Total revenue	COPS and SGA[1]	EBITDA	Depreciation	Amortisation of software	Interest on finance leases	Trading (loss)/ profit
Ecommerce	4 266	(5 055)	(789)	(108)	(12)	(9)	(918)
- Classifieds	1 281	(1 199)	82	(40)	(3)	(5)	34
- Payments and Fintech	428	(488)	(60)	(6)	-	(1)	(67)
- Food Delivery	751	(1 347)	(596)	(24)	(3)	(1)	(624)
- Etail	1 363	(1 355)	8	(25)	(2)	(1)	(20)
- Travel	146	(165)	(19)	(3)	-	-	(22)
- Other and eliminations	297	(501)	(204)	(10)	(4)	(1)	(219)
Social and internet platforms	17 189	(11 734)	5 455	(705)	(25)	(26)	4 699
- Tencent	16 779	(11 451)	5 328	(692)	(11)	(24)	4 601
- Mail.ru	410	(283)	127	(13)	(14)	(2)	98
Corporate[2]	-	(4)	(4)	-	-	-	(4)
Total economic interest	21 455	(16 793)	4 662	(813)	(37)	(35)	3 777
Less: Equity-accounted investments	(18 125)	13 139	(4 986)	733	28	27	(4 198)
Total consolidated	3 330	(3 654)	(324)	(80)	(9)	(8)	(421)

[1] *Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.*

[2] *Corporate cost of US$3.5m has been incurred subsequent to the listing of the Prosus group.*

39. SEGMENT INFORMATION (continued)

	Year ended 31 March 2019					
	US$'m	**US$'m**	**US$'m**	**US$'m**	**US$'m**	**US$'m**
	Total revenue	COPS and SGA[1]	EBITDA	Depreciation	Amortisation of software	Trading (loss)/ profit
Ecommerce	3 596	(4 115)	(519)	(37)	(19)	(575)
- Classifieds	857	(847)	10	(13)	(3)	(6)
- Payments and Fintech	360	(399)	(39)	(4)	-	(43)
- Food Delivery	377	(539)	(162)	(4)	(5)	(171)
- Etail	1 529	(1 616)	(87)	(13)	(1)	(101)
- Travel	234	(270)	(36)	(1)	-	(37)
- Other and eliminations	239	(444)	(205)	(2)	(10)	(217)
Social and internet platforms	14 744	(10 375)	4 369	(400)	(17)	3 952
- Tencent	14 457	(10 133)	4 324	(388)	(7)	3 929
- Mail.ru	287	(242)	45	(12)	(10)	23
Corporate	-	-	-	-	-	-
Total economic interest	18 340	(14 490)	3 850	(437)	(36)	3 377
Less: Equity-accounted investments	(15 685)	11 570	(4 115)	412	20	(3 683)
Total consolidated from continuing operations	2 655	(2 920)	(265)	(25)	(16)	(306)
Total consolidated from discontinued operations	644	(755)	(111)	(41)	(2)	(154)
Total consolidated	3 299	(3 675)	(376)	(66)	(18)	(460)

[1] Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.

39. SEGMENT INFORMATION (continued)

Additional disclosure

	Year ended 31 March 2020			
	US$'m	US$'m	US$'m	
	Impairment of assets	Remeasurement of written put option liabilities	Share of equity-accounted results	Average number of employees [1]
Ecommerce	-	53	(296)	16 875
- Classifieds	-	239	(22)	6 482
- Payments and Fintech	-	-	(23)	2 080
- Food Delivery	-	-	(166)	2 882
- Etail	-	(59)	-	5 223
- Travel	-	-	(27)	-
- Other	-	(127)	(58)	208
Social and internet platforms	(201)	-	4 226	
- Tencent	(175)	-	4 178	
- Mail.ru	(26)	-	48	
Corporate	-	-	-	164
Total reportable segments	(201)	53	3 930	17 039
Less: Equity-accounted investments[2]	201	-	-	
Total	-	53	3 930	17 039

	Year ended 31 March 2019			
	US$'m	US$'m	US$'m	
	Impairment of assets	Remeasurement of written put option liabilities	Share of equity-accounted results	Average number of employees [1]
Ecommerce	(7)	53	(252)	13 846
- Classifieds	-	86	5	4 885
- Payments and Fintech	-	3	(29)	1 440
- Food Delivery	-	-	(66)	1 862
- Etail	(2)	7	(43)	4 707
- Travel	(1)	-	(73)	4
- Other	(4)	(43)	(46)	948
Social and internet platforms	(806)	-	3 661	
- Tencent	(799)	-	3 696	
- Mail.ru	(7)	-	(35)	
Corporate	-	-	-	96
Total reportable segments	(813)	53	3 409	13 942
Less: Equity-accounted investments[2]	806	-	-	
Total	**(7)**	**53**	**3 409**	**13 942**

[1] Includes 177 (2019:139) working in the Netherlands. As at 31 March 2020 the group employed 20 524 (2019: 15 078) permanent employees.

[2] All associates' and joint ventures' results are accounted for using the equity method.

39. SEGMENT INFORMATION (continued)

Trading profit/(loss) as presented in the segment disclosure is the CODM's measure of each segment's operational performance. A reconciliation of the segmental trading profit/(loss) to operating profit/(loss) and profit before tax as reported in the income statement is provided below:

	31 March	
	2020	2019
	US$'m	US$'m
Trading loss from continuing operations per segment report	**(421)**	(306)
Interest on capitalised leases	**8**	-
Amortisation of other intangible assets	**(94)**	(87)
Other gains/(losses) - net	**16**	(40)
Retention option expense	**(61)**	(11)
Share-based incentives calculated on a cash-settled basis[1]	**(25)**	45
Share-based incentives settled in Naspers Limited shares[2]	**(16)**	(23)
Operating loss per the income statement	**(593)**	(422)
Interest income	**201**	265
Interest expense	**(223)**	(200)
Other finance income/(costs) - net	**114**	114
Share of equity-accounted results	**3 930**	3 409
Impairment of equity-accounted investments	**(21)**	(88)
Dilution losses on equity-accounted investments	**(52)**	(182)
Net gains on acquisitions and disposals	**434**	1 610
Profit before taxation per the income statement	**3 790**	4 506

[1] Represents the differential between share-based incentives valued on a cash-settled basis at the Prosus group level and the share-based incentives valued on an equity-settled basis at a Naspers group level. The CODM reviews share-based incentives on an equity-settled basis at both a Naspers and Prosus group level.

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

39. SEGMENT INFORMATION (continued)

Geographical information

The group operates in five main geographical areas:

Asia - The group's activities comprise its interests in internet activities based in China, India, Thailand and Singapore.

Europe - The group's activities comprise its interest in internet activities based in Central and Eastern Europe and Russia. Furthermore, the group generates revenue from services provided by subsidiaries based in the Netherlands.

Latin America - The group's activities comprise its interests in internet activities based in Brazil and other Latin American countries.

Other - Includes the group's provision of various products and internet services located mainly in Australia and the United States of America.

	Asia US$'m	Europe US$'m	Latin America US$'m	Other US$'m	Total US$'m
March 2020					
External consolidated revenue	**341**	**2 187**	**624**	**178**	**3 330**
External proportionately consolidated revenue[1]	**17 450**	**3 069**	**677**	**259**	**21 455**
March 2019					
External consolidated revenue from continuing operations	215	1 895	423	122	2 655
External proportionately consolidated revenue from continuing operations[1]	15 270	2 431	469	170	18 340

[1] Revenue includes the group's proportionate share of associates' and joint ventures' external revenue.

Revenue is allocated to a country based on the location of subscribers or users/customers.

40. FINANCIAL RISK MANAGEMENT

Financial risk factors

The group's activities expose it to a variety of financial risks such as market risk (including currency risk, fair-value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. These include the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. The group's overall risk management programme seeks to minimise the potential adverse effects of financial risks on its financial performance. The group uses derivative financial instruments, such as forward exchange contracts and interest rate swaps, to hedge certain risk exposures.

Risk management is carried out by management under policies approved by the board of directors and its risk management committee. Management identifies, evaluates and, where appropriate, hedges financial risks. The various boards of directors within the group provide written policies, in line with the overall group policies, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and the investment of excess liquidity.

40.1 Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk. A substantial portion of the group's revenue and expenses is denominated in the currencies of the countries in which it operates.

In certain instances, the group will hedge its foreign currency risks associated with certain of its net investments in foreign operations. The group will determine which investments to hedge based on the foreign currency risk arising on translation of its foreign operations.

Following the acquisition of the group's interests in Delivery Hero SE during the 2018 financial year, the group elected to hedge the foreign exchange risk resulting from the difference between the functional currency of Delivery Hero (Euro) and the currency of the funding incurred to acquire the investment (USD). The group therefore entered into a cross-currency interest rate swap, and in order to best reflect the result of this risk management strategy, designated it as a hedge of its net investment in Delivery Hero.

The cross-currency interest rate swap matures in July 2025 and on maturity the group will exchange €700m for US$783.7m. As the investment in Delivery Hero SE is translated at the spot rate, the group has designated only the spot exchange rate element of the cross-currency interest rate swap as forming part of the hedging relationship. The hedge ratio is 1:1.

Cumulative gains of US$24.8m (2019: gains of US$11.7m) have been recognised in the foreign currency translation reserve relating to the net investment hedge since the inception of the hedging relationship. The increase in the value of the net investment in Delivery Hero used to determine hedge ineffectiveness for the period is US$123.0m (2019: decrease in value of US$173.0m).

During the current year, total gains of US$82.3m (2019: gains of US$89.9m) were recognised on the cross-currency interest rate swap. Gains of US$13.1m (2019: gains of US$77.3m) for the year have been recognised in the foreign currency translation reserve relating to the net investment hedge (and comprise the fair value movements used as a basis for recognising hedge effectiveness). Gains of US$69.2m (2019: gains of US$12.6m) were recognised as part of "Other finance (costs)/income – net" in the income statement. This is the element of the cross-currency interest rate swap not designated as part of the hedging relationship. Ineffectiveness may arise from credit risk on the cross-currency interest rate swap. Ineffectiveness is negligible as all critical terms on the hedging instrument and hedged item match.

In March 2020, the group entered into an agreement, maturing within the next 12 months, to exchange US$457.2m (2019: US$180.2m) for HKD3.55bn (Hong Kong dollars) (2019:HKD1.41bn) at an average exchange rate US$/HKD 7.76 (2019: US$/HKD 7.82).

The group does not apply hedge accounting with respect to any of its forward exchange contracts outstanding as at 31 March 2020.

40. FINANCIAL RISK MANAGEMENT (continued)

40.1 Foreign exchange risk (continued)

Where the group has surplus funds offshore, the treasury policy is to spread the funds between more than one currency to limit the effect of foreign exchange rate fluctuations and to generate the highest possible interest income. As at 31 March 2020 the group had a net cash balance including short-term cash investments of US$8.03bn (2019: US$9.16bn). These funds are largely denominated in US dollar which is also the functional currency of the relevant group subsidiary in which the cash is held.

Foreign currency sensitivity analysis

The group's presentation currency is the US dollar, but as it operates internationally, it is exposed to a number of currencies, of which the exposure to the US dollar, euro, Indian rupee and Russian rouble is the most significant. The group is also exposed to the British pound, Chinese yuan renminbi, Polish zloty and Brazil real, albeit to a lesser extent. For purposes of the below analysis, financial instruments are only considered sensitive to foreign exchange rates when they are not denominated in the functional currency of the group entity holding the relevant financial instrument.

The sensitivity analysis details the group's sensitivity to a 10% decrease (2019: 10% decrease) in the Indian rupee and Russian rouble against the US dollar as well as a 10% increase of the US dollar against the euro (2019: 10% increase of the US dollar against the euro). These movements would result in a US$67.9m decrease in net profit after tax for the year (2019: US$52.2m decrease). Total equity would increase by US$59.7m (2019: US$89.0m decrease).

This analysis includes only outstanding foreign currency denominated monetary assets and liabilities (i.e. those monetary assets and liabilities denominated in a currency that differs from the relevant group company's functional currency) and adjusts their translation at the period-end for the above percentage changes in foreign currency rates. The sensitivity analysis includes external loans, as well as loans to foreign operations within the group, but excludes translation differences due to translating from functional currency to presentation currency. The analysis has been adjusted for the effect of hedge accounting.

Foreign exchange rates

The exchange rates used by the group to translate foreign entities' income statements, statements of comprehensive income and statements of financial position are as follows:

	31 March 2020		31 March 2019	
	Average rate	**Closing rate**	Average rate	Closing rate
Currency (1FC = US$)				
South African rand (ZAR)	**0.0667**	**0.0560**	0.0723	0.0690
Euro (EUR)	**1.1103**	**1.1031**	1.1537	1.1218
Chinese yuan renminbi (CNY)	**0.1433**	**0.1412**	0.1485	0.1490
Brazilian real (BRL)	**0.2398**	**0.1921**	0.2622	0.2548
Indian rupee (INR)	**0.0141**	**0.0133**	0.0143	0.0145
Polish zloty (PLN)	**0.2569**	**0.2420**	0.2684	0.2606
Russian rouble (RUB)	**0.0152**	**0.0127**	0.0153	0.0152
British pound sterling (GBP)	**1.2702**	**1.2419**	1.3084	1.3033

40. FINANCIAL RISK MANAGEMENT (continued)

40.1 Foreign exchange risk (continued)

***Foreign exchange rates** (continued)*

The average rates listed above are only approximate average rates. The group measures separately the transactions of each of its material operations, using the particular currency of the primary economic environment in which the operation conducts its business, translated at the prevailing exchange rate on the transaction date.

The below table details the group's unhedged liabilities that are denominated in a currency other than the functional currency of the settling entity:

	31 March 2020		31 March 2019	
	Currency amount of liabilities 'm	**US$'m**	Currency amount of liabilities 'm	US$'m
Uncovered liabilities				
British pound	**9**	**13**	1	1
South African rand	**84**	**6**	-	-
US dollar	**9**	**9**	32	32
Euro	**6**	**6**	8	9
Other	**-**	**7**	-	-

Derivative financial instruments

The following table details the group's derivative financial instruments:

	31 March 2020		31 March 2019	
	Assets US$'m	**Liabilities US$'m**	Assets US$'m	Liabilities US$'m
Current portion				
Forward exchange contracts	**-**	**38**	-	3
	-	**38**	-	3
Non-current portion				
Derivatives embedded in leases	**6**	**2**	1	-
Cross-currency interest rate swap	**49**	**-**	-	33
	55	**2**	1	33
Total	**55**	**40**	1	36

The group's forward exchange contracts and cross-currency interest rate swap are subject to master netting arrangements that allow for offsetting of asset and liability positions with the same counterparty in the event of default. None of the group's forward exchange contracts and cross-currency interest rate swap agreement have been offset in the statement of financial position. At 31 March 2020 there were no contracts that could be offset under the master netting arrangement. In the prior year had forward exchange contracts been offset, the net liability presented in the statement of financial position would amount to US$2.6m.

40. FINANCIAL RISK MANAGEMENT (continued)

40.2 Credit risk

The group is exposed to credit risk relating to the following financial assets measured at amortised cost:

Trade receivables and accrued income balances

Trade receivables consist primarily of invoiced amounts from normal trading activities. The group has a diversified customer base across various geographical areas. Various credit checks are performed on new debtors to determine the quality of their credit history. These checks are also performed on existing debtors with long-overdue accounts. Furthermore, current debtors are monitored to ensure they do not exceed their credit limits.

The group's trade receivables arise mainly in its etail, classifieds and online content businesses as well as, but to a lesser extent, from its online comparison shopping and payments businesses. Average payment terms vary considerably between the group's businesses, given the diverse nature of their operations. Average payment terms, however, generally do not exceed 60 days from date of invoice.

Accrued income balances relate to unbilled revenue that has been earned and have substantially similar risk characteristics as trade receivables. Accrued income balances arise mainly in the group's etail, classifieds and payments businesses and are included within "Other receivables" in the statement of financial position.

The group applies the simplified approach mandated by IFRS 9 *Financial Instruments* when measuring impairment loss allowances related to trade receivables and accrued income balances and accordingly the group's impairment allowances on these financial assets equal, at all times, the credit losses expected to arise over the lifetime of these financial assets.

In measuring credit losses expected to arise over the lifetime of trade receivables and accrued income balances, financial assets are grouped according to their shared credit characteristics and aging profile.

The quantification of credit losses expected to arise over the lifetime of trade receivables and accrued income balances is based on (i) the group's actual observed historical loss experience/rates within each business and (ii) forward-looking information that is considered predictive of future credit losses within each business.

The historical loss experience/rates that are taken into account when determining impairment allowances is determined with reference to representative sales periods within each businesses (typically not shorter than 12 months) and the credit losses incurred over that period.

Forward-looking information considered in measuring lifetime expected credit losses include macroeconomic factors, with the most significant factors considered being inflation and unemployment rate increases as these are considered to most significantly affect the future ability of the group's customers to settle their accounts as they fall due for payment. All forward-looking information considered is specific to the economy that most significantly affects the underlying customer's ability to repay the relevant amount due. These significant factors further took into account the impact of the Covid-19 pandemic. Due to the group's diverse operations, the forward-looking information considered and the values assigned to forward-looking information when calculating impairment allowances vary by business type and country in which the customer is located.

Related party loans and receivables

Related party loans and receivables consist primarily of balances with a number of entities under the common control of Naspers Limited, the group's ultimate controlling parent, as well as with certain associates of the group. The measurement of the impairment loss allowance on these loans and receivables is based on the assessment of whether there has been a significant increase in credit risk. Management has assessed that the credit risk of these loans and receivables is based on the credit worthiness of the borrowers and their ability to repay the amounts owing. Consequently, the impairment loss allowance is based on a 12-month expected credit loss model. As the amounts owing are due by group companies, the impairment assessment takes into account the default of the Naspers group on external debt (being the ultimate holding company able to repay debt on behalf of group companies) as well as the existence of collateral, letters of support by group companies and re-adjusted budgets and forecasts of group companies as a result of the Covid-19 pandemic's impact on operations. Budget forecasts consider the businesses remaining operational amidst lock-down restrictions. As at 31 March 2020, impairment allowances on related party loans and receivables were not significant.

40. FINANCIAL RISK MANAGEMENT (continued)

40.2 Credit risk (continued)

Other receivables

Credit risk related to other receivables arises mainly from accrued income balances, merchant and bank receivables, and disposal proceeds receivable.

Accrued income

The credit risk profile and impairment methodology applied to accrued income balance that are included within "Other receivables" in the statement of financial position is outlined above.

Merchant and bank receivables

Merchant and bank receivables balances relate to transactions, primarily in the group's payments and fintech and food delivery segments, where the group facilitates the payment process between the end consumer and the provider of goods and services (i.e. the merchant).

Impairment allowances are established on merchant and bank receivables by considering the group's historical loss experience/rates as well as forward-looking information which also considered the impact of the Covid-19 pandemic. The group also considers whether the underlying counterparty is a new or recurring customer. The credit risk inherent in merchant and bank receivables is also reduced by the group's right to offset amounts receivable from counterparties against the corresponding amounts payable to banks and other merchants (refer to note 24) in the event of default. An average payment terms of 30 days generally apply to merchant and bank receivables.

As at 31 March 2020, an impairment allowance of US$6.6m (2019: US$6.5m) has been recognised with respect to merchant and bank receivables.

Disposal proceeds receivable

Disposal proceeds receivable relate to amounts held in escrow following disposals of group businesses to external parties. These amounts are generally held in escrow by the relevant purchaser as security for the group's warranty and indemnity obligations in terms of disposal agreements.

The group assesses, on a continuing basis, whether a significant increase in credit risk has taken place with respect to the relevant underlying counterparty. At 31 March 2020, impairment allowances related to disposal proceeds receivable were not significant.

Cash and cash equivalents, short-term investments and derivative assets

The group is exposed to certain concentrations of credit risk relating to its cash and cash equivalents, short-term investments and derivative assets. There are no significant concentrations of credit risk relating to derivative financial assets. The group places these instruments mainly with major banking groups and high-quality institutions that have high credit ratings. The group's treasury policy is designed to limit exposure to any one institution and to invest excess cash in low-risk investment accounts. As at 31 March 2020, the group held the majority of its cash and cash equivalents, short-term investments and derivative assets with local and international banks with a 'Baa1' credit rating or higher. The majority of the group's short-term investments are placed with international banks with an 'A1' credit rating (Moody's International's long-term deposit rating). The credit standings of counterparties that are used by the group are evaluated on a continuous basis.

Total impairment losses on financial assets at amortised cost

Total impairment losses (net of reversals) recorded on financial assets measured at amortised cost amounted to US$8.9m as at 31 March 2020 (2019: US$13.2m). This impairment loss takes into account the impact of the Covid-19 pandemic. The group assessed the impact on recoverability of financial assets (mainly trade receivables) due to Covid-19. Factors considered were the trading restrictions imposed (if any) and changes to consumer behaviour and spending as a result of this pandemic. As at 31 March 2020, the impact of Covid-19 on the group's impairment allowances was not significant as the lockdown measures related to Covid-19 have not significantly impacted the recoverability of our financial assets and it is expected that the businesses will maintain a sufficient share of the consumer market in the foreseeable future.

40. FINANCIAL RISK MANAGEMENT (continued)

40.3 Liquidity risk

Prudent liquidity risk management implies, among other aspects, maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The facilities expiring within one year are subject to renewal at various dates during the next year. The group had the following unutilised banking facilities as at 31 March 2020 and 2019:

	31 March	
	2020 US$'m	2019 US$'m
On call	**29**	35
Expiring within one year	**41**	25
Expiring beyond one year	**2 500**	2 510
	2 570	2 570

The following analysis details the remaining contractual maturity of the group's non-derivative liabilities and derivative financial assets and liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to settle the liability. The analysis includes both interest and principal cash flows.

	31 March 2020				
	Carrying value US$'m	**Contractual cash flows US$'m**	**0 - 12 months US$'m**	**1 - 5 years US$'m**	**5 years + US$'m**
Non-derivative financial liabilities					
Interest-bearing: Capitalised lease liabilities[1]	**(226)**	**(257)**	**(49)**	**(142)**	**(66)**
Interest-bearing: Loans and other liabilities	**(3 515)**	**(4 723)**	**(168)**	**(683)**	**(3 872)**
Non-interest-bearing: Loans and other liabilities	**(34)**	**(34)**	**(14)**	**(18)**	**(2)**
Other non-current liabilities	**(160)**	**(160)**	**-**	**(160)**	**-**
Trade payables	**(291)**	**(291)**	**(291)**	**-**	**-**
Accrued expenses and other current liabilities[2]	**(1 297)**	**(1 297)**	**(1 297)**	**-**	**-**
Related party loans and payables	**(16)**	**(16)**	**(13)**	**(3)**	**-**
Bank overdrafts	**(32)**	**(32)**	**(32)**	**-**	**-**
Derivative financial assets/(liabilities)					
Forward exchange contracts - inflow	**-**	**1 105**	**1 105**	**-**	**-**
Forward exchange contracts - outflow	**(38)**	**(1 138)**	**(1 138)**	**-**	**-**
Derivatives contained in lease agreements - inflow	**6**	**6**	**-**	**6**	**-**
Derivatives contained in lease agreements - outflow	**(2)**	**(2)**	**-**	**(2)**	**-**
Cross-currency interest rate swap - inflow	**49**	**1 021**	**43**	**173**	**805**
Cross-currency interest rate swap - outflow	**-**	**(976)**	**(29)**	**(114)**	**(833)**

[1] The increase in capitalised lease liabilities is as a result of the group's adoption of IFRS 16 - refer to note 2 for the group's adoption of new accounting pronouncements during the reporting period.

[2] Includes written put liabilities - refer to note 22.

40. FINANCIAL RISK MANAGEMENT (continued)

40.3 Liquidity risk (continued)

	31 March 2019				
	Carrying value US$'m	Contractual cash flows US$'m	0 - 12 months US$'m	1 - 5 years US$'m	5 years + US$'m
Non-derivative financial liabilities					
Interest-bearing: Capitalised finance leases[1]	(8)	(9)	(3)	(6)	-
Interest-bearing: Loans and other liabilities	(3 247)	(4 198)	(185)	(1 632)	(2 381)
Non-interest-bearing: Loans and other liabilities	(11)	(11)	(9)	(2)	-
Other non-current liabilities	(538)	(538)	-	(538)	-
Trade payables	(244)	(244)	(244)	-	-
Accrued expenses and other current liabilities	(861)	(861)	(861)	-	-
Related party loans and payables	(39)	(39)	(37)	(2)	-
Bank overdrafts	(8)	(8)	(8)	-	-
Derivative financial assets/(liabilities)					
Forward exchange contracts - inflow	-	179	179	-	-
Forward exchange contracts - outflow	(1)	(180)	(180)	-	-
Cross-currency interest rate swap -inflow	-	1 063	43	172	848
Cross-currency interest rate swap -outflow	(33)	(1 115)	(29)	(125)	(961)

[1] *These relate to lease arrangements previously classified as finance leases in terms of IAS 17.*

40.4 Interest rate risk

As part of the process of managing the group's fixed and floating borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Where appropriate, the group uses derivative financial instruments, such as interest rate swap agreements, purely for hedging purposes. The fair value of these instruments will not change significantly as a result of changes in interest rates due to their short-term nature and floating interest rates.

Refer to note 21 for the interest rate profiles and repayment terms of long-term liabilities as at 31 March 2020 and 2019.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the statement of financial position date (after taking into account the effect of hedge accounting) and the stipulated change taking place at the beginning of the next financial year and held constant throughout the reporting period in the case of instruments that have floating rates. The group is mainly exposed to interest rate fluctuations of the American, European and London repo rates. Management's best estimate of the possible change in these interest rates is an increase of 100 basis points (2019: 100 basis points).

If interest rates changed as stipulated above and all other variables were held constant, specifically foreign exchange rates, the group's net profit after tax and total equity for the year ended 31 March 2020 would increase by US$69.9m (2019: increase on net profit (and equity) by US$77.7m).

Price risk sensitivity analysis

The group has an investment in Trip.com Group Limited (Trip.com) measured at fair value through other comprehensive income. The group's sensitivity to a 10% decrease in the share price of this investment will result in a US$70.4m decrease in other comprehensive income (2019: nil).

41. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	31 March 2020			
	Carrying value US$'m	Net gains/ (losses) recog-nised in profit or loss US$'m	Total interest income US$'m	Impair-ment US$'m
Assets				
Other Investments	**805**	**-**	**-**	**-**
Financial assets at fair value through profit or loss[1]	**13**	**-**	**-**	**-**
Financial assets at fair value through other comprehensive income[2]	**792**	**-**	**-**	**-**
Receivables and loans[3]	**537**	**17**	**6**	**16**
Trade receivables	**111**	**-**	**-**	**9**
Other receivables	**236**	**(1)**	**6**	**7**
Foreign currency intergroup receivables	**-**	**18**	**-**	**-**
Related party receivables	**190**	**-**	**-**	**-**
Derivative financial instruments[1]	**55**	**75**	**-**	**-**
Cross-currency interest rate swap	**49**	**69**	**-**	**-**
Derivatives embedded in leases	**6**	**6**	**-**	**-**
Short-term investments[3]	**3 873**	**7**	**34**	**-**
Cash and cash equivalents[3]	**4 181**	**1**	**161**	**-**
Total	**9 451**	**100**	**201**	**16**

[1] Measured at fair value through profit or loss.

[2] During the year a loss of US$282.0m (2019: gains of US$8.5m) was recognised in other comprehensive income with respect to the group's financial assets at fair value through other comprehensive income.

[3] Measured at amortised cost.

41. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2020		
	Carrying value US$'m	Net gains/ (losses) recog-nised in profit or loss US$'m	Total interest expense US$'m
Liabilities			
Long-term liabilities[1]	**3 875**	**-**	**205**
Interest-bearing: Capitalised lease liabilities	**184**	**-**	**6**
Interest-bearing: Loans and other liabilities	**3 508**	**-**	**199**
Non-interest-bearing: Loans and other liabilities	**20**	**-**	**-**
Other non-current liabilities	**160**	**-**	**-**
Related party loans and payables	**3**	**-**	**-**
Short-term payables and loans[1]	**1 664**	**56**	**11**
Interest-bearing: Capitalised lease liabilities	**42**	**(1)**	**2**
Interest-bearing: Loans and other liabilities	**7**	**(1)**	**2**
Non-interest-bearing: Loans and other liabilities	**14**	**-**	**-**
Trade payables	**291**	**(13)**	**-**
Accrued expenses and other current liabilities	**1 297**	**91**	**7**
Related party loans and payables	**13**	**-**	**-**
Foreign currency intergroup payables	**-**	**(20)**	**-**
Derivative financial instruments[2]	**40**	**(42)**	**-**
Forward exchange contracts	**38**	**(40)**	**-**
Derivatives embedded in leases	**2**	**(2)**	
Bank overdrafts	**32**	**-**	**7**
Total	**5 611**	**14**	**223**

[1] Measured at amortised cost.

[2] Measured at fair value through profit or loss.

41 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The carrying values of all financial instruments, apart from those disclosed below, are considered to be a reasonable approximation of their fair values.

The fair values of the following instruments that are not measured at fair value have been disclosed as their carrying values are not a reasonable approximation of fair value:

Financial liabilities	Carrying value US$'m	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
31 March 2020					
Publicly traded bonds	**3 450**	**3 183**	**-**	**3 183**	**-**
31 March 2019					
Publicly traded bonds	3 200	3 350	-	3 350	-

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

	31 March 2019			
	Carrying value US$'m	Net gains/ (losses) recog-nised in profit or loss US$'m	Total interest income US$'m	Impair-ment US$'m
Assets				
Investments and loans	47	(27)	-	-
Investments in convertible notes of associates[1]	-	(27)	-	-
Financial assets at fair value through other comprehensive income[2]	47	-	-	-
Receivables and loans[1]	563	(15)	-	13
Trade receivables	135	(3)	-	6
Other receivables	279	(1)	-	7
Foreign currency intergroup receivables	-	(11)	-	-
Related party receivables and loans	149	-	-	-
Derivative financial instruments[3]	1	-	-	-
Derivatives embedded in leases	1	-	-	-
Short-term investments [1]	7 037	-	70	-
Cash and cash equivalents[1]	2 135	16	195	-
Total	9 783	(26)	265	13

[1] Measured at amortised cost.

[2] Measured at fair value through other comprehensive income. During the year a gain of US$8.5m was recognised in other comprehensive income with respect to the group's financial assets at fair value through other comprehensive income.

[3] Measured at fair value through profit or loss.

41. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2019		
	Carrying value US$'m	Net gains/ (losses) recog-nised in profit or loss US$'m	Total interest expense US$'m
Liabilities			
Long-term liabilities[1]	3 784	113	187
Interest-bearing: Capitalised finance leases[3]	5	-	-
Interest-bearing: Loans and other liabilities	3 237	-	187
Non-interest-bearing: Loans and other liabilities	2	-	-
Other non-current liabilities	538	113	-
Related party loans and payables	2	-	-
Short-term payables and loans[1]	1 147	(23)	1
Interest-bearing: Capitalised finance leases[3]	3	-	-
Interest-bearing: Loans and other liabilities	10	(1)	1
Non-interest-bearing: Loans and other liabilities	9	3	-
Trade payables	244	(1)	-
Accrued expenses and other current liabilities	861	(27)	-
Related party loans and payables	20	-	-
Foreign currency intergroup payables	-	3	-
Derivative financial instruments[2]	36	15	-
Forward exchange contracts	3	2	-
Cross-currency interest rate swap	33	13	-
Bank overdrafts[1]	8	-	10
Total	4 975	105	198

[1] Measured at amortised cost.

[2] Measured at fair value through profit or loss.

[3] Relates to previously classified finance leases in terms of IAS 17.

41. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The group categorises fair-value measurements into levels 1 to 3 of the fair value hierarchy based on the degree to which the inputs used in measuring fair value are observable:

- Level 1 fair-value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair-value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in active markets (for example, derivatives such as interest rate swaps, forward exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in level 2.
- Level 3 fair-value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Level 2 fair-value measurements

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

Level 3 fair-value measurements

- *Shareholders' liabilities* – relate predominantly to derivative financial instruments contained in shareholders' agreements to which the group is a party. Where relevant, such derivative financial instruments are valued using option pricing models as well as discounted cash flow analyses. Significant inputs vary between agreements but include: the current fair value of the underlying share over which the instrument is written, the strike price of the option, risk-free interest rates, calculated volatilities and the period to exercise.
- *Earn-out obligations* – relate to amounts that are payable to the former owners of businesses now controlled by the group provided that contractually stipulated post-combination performance criteria are met. These are remeasured to fair value at the end of each reporting period. Key inputs used in measuring fair value include: current forecasts of the extent to which management believe performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments.

Instruments not measured at fair value for which fair value is disclosed

- *Level 2* – the fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments at the reporting date. As the instruments are not actively traded, this is a level 2 disclosure.
- *Level 3* – the fair values of all level 3 disclosures have been determined through the use of discounted cash flow analyses. Key inputs include current market interest rates as well as contractual cash flows.

41. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

	31 March 2020			
	Fair value US$'m	**Level 1 US$'m**	**Level 2 US$'m**	**Level 3 US$'m**
Assets				
Financial assets at fair value through other comprehensive income	**792**	**704**	**3**	**85**
Financial assets at fair value through profit or loss	**13**	**-**	**-**	**13**
Derivatives embedded in leases	**6**	**-**	**-**	**6**
Cross-currency interest rate swap	**49**	**-**	**49**	**-**
Total	**860**	**704**	**52**	**104**
Liabilities				
Forward exchange contracts	**38**	**-**	**38**	**-**
Derivatives embedded in leases	**2**	**-**	**-**	**2**
Earn-out obligations	**22**	**-**	**-**	**22**
Total	**62**	**-**	**38**	**24**

	31 March 2019			
	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
Assets				
Financial assets at fair value through other comprehensive income	47	-	3	44
Forward exchange contracts	-	-	-	-
Derivatives embedded in leases	1	-	-	1
Total	48	-	3	45
Liabilities				
Forward exchange contracts	3	-	3	-
Earn-out obligations	6	-	-	6
Cross-currency interest rate swap	33	-	33	-
Total	42	-	36	6

41. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

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

	31 March 2019		
	Earn-out obligations US$'m	Financial assets at FVOCI[1] US$'m	Derivatives embedded in leases US$'m
Balance at 1 April 2018	55	28	1
Additions	-	7	-
Total losses recognised in the income statement	(3)	-	-
Total losses recognised in other comprehensive income	-	11	-
Settlements/disposals	(39)	(2)	-
Foreign currency translation effects	(7)	-	-
Total	6	44	1

[1] Financial assets at fair value through other comprehensive income

[2] Financial assets at fair value through profit or loss

There were no transfers between level 1 and level 2 during any period presented.

42. EQUITY COMPENSATION BENEFITS

The Naspers group had various equity compensation plans in operation during the financial year, the majority of which are classified as cash-settled. In terms of these plans, employees of the Naspers group are offered awards in the form of either share options, restricted stock units (RSUs), performance share units (PSUs) or share appreciation rights (SARs). The equity compensation plans disclosed relate to the employees of the Prosus group.

All awards are granted subject to the completion of a requisite service (vesting) period by employees, ranging from one year to five years. Unvested awards are subject to forfeiture on termination of employment. Vesting takes place in tranches depending on the duration of the total vesting period.

In respect of the share options and SARs on exercise date, following completion of the vesting period, awards are settled with employees in the equity instruments of subsidiaries of the Prosus group for equity-settled plans and in cash or other assets (including shares of the Naspers group) for cash-settled plans, where applicable. The share options and SARs are cash settled when the group has an obligation to pay cash or an obligation to settle in Naspers shares that are purchased on the open market.

With respect to certain share option plans in which the group's employees participate, awards are settled with employees by the relevant share trust/option plan and the Prosus group does not have any obligation to settle these awards with employees. Such awards are classified as equity-settled.

In respect of RSUs and PSUs, awards are automatically settled in Naspers equity instruments on the vesting date. The RSUs are classified as equity-settled if the group does not have any obligation to make settlement, otherwise they will be classified as cash settled.

The group share trusts hold Naspers shares (as shareholders) to settle awards held by employees of the Naspers and Prosus group. These share trusts were founded by Naspers to administer the Naspers group share schemes for all employees. On listing of Prosus, these trusts received Prosus shares via the capitalisation issue of Naspers M ordinary shares that converted into Prosus N ordinary shares on listing date. These Prosus shares are linked to the respective Naspers shares and accordingly on settlement of the awards employees will receive the Naspers shares as stipulated on grant date and the linked Prosus shares. There was no adjustment to the original strike price. With the exception of these share schemes with linked Prosus shares on settlement, there are no share options, RSUs, PSUs or SARS that are settled solely in Prosus shares. The share trusts are controlled and consolidated by Naspers and accordingly, the share schemes that are settled in Naspers shares are classified as cash settled when the Prosus group has the obligation to make settlement, and equity settled when the trust (i.e. Naspers) has the obligation to make settlement. The equity-settled share-based compensation plans administered by the trust relate to the RSU and PSU schemes. The RSUs and PSUs are classified as equity settled as the group does not have an obligation to make settlement.

Prosus provides funding to the trust to settle share-based compensation plans for Prosus group employees via loan account. Please refer to note 17 for details of related party balances with the trusts.

All share options are granted with an exercise price of not less than 100% of the market value or fair value of the respective company's shares on the date of the grant. RSUs are granted with an exercise price of zero. All SARs are granted with an exercise price of not less than 100% of the fair value of the SARs on the date of the grant. All unvested share options/RSUs/SARs are subject to forfeiture upon termination of employment. All cancelled options/RSUs/SARs are cancelled by mutual agreement between the employer and employee.

Although the group has various equity compensation plans in operation, disclosure is provided only for those plans that had the most significant impact on the group's income statement during the current year.

42. EQUITY COMPENSATION BENEFITS (continued)

The following share option and RSU plans were in operation during the financial year:

Share option plan/RSU plan	Maximum awards permissible[1]	Vesting period[2]	Period to expiry from date of offer	IFRS 2 classification
Naspers Group				
MIH Services FZ LLC Share Trust (MIH Services)	Note 3	a[3]	10 years	Equity-settled
Naspers Restricted Stock Plan Trust (Naspers RSU)	Note 4	a	Note 5	Equity-settled
Social and internet platforms				
MIH Russia Internet B.V. Share Trust	10%	c	10 years	Equity-settled
Ecommerce				
OLX B.V. Share Trust	15%	b	7 years and 3 months	Cash-settled
Letgo Global B.V. 2016 Stock Option Plan	5%	a	10 years	Equity-settled
Frontier Car Group (FCG) Share Option Scheme	15%	d	10 years	Equity-settled
iFood.com Share Option Scheme (iFood)	10%	c	10 years	Equity-settled
Movile Internet Movel S.A. 2013 Share Option Scheme	10%	a[6]	10 years	Equity-settled
Dante International S.A. (eMAG) Share Option Scheme	12.5%	c	10 years	Cash-settled
Red Dot Payment Pte Ltd Options Scheme	20%	a	10 years	Cash-settled
MMC PlayKids Holding B.V. Share Option Scheme	15%	c	10 years	Equity-settled

The group provides detailed disclosure for those share option and RSU plans that are considered significant to the financial statements.

Notes in relation to the group's share option and RSU plans:

(1) The percentage reflected in this column is the maximum percentage of the respective companies' issued share capital that is available for the plan.

(2) Vesting period:
- a One quarter vests after years one, two, three and four.
- b One third vests after years three, four and five.
- c One fifth vests after years one, two, three, four and five.
- d One quarter vests after year one and monthly thereafter over 3 years.

(3) The vesting period for options granted after 25 August 2017 is one quarter vesting after years one, two, three and four. Options granted before 25 August 2017 vest over three, four and five years respectively. In addition, shareholders approved that up to 40 588 541 Naspers N ordinary shares may be issued for the group's share-based incentive schemes at the Naspers annual general meeting in August 2011. During the financial year ended 31 March 2020, no new N ordinary shares had been so issued.

(4) The Naspers Restricted Stock Plan Trust may issue no more than 200 000 awards in aggregate during any one financial year. The number of PSUs that may be offered is at the discretion of the board.

(5) Awards are automatically settled with participants on the vesting date.

(6) For these schemes all offers made from 1 April 2018 vest over 1, 2, 3 & 4 years. All offers pre this date vest over 1, 2, 3, 4, 5 years

(7)

42. EQUITY COMPENSATION BENEFITS (continued)

The following share appreciation rights plans were in operation during the financial year:

Share appreciation rights plans	Maximum awards permissible(1)	Vesting period(2)	Period to expiry from date of offer	IFRS 2 classification
Social and internet platforms				
MIH China/MIH TC 2008 SAR Scheme	10%	a(4)	5 years and 14 days	Cash-settled
Ecommerce				
MIH Internet SEA Private Limited SAR Scheme	15%	a(4)	10 years	Cash-settled
MIH Food Holdings B.V. SAR Scheme	7.5%	b	10 years	Cash-settled
MIH India Food Holdings B.V. SAR Scheme	10%	b	10 years	Cash-settled
Avito AB SAR Scheme (Avito)	15%	b	10 years	Cash-settled
CEE Classifieds SAR Scheme	10%	c	10 years	Cash-settled
FixeAds B.V. SAR Scheme	10%	c	10 years	Cash-settled
Tokobagus Exploitatie B.V. SAR Scheme	15%	c	10 years	Cash-settled
Dubizzle Limited SAR Scheme	15%	c	10 years	Cash-settled
Naspers Fintech B.V. SAR Scheme (Naspers Fintech)	15%	a(4)	10 years	Cash-settled
Naspers Global Classifieds SAR Scheme (Naspers Global Classifieds)	Note 3	a(4)	10 years	Cash-settled
Naspers Global Ecommerce SAR Scheme (Naspers Global Ecommerce)	Note 3	a(4)	10 years	Cash-settled
Naspers Global Online Services SAR Scheme	Note 3	c	10 years	Cash-settled
Naspers Ventures B.V. SAR Scheme	10%	d	10 years	Cash-settled
SimilarWeb Limited SAR Scheme	5%	c	10 years	Cash-settled
Property24 SAR Scheme	15%	a(4)	10 years	Cash-settled
Red Dot Payment Pte Ltd SAR Scheme	20%	b	10 years	Cash-settled
Dante International S.A. SAR Scheme	12.5%	b	10 years	Cash-settled

The group provides detailed disclosure for those share appreciation rights plans that are considered significant to the financial statements.

Notes in relation to the group's share appreciation rights plans:

(1) The percentage reflected in this column is the maximum percentage of the respective companies issued/notional share capital that is available for the plan.

(2) Vesting period:
- a One third vests after years three, four and five.
- b One quarter vests after years one, two, three and four.
- c One fifth vests after years one, two, three, four and five.
- d One quarter vests after years two, three, four and five.

(3) Collectively, the Naspers Global Classifieds, Naspers Global Ecommerce and Naspers Global Online Services SAR schemes may generally issue no more than 5% of the then total notional shares of all the underlying assets as recorded in the most recent pro forma capitalisation tables. The majority of awards in these schemes are equity-settled.

(4) For these schemes all offers made from 1 April 2018 vest over 1, 2, 3 & 4 years. All offers pre this date vest over 1, 2, 3, 4, 5 years

42. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share option and RSU plans are as follows:

	31 March 2020		
	Naspers RSU	**MIH Services**	**iFood**
Shares			
Outstanding at 1 April	**100 520**	**2 276 571**	**71 832**
Movements between Naspers and Prosus group companies	**(6 039)**	**(356 985)**	**-**
Granted	**84 240**	**140 172**	**56 060**
Exercised	**(30 165)**	**(100 379)**	**(8 891)**
Forfeited	**(34 501)**	**(12 546)**	**(14 703)**
Outstanding at 31 March	**114 055**	**1 946 833**	**104 298**
Available to be implemented by the trust at 31 March	**-**	**1 311 314**	**26 423**
Weighted average exercise price	**(SA rand)**	**(SA rand)**	**(BRL)**
Outstanding at 1 April	**-**	**1 671.38**	**2 055.31**
Granted	**-**	**2 930.80**	**4 270.68**
Exercised	**-**	**3 326.50**	**398.56**
Forfeited	**-**	**1 363.23**	**3 174.97**
Expired	**-**	**2 778.38**	**-**
Outstanding at 31 March	**-**	**1 795.00**	**3 229.46**
Available to be implemented by the trust at 31 March	**-**	**1 316.95**	**1 282.16**
Weighted average share price of options taken up during the year			
Shares	**30 165**	**100 379**	**8 891**
Weighted average share price	**2 973.97**	**2 783.17**	**682.87**

	31 March 2019		
	Naspers RSU	**MIH Services**	**iFood**
Shares			
Outstanding at 1 April	108 407	2 185 008	65 984
Granted	82 721	326 880	26 590
Exercised	(43 693)	(200 183)	(8 162)
Forfeited	(46 915)	(35 134)	(12 580)
Outstanding at 31 March	100 520	2 276 571	71 832
Available to be implemented by the trust at 31 March	-	1 498 368	23 080
Weighted average exercise price	**(SA rand)**	**(SA rand)**	**(BRL)**
Outstanding at 1 April	-	1 332.29	881.82
Granted	-	3 082.67	3 984.58
Exercised	-	1 242.04	358.04
Forfeited	-	2 619.97	1 079.25
Outstanding at 31 March	-	1 492.14	2 055.31
Available to be implemented by the trust at 31 March	-	948.08	736.96
Weighted average share price of options taken up during the year			
Shares	43 693	200 183	8 162
Weighted average share price	3 094.60	3 099.02	3 984.58

42. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2020			
	Avito	Naspers Global Classifieds	Naspers Global Ecommerce	Naspers Fintech
SARs				
Outstanding at 1 April	**676 269**	**20 085 382**	**12 579 747**	**1 270 943**
Movements between Naspers and Prosus group companies	**-**	**(305 126)**	**(173 796)**	**-**
Granted	**618 150**	**10 097 093**	**1 471 174**	**472 381**
Exercised	**(66 204)**	**(5 877 453)**	**(4 319 623)**	**(345 655)**
Forfeited	**(158 777)**	**(2 202 509)**	**(49 324)**	**(176 186)**
Cancelled	**-**	**-**	**-**	**(14 029)**
Outstanding at 31 March	**1 069 438**	**21 797 387**	**9 508 178**	**1 207 454**
Available to be implemented at 31 March	**183 001**	**4 103 702**	**5 809 895**	**324 649**
Weighted average exercise price	**(US$)**	**(US$)**	**(US$)**	**(US$)**
Outstanding at 1 April	**75.58**	**6.85**	**19.22**	**53.34**
Movements between Naspers and Prosus group companies	**-**	**7.13**	**26.27**	**-**
Granted	**90.63**	**9.62**	**36.75**	**95.18**
Exercised	**70.23**	**5.98**	**16.73**	**44.25**
Forfeited	**83.00**	**8.23**	**26.04**	**58.30**
Cancelled	**-**	**-**	**-**	**95.18**
Outstanding at 31 March	**83.51**	**8.24**	**23.04**	**71.10**
Available to be implemented at 31 March	**73.78**	**6.19**	**17.54**	**50.97**
Weighted average share price of options taken up during the year				
SARs	**66 204**	**5 877 453**	**4 319 623**	**345 655**
Weighted average share price	**90.63**	**9.62**	**38.42**	**95.05**

42. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2019			
	Avito	Naspers Global Classifieds	Naspers Global Ecommerce	Naspers Fintech
SARs				
Outstanding at 1 April	500 883	17 157 432	11 881 092	1 292 869
Granted	326 407	7 486 846	1 365 536	350 713
Exercised	(37 789)	(2 701 047)	(398 763)	(230 250)
Forfeited	(113 232)	(1 857 849)	(268 118)	(142 389)
Outstanding at 31 March	676 269	20 085 382	12 579 747	1 270 943
Available to be implemented at 31 March	93 874	5 534 311	7 649 628	360 394
Weighted average exercise price	**(US$)**	**(US$)**	**(US$)**	**(US$)**
Outstanding at 1 April	69.13	5.99	17.73	44.69
Granted	82.03	8.50	33.43	75.16
Exercised	61.62	5.44	18.66	42.11
Forfeited	70.30	7.39	26.67	46.74
Outstanding at 31 March	75.58	6.87	19.21	53.34
Available to be implemented at 31 March	69.11	5.37	16.40	43.00
Weighted average share price of options taken up during the year				
SARs	37 789	2 701 047	398 763	230 250
Weighted average share price	82.03	8.50	32.38	75.16

42. EQUITY COMPENSATION BENEFITS (continued)

Share option allocations outstanding and currently available to be implemented at 31 March 2020 by exercise price for the group's significant share incentive plans:

	Share options outstanding			Share options currently available	
Exercise prices	**Number outstanding at 31 March 2020**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price**	**Exercisable at 31 March 2020**	**Weighted average exercise price**
MIH Services (SA rand)					
197.88 to 197.88	**8 180**	0.44	197.88	**8 180**	197.88
241.88 to 256.23	**13 781**	1.58	249.61	**13 781**	249.61
303.89 to 376.58	**51 692**	2.14	356.91	**51 692**	356.91
440.88 to 482.59	**540**	2.48	474.17	**540**	474.17
661.88 to 886.69	**35 224**	3.30	680.42	**35 224**	680.42
1 046.88 to 1 272.66	**907 114**	4.02	1 057.92	**907 114**	1 057.92
1 302.89 to 1 477.88	**11 282**	4.64	1 388.17	**11 282**	1 388.17
1 572.04 to 1 700.53	**57 530**	5.43	1 626.46	**35 137**	1 623.96
1 712.87 to 1 770.05	**11 609**	5.61	1 740.52	**6 580**	1 740.77
1 817.89 to 1 931.85	**31 830**	6.34	1 842.22	**14 642**	1 840.70
1 991.88 to 2 097.88	**155 803**	6.27	2 054.29	**52 294**	2 053.86
2 230 to 2 380.94	**68 479**	7.02	2 327.80	**17 149**	2 323.52
2 429.53 to 2 782.50	**88 832**	7.71	2 731.58	**36 823**	2 738.30
2 839.88 to 3 055.00	**131 714**	7.42	2 841.94	**62 059**	2 841.54
3 077.60 to 3 213.98	**240 204**	8.24	3 100.99	**55 710**	3 101.03
3 380.00 to 3 809.00	**133 019**	9.19	3 441.59	**3 107**	3 619.41
	1 946 833			**1 311 314**	
iFood (BRL)					
73.73 to 408.64	**13 370**	5.13	374.67	**12 560**	372.48
1 221.85 to 2 233.05	**18 096**	6.95	1 451.40	**10 025**	1 387.27
3 984.58 to 4 270.68	**72 832**	9.32	4 195.30	**3 838**	3 984.58
	104 298			**26 423**	

42. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights allocations outstanding and currently available to be implemented at 31 March 2020 by exercise price for the group's significant share incentive plans:

	SARs outstanding			SARs currently available	
Exercise prices	**Number outstanding at 31 March 2020**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price**	**Exercisable at 31 March 2020**	**Weighted average exercise price**
Avito (US$)					
54.86 to 90.63	**1 069 438**	8.65	83.51	**183 001**	73.78
Naspers Global Classifieds (US$)					
3.54 to 6.50	**4 293 099**	5.73	5.27	**2 410 468**	4.86
7.64 to 9.62	**17 504 288**	8.72	8.97	**1 693 234**	8.08
	21 797 387			**4 103 702**	
Naspers Global Ecommerce (US$)					
15.58 to 20.45	**5 516 189**	4.71	16.21	**5 088 157**	15.92
23.61 to27.49	**1 112 624**	7.36	27.09	**395 594**	26.99
27.51 to 31.42	**352 241**	7.69	28.35	**129 237**	28.08
31.84 to 33.78	**1 061 692**	8.25	33.56	**196 907**	33.56
36.31 to 36.76	**1 465 432**	9.28	36.75	-	-
	9 508 178			**5 809 895**	
Naspers Fintech (US$)					
39.10 to 43.51	**312 834**	5.84	40.75	**197 684**	40.75
58.44 to 95.18	**894 620**	8.63	81.71	**126 965**	66.89
	1 207 454			**324 649**	

42. EQUITY COMPENSATION BENEFITS (continued)

Share option and RSU plan grants made during the year relating to the group's significant plans:

	Naspers RSU (SA rand)	MIH Services (SA rand)	iFood (BRL)
31 March 2020			
Weighted average fair value at measurement date	**3 251.25**	**1 148.79**	**1 990.98**
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:			
Weighted average share price	**-**	**3 329.38**	**4 270.68**
Weighted average exercise price	**-**	**3 329.38**	**4 270.68**
Weighted average expected volatility (%)*	**-**	**32.9%**	**40.5%**
Weighted average option life (years)	**2.5**	**10.0**	**10.0**
Weighted average dividend yield (%)	**0.2%**	**0.2%**	**-**
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	**-**	**8.0%**	**5.7%**
Weighted average annual suboptimal rate (%)	**-**	**340%**	**100%**
Weighted average vesting period (years)	**2.5**	**2.5**	**3.0**
31 March 2019			
Weighted average fair value at measurement date	3 140.09	1 111.81	1 906.92
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:			
Weighted average share price	-	3 113	3 985
Weighted average exercise price	-	3 113	3 985
Weighted average expected volatility (%)*	-	34.0%	37.9%
Weighted average option life (years)	2.5	10.0	10.0
Weighted average dividend yield (%)	0.2%	0.2%	-
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	-	8.4%	7.7%
Weighted average annual suboptimal rate (%)	-	340%	100%
Weighted average vesting period (years)	2.5	2.5	3.0

** The weighted average expected volatility of all share options listed above is determined using historical daily share prices.*

Various early exercise expectations were calculated based on historical exercise behaviours.

42. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights plan grants made during the year relating to the group's significant plans:

	Avito (US$)	Naspers Global Classifieds (US$)	Naspers Global Ecommerc (US$)	Naspers Fintech (US$)
31 March 2020				
Weighted average fair value at measurement date	**26.81**	**2.83**	**14.89**	**37.55**
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average share price	**90.63**	**9.62**	**38.82**	**95.18**
Weighted average exercise price	**90.63**	**9.62**	**36.75**	**95.18**
Weighted average expected volatility (%)*	**32.5%**	**32.5%**	**42.7%**	**45.4%**
Weighted average option life (years)	**10.0**	**10.0**	**10.0**	**10.0**
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	**0.8%**	**0.8%**	**0.8%**	**0.8%**
Weighted average annual suboptimal rate (%)	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Weighted average vesting period (years)	**2.5**	**2.5**	**2.5**	**2.5**
Share price at measurement date	**90.63**	**9.62**	**38.82**	**95.18**
31 March 2019				
Weighted average fair value at measurement date	26.61	2.72	13.07	27.81
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average Share price	82.03	8.50	33.63	75.16
Weighted average exercise price	82.03	8.50	33.63	75.16
Weighted average expected volatility (%)*	29.9%	29.2%	38.0%	35.3%
Weighted average option life (years)	10.0	10.0	10.0	10.0
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	2.8%	2.8%	2.9%	2.9%
Weighted average annual suboptimal rate (%)	100.0%	100.0%	100.0%	100.0%
Weighted average vesting period (years)	2.5	2.5	2.5	2.5
Share price at measurement date	82.0	9.6	36.1	78.1

** The weighted average expected volatility of all share options listed above is determined using historical daily share prices.*

Various early exercise expectations were calculated based on historical exercise behaviours.

42. EQUITY COMPENSATION BENEFITS (continued)

Liabilities arising from share-based payment transactions

The following liabilities have been recognised in the statement of financial position relating to the group's cash-settled share-based payment obligations:

	31 March 2020 US$'m	2019 US$'m
Share-based payment liability		
Total carrying amount of cash-settled share-based payment liability	**376**	204
Current portion of share-based payment liability (refer to note 24)	**(143)**	(168)
Non-current portion of share-based payment liability	**233**	36

Reconciliation of the cash-settled share based payment liability is a s follows:

	31 March 2020 US$'m	2019 US$'m
Opening carrying amount of cash-settled share-based payment liability	**204**	234
Charge as per the income statement	**88**	53
Other Additions	**41**	-
Settlement	**(111)**	(54)
Disposal	**-**	(29)
Modification[(1)]	**154**	-
Closing carrying amount of cash-settled share-based payment liability	**376**	204

[(1)] The group's equity-settled compensation plan was prospectively modified to cash-settleddue to the change in settlement policy of the share option scheme.

As at 31 March 2020 63.5% of the share-based payment liability relates to vested share-based compensation plans that have not been exercised. Included in the additions to the share-based payment liability is an amount of US$34.9m that arose upon acquisition of FCG, Extreme Digital, PaySense, and Iyzico (refer to note 3). The share-based payment liability is recognised as a result of a written put option included in the acquisition agreement that is linked to a committed employment period of founders of the respective subsidiaries. The value on settlement of the put options will be dependent on the completion of the respective employment period and accordingly impacts the non-controlling interest recognised for these subsidiaries.

43. SUBSEQUENT EVENTS

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

In March 2020 MIH Movile Holding B.V. (Movile) signed an agreement to sell its subsidiary Wavy Global Holdings B.V. (Wavy) to Stockholm-based customer engagement platform, Sinch AB, in exchange for cash of approximately US$68m (approximately BRL 355m) and a 2.70% equity investment in Sinch AB. The transaction is subject to regulatory approval. The group expects to account for its interest in Sinch AB as an investment at fair value through other comprehensive income.

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

Independent auditor's report

To: the General Meeting and the Board of Directors of Prosus N.V.

Report on the financial statements 2020

Our opinion

In our opinion, the financial statements of Prosus N.V. ('the Company') give a true and fair view of the financial position of the Company and the Group (the Company together with its subsidiaries) as at 31 March 2020, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2020 of Prosus N.V., Amsterdam. The financial statements include the consolidated financial statements of the Group and the company financial statements.

The financial statements comprise:

- the consolidated and company statement of financial position as at 31 March 2020;
- the following statements for the year ended 31 March 2020: the consolidated income statement, the consolidated and company statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising the significant accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independence

We are independent of Prosus N.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

Overview and context

Prosus N.V. (formerly Myriad International Holdings N.V.) is a global consumer internet group that operates, invests in and partners with internet businesses across Asia, Central and Eastern Europe, the Middle East, Americas and Africa in sectors including online classifieds, food delivery, payments and fintech, education, health, etail and social and internet platforms. The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out further below.

On 11 September 2019, Prosus N.V. completed its primary listing on Euronext Amsterdam with a secondary listing on the Johannesburg Stock Exchange. Naspers Limited retained a controlling interest in the Company. The Euronext listing of the Company triggered the requirement to prepare consolidated financial statements under International Financial Reporting Standards as adopted by the European Union (EU-IFRS). The Company elected to prepare the company financial statements based on EU-IFRS requiring a conversion of the financial reporting framework from generally accepted accounting principles in the Netherlands (Dutch GAAP) to EU-IFRS. The implications on the financial statements are disclosed in Note 2 of both the consolidated and company financial statements. Although we were previously the auditor of the Company (company financial statements only) the additional reporting requirements resulted in a significant increase of the scope of our audit, as described in the section 'The scope of our group audit'. We incurred substantial effort to expand our understanding of the Group and its individual components, and adjusted our audit team to the increased scope, including involvement of specialists and experts. We performed audit procedures to obtain audit evidence on the opening consolidated statement of financial position and comparative information. The related impact on our audit is included as a key audit matter 'Financial reporting implications of Prosus' listing on Euronext' as set out in the section 'Key Audit Matters' of this report.

In preparation for this listing the Company undertook a series of corporate restructurings. The most significant element of this process was the acquisition of Naspers' indirect investment in Tencent Holdings Limited as a contribution in kind against issuance of shares. This acquisition was accounted for as a common control transaction in the consolidated financial statements at the predecessor values previously included in the consolidated financial statements of Naspers Limited. In the company financial statements, the acquisition was recorded at the fair value as of the transaction date, resulting in an increase to the investments in subsidiaries and equity of the company by US$135 billion. Due to the significance of this transaction, we included the accounting for the indirect investment in Tencent Holdings Limited as a key audit matter, as set out in the section 'Key audit matters' of this report.

As a result of the specific accounting for this transaction in the consolidated and company financial statements, the impact on the company financial statements, in terms of magnitude, was much more significant than on the consolidated financial statements. Because of this effect and the fact that the consolidated and company financial statements cover different information needs for stakeholders, we determined separate materiality levels for these financial statements. As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. We refer to the section 'Materiality' of this report.

Additionally, we considered where the Board of Directors made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In Note 2 of the consolidated financial statements and Note 1 of the company financial statements, the company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Of the areas mentioned in these notes we considered the following matters, additional to those already mentioned, as key audit matters given the significant estimation uncertainty and the related higher inherent risk of material misstatement:

- impairment assessment of investments in subsidiaries and of goodwill and intangible assets arising from business combinations;
- valuation of share-based compensation schemes and share-based payments.

Other areas of focus, that were not considered as key audit matters, were related to the impact of the COVID-19 pandemic on the financial statements including the Group's ability to continue its operations on a going concern basis, accounting for business combinations, valuation of put option liabilities as well as accuracy, occurrence and completeness of revenue recognition.

We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of a consumer internet company. In our team we also included specialists and experts in the areas of IT, tax, valuations, share based payments and financial instruments.

The outline of our audit approach was as follows:



Materiality

Overall consolidated materiality: US$189.5 million
Overall company materiality: US$1 billion

Audit scope

- We conducted audit work at 9 components in 7 countries.
- File reviews were performed by the group team for the work performed by PwC teams in China (Tencent), Romania (Etail segment) and Poland (Classifieds segment).
- Audit coverage: 99% of consolidated revenue, 98% of consolidated total assets and 100% of consolidated profit before tax.

Key audit matters

- Financial reporting implications of Prosus' listing on Euronext
- Accounting for the investment in Tencent Holdings Limited
- Impairment assessment of investments in subsidiaries and of goodwill and intangible assets arising from business combinations
- Valuation of share-based compensation schemes and share-based payments



Materiality

The scope of our audit is influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

	Consolidated financial statements	***Company financial statements***
Overall materiality	US$189.5 million (2019: not applicable).	US$1 billion (2019: US$49 million). The increase in overall materiality compared to the prior year is due to the significant increase in total assets of the Company as a result of the acquisition of the indirect investment in Tencent Holdings Limited and restructuring of the Group's other investments.
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement we used 5% of profit before tax.	We used 1% of total assets as a preliminary guideline for determining overall materiality. Based on our professional judgement and our knowledge obtained of the Company, we considered US$1 billion as an appropriate measure, which is approximately 0,6% of total assets.
Rationale for benchmark applied	We used profit before tax as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the consolidated financial statements. On this basis, we believe that profit before tax is an important metric for the financial performance of the Group.	Based on our analysis of the expected user needs of the company financial statements we determined that an asset-based benchmark is appropriate. The company financial statements provide information on the Company's assets and reserves and are not indicative of nor does it provide information of the actual results of the Group.
Component materiality	To each component in our audit scope, based on our judgement, we allocate materiality that is less than our overall group materiality. The range of materiality individually allocated across components was between US$1 million and US$158 million. Certain components were audited to a local statutory materiality that was also less than our overall group materiality.	Not applicable

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.



We agreed with the Audit Committee that we would report to them misstatements identified during our audit above US$9.4 million (consolidated) / US$50 million (company) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

Prosus N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Prosus N.V. The most significant subsidiaries and associates are disclosed in Notes 8 and 9 in the consolidated financial statements.

We tailored the scope of our audit to ensure that it, in aggregate, provides sufficient coverage of the financial statements for us to be able to give an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate.

Our group audit strategy included consideration of significant components as well as taking into consideration the sufficiency of work performed over material line items in the financial statements.

In scoping our group audit we first determined the components that are individually financially significant to the group, namely Tencent Holdings Limited, the Classifieds and Etail segments as well as the parent company Prosus N.V. which includes the majority of the Group's cash, short term investments and external debt. These components were subjected to audits of their complete financial information (full scope audit). To achieve appropriate audit coverage over the consolidated financial statements, we selected 4 additional components (Mail.ru, Movile (including iFood) and the Payment and fintech segment and one corporate entity) for audits of their complete financial information, and one corporate entity where we performed review procedures.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	99%
Total assets	98%
Profit before tax	100%

For those remaining components we performed, among other things, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components.

In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team, or by component auditors from other PwC network firms, or non-PwC firms operating under our instruction, in order to be able to issue our audit opinion on the consolidated financial statements of the Group. The group engagement team performed the audit work on the corporate entities. For all other components we used component auditors who are familiar with the local laws and regulations to perform the audit work.

We issued group audit instructions to the component audit teams. These instructions included, amongst others, our risk analysis, evaluation of local materiality levels applied and our global audit approach. We had individual calls with each of the in-scope component teams before commencing their respective audits, throughout the audit and upon conclusion of their work.



During these calls, we discussed our instructions, the significant accounting and audit issues identified by the component auditors, their reports, the findings of their procedures and other matters which could be of relevance for the financial statements.

The group engagement team physically attended meetings with a selection of the (sub)component teams and local management at the Group's businesses in Brazil (Movile and iFood), Romania (eMAG), India (OLX and PayU) and in the United States (Letgo). During these meetings we discussed the strategy and financial performance of the local businesses, as well as the audit plan and execution, significant risks and other relevant audit topics. Since the COVID-19 outbreak limited our ability to physically visit all the significant components during the year, we conducted a series of video calls and performed remote review of selected working papers of the work performed by component teams in China (Tencent), Poland (Classifieds segment) and Romania (Etail segment).

The engagement team performed a substantial part of the audit work on the share-based compensation schemes, consolidation and financial statements preparation on site at the Group's financial reporting, consolidation and accounting department in South Africa.

By performing the procedures above at components, combined with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, as a whole, to provide a basis for our opinion on the financial statements.

Our focus on the risk of fraud and non-compliance with laws and regulations

The primary responsibility for the prevention and detection of fraud and non-compliance with laws and regulations lies with the Board of Directors with the oversight of the Audit Committee. We read the internal reports provided on suspected fraud and/or potential non- compliance with laws and regulations provided to the Audit Committee and were present during the discussion of potential matters in the Audit Committee meetings.

Our risk assessment

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated the fraud risk factors to consider whether those factors indicated a risk of material misstatement due to fraud.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable for the Group. We identified provisions of those laws and regulations, generally recognized to have a direct effect on the determination of material amounts and disclosures in the financial statements such as the financial reporting framework and tax and pension laws and regulations.

As in all of our audits, we addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by management that may represent a risk of material misstatement due to fraud. We refer to the key audit matters 'Impairment assessment of investments in subsidiaries and of goodwill and intangible assets arising from business combinations' and 'Valuation of share-based compensation schemes and share-based payments', that are examples of our approach related to areas of higher risk due to accounting estimates where management makes significant judgments.

Our response to the risks identified

The audit procedures to respond to the assessed risks include, amongst others, that we evaluated the design and the implementation of internal controls that mitigate fraud risks, retrospective review of prior year's estimates, procedures on unexpected journal entries with the support of data-analytics and we incorporated elements of unpredictability in our audit. In addition, we assessed matters reported on the Group's whistleblowing and complaints procedures and results of management's investigation of such matters if deemed applicable and discussed this with the Audit Committee.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the Audit Committee. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

We addressed the key audit matters in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide separate opinions on these matters or on specific elements of the financial statements. Any comment or observation we made on the results of our procedures should be read in this context.

We have determined the matters described below to be the key audit matters to be communicated in our report. There are more key audit matters compared to the prior year due to the restructuring of the Prosus group and the consequences of its listing on Euronext during the year which required the preparation of consolidated financial statements. Previously, the company only prepared company financial statements and we then identified only one key audit matter relating to the impairment assessment of investments in subsidiaries.

Key audit matter	***Our audit work and observations***
Financial reporting implications of Prosus' listing on Euronext (refer to Note 2 of the consolidated and company financial statements) Following its listing Prosus prepared for the first time consolidated financial statements in accordance with EU-IFRS. In the application of IFRS 1 'First time adoption of IFRS' Prosus elected to use the carrying amounts previously recognized in the consolidated financial statements of its parent, Naspers Limited. Since Prosus historically did not prepare consolidated financial statements it involved a first-time audit of the comparative financial information. The comparative financial information presented in the consolidated financial statements is different in comparison with the combined carve-out financial statements of the combined Prosus group included in the listing prospectus.	Supported by our technical accounting specialists, we evaluated the technical basis of accounting for the adoption of EU-IFRS, both in the consolidated and company financial statements, the elections made in the process and the financial statement presentation and disclosure. We performed the following procedures to obtain audit evidence on the comparative financial information presented in the consolidated financial statements: • Audited the comparative financial information through a combination of review of the work performed by component auditors and performing audit procedures on such financial information on site at the Group's financial reporting, consolidation and accounting department in South Africa. • Obtained an understanding of the reconciliation between comparative financial information in the consolidated statement of financial position

Key audit matter	Our audit work and observations
The Company also elected to prepare the company financial statements on the basis of EU-IFRS. On transition, the Company also applied the option to include assets, liabilities, income and expenses for the same amounts as previously recognized in the consolidated financial statements of its parent, Naspers Limited. The Company's investment in subsidiaries were measured in transition to EU-IFRS at their respective deemed cost based on the former Dutch GAAP's carrying amounts. The first-time preparation of the consolidated financial statements was a matter of significance to our audit since it required an audit for the first time, including the comparative period. The adoption of EU-IFRS involved complex technical accounting analyses, therefore, we considered these reporting implications as a key audit matter.	to the financial information presented in the combined carve-out financial statements in the listing Prospectus as is disclosed in Note 2 of the consolidated financial statements. We tested the qualitative and quantitative assessment of the differences between Dutch GAAP and EU-IFRS on transition date in the company financial statements. In respect of the audit procedures specified above, no material findings were identified.
Accounting for the investment in Tencent Holdings Limited (Tencent) *(refer to Note 2 and Note 9 of the consolidated financial statements and Note 1 and Note 3 of the company financial statements)* In anticipation of the listing, Naspers completed a corporate restructuring such that the subsidiary holding the (indirect) investment in Tencent was contributed and now forms part of the Prosus group. In the consolidated financial statements of Prosus, the acquisition of Tencent, and related other net assets and activities, were accounted for as a common control transaction. This means that Tencent is recorded in the Prosus consolidated financial statements at the carrying values previously recorded in the consolidated financial statements of Naspers and is accounted for as if it was historically part of the Prosus group. The investment is equity accounted in terms of IAS 28, 'Investments in Associates and Joint Ventures'. The Tencent investment has a year-end (31 December) that is not coterminous with that of the Group. The Group's accounting policy is to account for an appropriate lag period in reporting on their results. Any significant transactions that occur between Tencent's year-end and 31 March (the Group's year-end) are taken into account in the equity accounted results of the investment.	With respect to the accounting for the Tencent acquisition in the current year we performed the following procedures: ● With the support of our technical accounting specialists we considered the appropriateness of the technical basis for the accounting for Prosus' acquisition of Tencent. ● Read the underlying contractual information, including the date of the acquisition. ● Recalculated the value at which the transaction was accounted for in the company financial statements which is based on observable market information. With respect to the equity accounted results of Tencent in the consolidated financial statements, we performed the following: ● We issued audit instructions to the component auditors of Tencent Holdings Limited. The instructions covered the significant audit areas that the Tencent auditors should focus on, as well as the information required to be reported back to the group audit team. A summary of the performed procedures in relation to the component auditors work is outlined in section 'The scope of our group audit' of this report. ● We obtained the equity accounted results recorded by the Group and reconciled them to the audited 31 December 2019 financial statements of Tencent.

Key audit matter	Our audit work and observations
In the company financial statements, Prosus accounts for the Tencent acquisition in accordance with its cost accounting policy. This means that Tencent was initially recognised at the fair value on the contribution date (23 June 2019). The fair value was determined by the number of shares held multiplied by the share price at the transaction date. This resulted in a US$135 billion increase to investments in subsidiaries and share premium in the company financial statements. The accounting for Prosus' investment in Tencent was a matter of significance due to the technical complexities in the accounting for the acquisition in the consolidated and company financial statements, the amounts involved, the significant contribution of the associate investment to the consolidated results of the Group and the fact that the investment has a year-end that is not coterminous with that of the Group. Therefore, we considered the accounting for the investment in Tencent as a key audit matter.	• Since Tencent's year end is not coterminous with Prosus, lag period adjustments and top-level adjustments prepared by management were recalculated based on publicly available information subsequent to 31 December 2019 and input from the corresponding component team to gain comfort that material lag period adjustments were appropriately accounted for. • We independently assessed the accounting policies of the associate to that of the Group to identify any material differences with EU-IFRS. In respect of the audit procedures specified above, no material findings were identified.
Impairment assessment of investments in subsidiaries and of goodwill and intangible assets arising from business combinations (refer to Notes 6 and 7 of the consolidated financial statements and Note 3 of the company financial statements) As at 31 March 2020 the Group's goodwill and intangible assets amount to US$3 billion in the consolidated financial statements. Goodwill and related intangible assets are tested annually, at the level of individual Cash Generating Units (CGU's), for impairment or whenever there is an impairment indicator at an intermediate reporting date identified by management. As described in Note 3 to the company financial statements, the carrying amount of investments in subsidiaries amount to US$150 billion as of 31 March 2020, comprising 2 assets – the investment in MIH Services FZ LLC which holds the investment in Tencent and the investment in MIH Internet Holdings B.V. which in turn holds the Group's investments in other subsidiaries and associates. The recoverable amount, based on the listed share price of the Company's shares held in Tencent at	We have performed procedures, with the support of our valuation specialists, which varied in depth per CGU or investment based on our risk assessment with respect to the size and maturity of the individual businesses. Our audit procedures included, amongst others: • For investments in listed entities, compared the value to the quoted prices per the impairment test date. • Tested the composition of future cash flow forecasts by evaluating (i) the current and past performance of the business or CGU, (ii) the consistency with external market and industry data; (iii) the corroboration of strategic initiatives with evidence obtained in other areas of the audit; and (iv) the expectations of certain equity analysts covering Prosus for a specific business or CGU. • Assessed the reasonableness of the terminal growth rates used by management per CGU or investment by comparing to the long-term growth rates most reflective of the underlying operations, obtained from independent external sources. • Compared the inputs to the discount rates to externally obtained data such as the risk-free rates in the market, equity market risk

Key audit matter	Our audit work and observations
31 March 2020, exceeded the carrying value. No impairment was recognised. The recoverability of the carrying amount of the other investment (MIH Internet Holdings B.V.) was tested for potential impairment through a sum-of-the-parts approach, with an underlying combination of valuation estimates for the unlisted investments and quoted prices for listed investments. The recoverable amounts for the unlisted investments were based on either the fair value estimates by reference to recent funding rounds or market transactions (where applicable) or value in use estimates using discounted cash flow models. In estimating the value in use, management used assumptions relating to discount rates, long term growth rates and projected revenue growth rates and operating margins, using forecast periods of up to 10 years. These forecast periods reflect the early stage in their lifecycle of many of these investments. **COVID-19 considerations** The outbreak of the COVID-19 pandemic is a triggering event for potential impairment and management performed the impairment tests as at 31 March 2020 using revised forecasts and discount rates. This resulted in a goodwill impairment loss of US$10 million recognised in the consolidated financial statements. The headroom to the carrying amount of the investments in subsidiaries in the company statement of financial position significantly decreased as disclosed in the sensitivity analyses in Note 3 to the company financial statements. These impairment assessments were considered as a key audit matter due to the significant judgement applied by management in determining the recoverable amounts as well as the magnitude of the balances involved.	premiums, country risk premiums, debt/equity ratios as well as the betas of comparable companies. • Assessed the reasonableness of the additional risk adjustment factors included in the discount rates for certain CGU's or investments in relation to the risk profile of the future cash flow forecasts. • Recalculated the carrying amount of the (group of) CGU's with reference to underlying documentation. • For those investments valued on a recent transaction or funding round, assessed the overall economics thereof to ensure that one or more third parties were directly impacted by the underlying valuation used. • Evaluated external analyst report valuations and comparing these to management's valuation. • Compared the 'sum of the parts' valuation of Prosus subsidiaries and associates and the resulting implied value of the company to the company's market capitalization and considered whether the resulting implied holding discount would indicate the need to include certain adjustments to the valuations used in the impairment test. • Tested the forecasts updated by management for the estimated impact of the COVID-19 pandemic by reperforming the procedures listed above. • Tested the related financial statements disclosures against the disclosure requirements of EU-IFRS. In addition to our procedures described above, we further challenged management's impairment test by performing our own sensitivity analyses based on independent inputs for key valuation assumptions. In respect of the audit procedures specified above, no material findings were identified.
Valuation of share-based compensation schemes and share-based payments *(refer to Note 2 and Note 42 of the consolidated financial statements)* A number of equity compensation plans are used where share options, restricted stock units (RSUs), performance share units (PSUs) or share	We assessed the terms of share-based compensation schemes including changes to existing plans based on the guidance set forth in IFRS 2, 'Share-based Payment'. We traced the award movements to relevant supporting documentation as follows:

Key audit matter	Our audit work and observations
appreciation rights (SARs) are granted to employees in the Group. When these schemes are settled in cash or in Naspers shares, they are accounted for as cash-settled schemes by Prosus. The cash-settled liabilities amount to US$376 million in the consolidated financial statements as of 31 March 2020. The fair value is calculated by management using an option valuation model. In estimating the fair value of options management uses assumptions relating to risk free rates, volatility rates, dividend yields, forfeiture rates, listed share prices, and for unlisted schemes, the share prices of the underlying businesses. All awards are granted subject to the completion of a requisite service (vesting) period by employees. The following share schemes were considered to be most significant in terms of their contribution to the total share-based payment expense and cash-settled liabilities recognised in the financial statements: • Naspers Global Ecommerce SAR Scheme • Naspers Fintech B.V. SAR Scheme • Naspers Global Classifieds SAR Scheme • Avito SAR Scheme The cash-settled liabilities are remeasured on each reporting date and at settlement. Due to the volume of share-based payment transactions and the complexity surrounding the valuations, specifically the assumptions, judgements and estimates used in the option valuation models relating to each scheme, the valuation of share-based compensation schemes and share-based payments was considered a key audit matter.	• Agreed the share option/right offers during the year to signed trustee, board or remuneration committee resolutions. • Agreed the share option/right sales during the year to sales requisitions. • Agreed share option/right forfeitures to supporting documentation such as resignation or dismissal letters. • Agreed other movements such as cancellations to underlying supporting documentation. We tested the mathematical accuracy of the option valuation models by performing a recalculation of significant valuations, and we involved our internal valuation experts in assessing if the approach adopted by management in the option valuation models is in line with the requirements in IFRS 2. With the assistance of our internal valuation experts we assessed the key inputs in the option valuation calculation by performing the following procedures: • Agreed risk free rates to independently obtained external data. • Agreed expected volatility rates for listed companies to independently obtained external data, and for unlisted companies it was agreed to volatility rates of comparable companies in the market. • Assessed dividend yields by agreeing the share price information to independently obtained data and recalculating the average historical dividend yield. • Assessed the reasonableness of forfeitures rates in terms of the history of forfeitures for each grant of the relevant share option/share appreciation right scheme. • For unlisted schemes, recalculated the share prices of the underlying businesses by dividing the valuations performed by management's expert by the outstanding number of shares of the relevant scheme. • For listed schemes, agreed the share prices to the listed share price as at the grant date for equity settled awards. We assessed the experience, objectivity and competence of management's expert utilised in performing the business valuations and assessed the reasonability of these valuations by comparing them

Key audit matter	Our audit work and observations
	to the values attributed to these businesses as part of management's impairment assessment process. We evaluated whether the disclosures comply with the disclosure requirements of IFRS 2, 'Share-based payment'. In respect of the audit procedures specified above, no material findings were identified.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The Directors' report, as defined in the general information section of the Directors' report.
- Other parts of the annual report: Welcome, Group overview, Performance review, Sustainability review, Governance (including the Remuneration report) and Further information.
- The other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by Part 9 of Book 2 and the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 and section 2:135b subsection 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those performed in our audit of the financial statements.

The Board of Directors are responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code and the remuneration report in accordance with the sections 2:135b and 2:145 subsection 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of Prosus N.V. following the passing of a resolution by the shareholders at the annual meeting on 14 August 2019. Our appointment has been renewed annually by shareholders representing a total period of uninterrupted engagement appointment of sixteen years. Since the Company listed in September 2019, this is the first year that the Company is a public-interest entity.



No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in Article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company and its controlled entities, for the period to which our statutory audit relates, are disclosed in Note 27 to the consolidated financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Board of Directors and the Audit Committee for the financial statements

The Board of Directors are responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the Board of Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going-concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 29 June 2020
PricewaterhouseCoopers Accountants N.V.



Original has been signed by Fernand Izeboud RA

The above auditor's report is the original auditor's report that was issued on 29 June 2020 with respect to the financial statements for the year ended 31 March 2020. These financial statements also contained the company financial statements. For purposes of the Prospectus the company financial statements have been omitted.

Furthermore, the above auditor's report refers to other information included in the annual report, being the Director's report, Welcome, Group overview, Performance review, Sustainability review, Governance (including the Remuneration report), Further information, and the other information pursuant to Part 9 of Book 2 of the Dutch Civil Code, which is not included in the Prospectus.

Appendix to our auditor's report on the financial statements 2020 of Prosus N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Concluding on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. In this respect, we also issue an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.



We provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

A. Reconciliation to Combined Carve-out Financial Statements and the Consolidated Financial Statements

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

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

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

A.1 Income statement reconciliation for the year ended 31 March 2019

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

Notes:

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

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

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

A.2 Statement of financial position reconciliation as at 1 April 2018

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

Statement of financial position reconciliation as at 31 March 2019

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

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

A.2 Statement of financial position reconciliation (continued)

Notes:

(a) These reconciling items relate primarily to balances with various related parties, notably the video-entertainment business, and were disclosed in the "net parent investment" in equity in the Combined Carve-out Financial Statements, as these parties were not part of the combined Prosus group, but are part of the consolidated Prosus group. As at 1 April 2018 the reconciling items also includes the assets and liabilities of the video-entertainment business which were excluded from the Combined Carve-out Financial Statements.

(b) The Combined Carve-out Financial Statements excluded the assets and liabilities, income statement and cash flows of the video-entertainment business. The net parent investment included the net asset value contributions to and distributions from businesses that were under common control of Naspers Limited (the group's ultimate controlling parent), as they did not form part of the Combined Carve-out Financial Statements. In the consolidated financial statements the video-entertainment business does form part of the Prosus group and accordingly the equity reserves have been reallocated to the appropriate line items in the statement of financial position and correctly reflect the composition of the Prosus group.

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Combined statement of financial position
as at 31 March 2019, 2018 and 2017

	Notes	31 March 2019 US$'m	2018 US$'m	2017 US$'m
ASSETS				
Non-current assets		**22 881**	20 087	14 102
Property, plant and equipment	3	**143**	96	55
Goodwill	4	**2 035**	2 181	2 147
Other intangible assets	5	**794**	958	1 038
Investments in associates	7	**19 746**	16 669	10 691
Investments in joint ventures	8	**95**	74	66
Investments and loans	9	**47**	62	49
Other receivables	13	**6**	21	32
Derivative financial instruments	36	**1**	1	—
Deferred taxation	10	**14**	25	24
Current assets		**9 982**	11 493	3 780
Inventory	11	**148**	139	94
Trade receivables	12	**135**	169	138
Other receivables	13	**496**	348	213
Related party loans and receivables	15	**19**	26	24
Derivative financial instruments	36	**—**	2	—
Short-term Investments	33	**7 037**	—	—
Cash and cash equivalents	34	**2 131**	10 809	3 209
		9 966	11 493	3 678
Assets classified as held for sale	14	**16**	—	102
TOTAL ASSETS		**32 863**	31 580	17 882
EQUITY AND LIABILITIES				
Capital and reserves attributable to the group's equity holders		**27 117**	24 082	11 254
Net parent investment		**27 345**	23 307	11 845
Other reserves	16	**(228)**	775	(591)
Non-controlling interests		**132**	274	319
TOTAL EQUITY		**27 249**	24 356	11 573
Non-current liabilities		**4 034**	4 460	4 176
Long-term liabilities	17	**3 244**	3 216	2 198
Other non-current liabilities	18	**540**	869	1 710
Related party loans and payables	15	**2**	4	5
Cash-settled share-based payment liabilities	38	**36**	37	28
Provisions	19	**3**	6	5
Derivative financial instruments	36	**33**	123	2
Deferred taxation	10	**176**	205	228
Current liabilities		**1 580**	2 764	2 133
Current portion of long-term debt	17	**22**	68	723
Provisions	19	**14**	23	20
Trade payables		**244**	290	254
Accrued expenses and other current liabilities	20	**1 237**	2 343	1 088
Related party loans and payables	15	**37**	27	22
Taxation payable		**13**	11	4
Derivative financial instruments	36	**3**	1	22
Bank overdrafts	34	**8**	1	—
		1 578	2 764	2 133
Liabilities classified as held for sale	14	**2**	—	—
TOTAL EQUITY AND LIABILITIES		**32 863**	31 580	17 882

The accompanying notes are an integral part of these combined carve-out financial statements.

Combined income statement
as at 31 March 2019, 2018 and 2017

	Notes	31 March 2019 US$'m	2018 US$'m	2017 US$'m
Continuing operations				
Revenue from contracts with customers	22	**2 654**	2 303	1 835
Cost of providing services and sale of goods	23	**(1 596)**	(1 384)	(1 136)
Selling, general and administration expenses	23	**(1 436)**	(1 507)	(1 492)
Other (losses)/gains—net	24	**(40)**	(27)	(25)
Operating loss		**(418)**	(615)	(818)
Interest income	25	**265**	34	17
Interest expense	25	**(200)**	(195)	(200)
Other finance income/(costs)—net	25	**114**	(330)	(638)
Share of equity-accounted results	7, 8	**3 408**	3 292	1 857
(Impairment)/reversal of impairment of equity-accounted investments	7, 8	**(88)**	(46)	1
Dilution (losses)/gains on equity-accounted investments	7, 8	**(182)**	9 224	(119)
Net gains on acquisitions and disposals	26	**1 610**	30	249
Profit before taxation		**4 509**	11 394	349
Taxation	27	**(258)**	(39)	(11)
Profit from continuing operations		**4 251**	11 355	338
Profit from discontinued operations	28	**—**	—	2 062
Profit for the year		**4 251**	11 355	2 400
Attributable to:				
Equity holders of the group		**4 307**	11 485	2 606
Non-controlling interests		**(55)**	(130)	(206)
		4 252	11 355	2 400

The accompanying notes are an integral part of these combined carve-out financial statements.

Combined statement of comprehensive income
for the years ended 31 March 2019, 2018 and 2017

	Note	31 March 2019 US$'m	2018 US$'m	2017 US$'m
Profit for the year		**4 251**	11 355	2 400
Other comprehensive income[1]				
Foreign currency translation reserve		**(1 621)**	700	95
Exchange (loss)/gain arising on translating the net assets of foreign operations		**(1 621)**	700	95
Fair-value gains	16	**9**	1	—
Fair-value gains on financial assets at fair value through other comprehensive income[2]		**9**	1	—
Share of equity-accounted investments' direct reserve movements		**918**	834	1 293
Share-based compensation reserve		**395**	361	292
Valuation reserve[3]	16	**344**	400	805
Valuation reserve reclassified to the income statement[3]	16	**—**	(106)	—
Foreign currency translation reserve		**179**	179	196
Total other comprehensive income, net of tax, for the year		**(694)**	1 535	1 388
Total comprehensive income for the year		**3 557**	12 890	3 788
Attributable to:				
Equity holders of the group		**3 657**	13 013	3 965
Non-controlling interests		**(100)**	(123)	(177)
		3 557	12 890	3 788

(1) All components of other comprehensive income may subsequently be reclassified to profit or loss except for fair value gains of US$9.0m and gains of US$752.4m (2018: US$361.4m and 2017: US$291.9m) included in the share of equity accounted investments' direct reserve movements.

(2) Previously referred to as available-for-sale investments in terms of IAS 39 Financial Instruments: Recognition and Measurements. Following the application of IFRS 9 Financial Instruments in 2019, fair value gains or losses on these investments will no longer be reclassified to the income statement in future reporting periods.

(3) Relates to fair value changes on financial assets at fair value through other comprehensive income (previously referred to as available-for-sale investments) of equity accounted investments. Following the application of IFRS 9 Financial Instruments in 2019, fair value gains or losses on these investments will no longer be reclassified to the income statement in future reporting periods.

The accompanying notes are an integral part of these combined carve-out annual financial statements.

Combined statement of changes in equity
for the years ended 31 March 2019, 2018 and 2017

	Net parent investment[1] US$'m	Foreign currency translation reserve US$'m	Valuation reserve US$'m	Existing control business combination reserve US$'m	Share-based compensation reserve US$'m	Shareholders' funds US$'m	Non-controlling interest US$'m	Total US$'m
Balance at 1 April 2018	**23 307**	**(73)**	**1 565**	**(2 014)**	**1 297**	**24 082**	**274**	**24 356**
Change in accounting policy (refer to note 1)	**838**	**—**	**(838)**	**—**	**—**	**—**	**—**	**—**
Restated balances at 1 April 2018	**24 145**	**(73)**	**727**	**(2 014)**	**1 297**	**24 082**	**274**	**24 356**
Contribution from/(distribution to) parent[1]	**(702)**	**—**	**—**	**—**	**—**	**(702)**	**—**	**(702)**
Total comprehensive income for the year	**4 307**	**(1 397)**	**353**	**—**	**395**	**3 658**	**(100)**	**3 558**
Profit for the year	**4 307**	**—**	**—**	**—**	**—**	**4 307**	**(55)**	**4 252**
Total other comprehensive income for the year	**—**	**(1 397)**	**353**	**—**	**395**	**(649)**	**(45)**	**(694)**
Share-based compensation movement	**—**	**—**	**—**	**—**	**41**	**41**	**2**	**43**
Transactions with non-controlling shareholders	**(889)**	**—**	**—**	**927**	**—**	**38**	**(28)**	**10**
Direct retained earnings and other movements	**484**	**—**	**(439)**	**—**	**(45)**	**—**	**—**	**—**
Dividends	**—**	**—**	**—**	**—**	**—**	**—**	**(16)**	**(16)**
Balance at 31 March 2019	**27 345**	**(1 470)**	**641**	**(1 087)**	**1 688**	**27 117**	**132**	**27 249**

(1) The contribution from/(distribution to) parent line item is a net figure comprising net asset value contributions (i.e. inflows) relating to businesses and other assets, under the common control of Naspers Limited (the group's ultimate controlling parent), that have been incorporated into the combined carve-out financial statements. The line item also includes net asset value distributions (i.e. outflows) relating to businesses and other assets, under the common control of Naspers Limited (the group's ultimate controlling parent), that do not form part of the combined carve-out financial statements. The movements for the year include funding that is cash in nature of US$171.3m with the balance being represented by non-cash net asset value movements related to businesses and other assets that do not form part of these combined carve-out financial statements.

The accompanying notes are an integral part of these combined carve-out financial statements.

Combined statement of changes in equity
for the years ended 31 March 2019, 2018 and 2017

	Net parent investment[1] US$'m	Foreign currency translation reserve US$'m	Valuation reserve US$'m	Existing control business combination reserve US$'m	Share-based compensation reserve US$'m	Shareholders' funds US$'m	Non-controlling interest US$'m	Total US$'m
Balance at 1 April 2016	9 047	(1 263)	456	(1 884)	815	7 171	315	7 486
Contribution from/(distribution to) parent[1]	(173)	—	—	—	—	(173)	—	(173)
Total comprehensive income for the year	2 606	262	805	—	292	3 965	(177)	3 788
Profit for the year	2 606	—	—	—	—	2 606	(206)	2 400
Total comprehensive income for the year	—	262	805	—	292	1 359	29	1 388
Share-based compensation movement	—	—	—	—	47	47	3	50
Transactions with non-controlling shareholders	—	—	—	244	—	244	192	436
Foreign exchange movements on equity reserves	—	(10)	10	—	—	—	—	—
Direct retained earnings and other movements	365	65	—	(228)	(202)	—	—	—
Dividends	—	—	—	—	—	—	(14)	(14)
Balance at 31 March 2017	11 845	(946)	1 271	(1 868)	952	11 254	319	11 573
Balance at 1 April 2017	11 845	(946)	1 271	(1 868)	952	11 254	319	11 573
Contribution from/(distribution to) parent[1]	(79)	—	—	—	—	(79)	—	(79)
Total comprehensive income for the year	11 485	873	294	—	361	13 013	(123)	12 890
Profit for the year	11 485	—	—	—	—	11 485	(130)	11 355
Total other comprehensive income for the year	—	873	294	—	361	1 528	7	1 535
Share-based compensation movements	—	—	—	—	71	71	—	71
Transactions with non-controlling shareholders	—	—	—	(146)	—	(146)	102	(44)
Direct retained earnings and other movements	56	—	—	—	(87)	(31)	—	(31)
Dividends	—	—	—	—	—	—	(24)	(24)
Balance at 31 March 2018	23 307	(73)	1 565	(2 014)	1 297	24 082	274	24 356

(1) The contribution from/(distribution to) parent line item is a net figure comprising net asset value contributions (i.e. inflows) relating to businesses and other assets, under the common control of Naspers Limited (the group's ultimate controlling parent), that have been incorporated into the combined carve-out financial statements. The line item also includes net asset value distributions (i.e. outflows) relating to businesses and other assets, under the common control of Naspers Limited (the group's ultimate controlling parent), that do not form part of the combined carve-out financial statements. The movements for the year include funding that is cash in nature of US$167.4m (2017: US$243.1m) with the balance being represented by non-cash net asset value movements related to businesses and other assets that do not form part of these combined carve-out financial statements.

The accompanying notes are an integral part of these combined carve-out financial statements.

Combined statement of cash flows
for the years ended 31 March 2019, 2018 and 2017

	Notes	31 March 2019 US$'m	2018 US$'m	2017 US$'m
Cash flows from operating activities				
Cash from operations	29	**(268)**	(311)	(353)
Dividends received from investments and equity-accounted companies		**343**	248	192
Cash generated from/(utilised in) operating activities		**75**	(63)	(161)
Interest income received		**198**	33	17
Interest costs paid		**(202)**	(180)	(201)
Taxation paid		**(94)**	(69)	(61)
Net cash utilised in operating activities		**(23)**	(279)	(406)
Cash flows from investing activities				
Property, plant and equipment acquired		**(90)**	(65)	(42)
Proceeds from sale of property, plant and equipment		**1**	4	1
Intangible assets acquired		**(11)**	(8)	(13)
Proceeds from sale of intangible assets		**—**	—	1
Acquisitions of subsidiaries and businesses, net of cash acquired	30	**(102)**	(39)	(140)
Disposals of subsidiaries and businesses	31	**17**	—	3 358
Acquisition of associates	32	**(544)**	(707)	(216)
Additional investment in existing associates	32	**(733)**	(1 217)	(15)
Partial disposals of associates		**4**	9 763	—
Disposal of associates	2	**1 930**	—	—
Acquisition of joint ventures	32	**—**	—	(12)
Additional investments in existing joint ventures	32	**(18)**	(17)	(14)
Disposal of joint ventures		**34**	138	—
Acquisition of short-term investments[(1)]		**(6 967)**	—	—
Cash movement in other investments and loans		**(2)**	(6)	(3)
Net cash (utilised in)/generated from investing activities		**(6 481)**	7 846	2 905
Cash flows from financing activities				
Proceeds from long- and short-term loans raised		**62**	1 013	428
Repayments of long- and short-term loans		**(51)**	(706)	(413)
Proceeds from related party funding and contributions/(distributions) from parent		**181**	239	339
Repayments of related party funding and contributions/(distributions) from parent		**(754)**	(410)	(579)
Additional investments in existing subsidiaries	2	**(1 603)**	(98)	(103)
Repayments of capitalised finance lease liabilities		**(1)**	(1)	(1)
Transactions with non-controlling shareholders		**58**	(43)	102
Dividends paid by subsidiaries to non-controlling shareholders		**(16)**	(25)	(15)
Net cash utilised in financing activities		**(2 124)**	(31)	(242)
Net movement in cash and cash equivalents		**(8 628)**	7 536	2 257
Foreign exchange translation adjustments on cash and cash equivalents		**(57)**	63	(10)
Cash and cash equivalents at the beginning of the year		**10 808**	3 209	962
Cash and cash equivalents at the end of the year	34	**2 123**	10 808	3 209

(1) Relates to short-term cash investments with maturities of more than three months from the date of acquisition. Refer to note 33 for further details.

Cash flow information related to the 2017 financial year includes cash flows associated with discontinued operations.The accompanying notes are an integral part of these combined carve-out financial statements.

Notes to the combined carve-out financial statements
for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES

Description of the business

The Combined Carve-out Financial Statements of the Prosus Group consist of the international ecommerce and internet business of Naspers Limited ("Naspers"), representing the activities, assets and liabilities of the underlying ecommerce businesses, social and internet platforms as well as various associated corporate activities. Prosus Group's business was historically conducted through separate legal entities engaged in internet services and ecommerce (in particular, classifieds, payments and fintech, food delivery, etail and travel), delivering services in a variety of forms and through a variety of platforms. This combination of economic activities is referred to as "Prosus Group" (or "the group") in these Combined Carve-out Financial Statements. The Prosus Group excludes the historic results of certain of Naspers' video- entertainment business as well as the South African ecommerce businesses (mainly Takealot).

The Prosus Group historically did not exist as a reporting group and no separate (statutory) consolidated financial statements were therefore prepared. For the purpose of the evaluation of the historical financial performance of the Prosus Group and in preparation for the listing of the Prosus Group, Prosus Group Combined Carve-out Financial Statements for the years ended 31 March 2019, 2018 and 2017, have been prepared.

The Prosus Group is a global internet group and one of the largest technology investors. It runs some of the world's leading platforms and is currently organised into nine segments:

- Ecommerce business comprising the following segments:
- Classifieds
- Payments and fintech
- Food delivery
- Etail
- Travel
- Other ecommerce
- Social and internet platforms business comprising the following segments:
- Tencent
- Mail.ru
- Corporate

Formation of the Prosus Group

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

- On 28 September 2018, Prosus N.V. distributed its interest certain businesses of the video-entertainment business to Ming He, which then distributed it to its parent, MIH Holdings Proprietary Limited ("MIHH"). Subsequent to this distribution, the video-entertainment business has been listed on the Johannesburg Stock Exchange ("JSE").
- On 1 June 2019, through a capital contribution in return for N- and A shares, Prosus N.V. acquired the business of Ming He via the acquisition of MIH Services FZ LLC, various receivables to its intermediate parent MIHH and the shares and related activities in Ming He (as passed on to Prosus N.V.'s subsidiary

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Description of the business (continued)

Myriad International Holdings Asia B.V.) As a result, Prosus N.V. then indirectly held Naspers' investment in Tencent Holdings Limited.

Prosus N.V. is a company headquartered in The Netherlands. The registered office of Prosus N.V. is Taurusavenue 105 in Hoofddorp, The Netherlands. Prosus N.V., previously called Myriad International Holdings B.V., was converted to a public liability company on 16 May 2019.

For reporting for periods beginning on 1 April 2019, Prosus N.V. as the legal parent of the group will prepare consolidated financial statements based on applicable Dutch and European Union law, including relevant comparative financial information, which will be different in comparison with these Combined Carve-out Financial Statements. In those consolidated financial statements for the 2020 financial year (including comparatives), the income statement will not include certain corporate allocations. Also, these consolidated financial statements will include the assets and liabilities, income statement and cash flows of certain businesses of the video-entertainment business until its disposal at 28 September 2018.

Basis of preparation

IFRS compliance

The Combined Carve-out Financial Statements for the years ended 31 March 2019, 2018 and 2017, have been prepared in accordance with, and comply, in all material respects, with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") on a combined basis ("Combined Carve-out Financial Statements"). The Combined Carve-out Financial Statements have been derived from the consolidated financial statements of Naspers Limited for the years ended 31 March 2019, 2018 and 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations of those standards as issued by the International Accounting Standards Board ("IASB"). All standards and interpretations issued by the IASB and the IFRS Interpretations Committee effective for the 2019 fiscal year have been endorsed by the European Union, except that the European Union did not adopt some of the paragraphs of IAS 39 applicable to certain hedge transactions. The Prosus Group has no hedge transactions to which these paragraphs are applicable.

All IFRSs for which application was mandatory in the European Union for the fiscal year 2019 have been consistently applied for each of the years ended 31 March 2019, 2018 and 2017, with the exception of IFRS 9, which was adopted on a modified retrospective basis at 1 April 2018.

IFRS-EU provides no guidance for the preparation of combined carve-out financial statements, which are therefore subject to IAS 8.12. This paragraph requires consideration of the most recent pronouncements of other standard-setting bodies, other financial reporting requirements and recognised industry practices. In the Combined Carve-out Financial Statements of the Prosus Group, the predecessor accounting approach has been applied in accordance with the common practice for the accounting for business combinations under common control in combined financial statements. This means that the assets, liabilities, income and expenses of the economic activities included in the Combined Carve-out Financial Statements correspond to the historically reported amounts in the consolidated financial statements of Naspers Limited (predecessor values).

The Combined Carve-out Financial Statements have been prepared under the historical cost convention, except for certain financial instruments (including derivative instruments) and cash-settled share-based payment schemes stated at fair value.

The Combined Carve-out Financial Statements have been prepared on a going concern basis.

The Combined Carve-out Financial Statements have been authorised for issue on 22 August 2019 by the Board of Directors of Prosus N.V. (currently named Myriad International Holdings N.V.).

Scope of combination

The Combined Carve-out Financial Statements have been prepared for the purpose of presenting the financial position, results of operations and cash flows of the Prosus Group on a stand-alone basis, as explained in the section on Basis of combination below, in a Prospectus drawn up in relation to the admission to listing and trading of the ordinary

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

shares in the share capital of the Company on Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. ("Euronext Amsterdam").

Limitations inherent to carve-out

As the Prosus Group did not operate as a stand-alone entity in the past, these Combined Carve-out Financial Statements may not be indicative of the Prosus Group's future performance and what its combined results of operations, financial position and cash flows would have been, had the Prosus Group operated as a separate entity from Naspers Limited for the periods presented. Rather than the legal structure, the economic activities under common management and the perimeter agreed as the structure of the future Prosus Group have been considered the main factors in determining the perimeter of the Prosus Group Combined Carve-out Financial Statements.

Basis of combination

The Prosus Group combines the international ecommerce and internet business as reported by the Naspers Limited Group with certain other assets and liabilities and income and expense, which are directly attributed to the Prosus Group from the Naspers Limited Corporate segment. During the periods presented, the Prosus Group functioned as part of the larger group of companies controlled by Naspers Limited and accordingly, Naspers Limited performed certain corporate overhead services for the international ecommerce and internet business. These services include, but are not limited to, executive oversight, information management, legal, treasury, control and accounting, human resources, taxes and investor relations.

As of 31 March 2019, the international ecommerce and internet business was conducted through 241 dedicated legal entities, combined with other Naspers corporate entities, which provided various corporate functions and activities to the Prosus Group. In addition, the international ecommerce and internet business also includes the activities conducted through 40 equity-accounted investments.

On 28 September 2018, Naspers Limited restructured its video-entertainment business before separately listing this business on 27 February 2019 on the Johannesburg Stock Exchange and simultaneously unbundling its shares in this business. Certain legal entities, which related to the sub-Saharan African video-entertainment business, were part of the Prosus Group prior to the restructuring, in particular the Multichoice Africa Group, Irdeto and Showmax B.V. As these entities were restructured and are not part of the Prosus Group going forward, the assets, liabilities, income and expenses of these entities have been excluded from the Combined Carve-out Financial Statements for the years ended 31 March 2019, 2018 and 2017. Similarly, the Showmax Poland business was closed and liquidation procedures commenced prior to 31 March 2019. As this business is not part of the Prosus Group going forward, the assets, liabilities, income and expenses of this entity has been excluded from the Combined Carve-out Financial Statements for the years ended 31 March 2019, 2018 and 2017.

The assets and liabilities of the Ming He business were contributed subsequent to 31 March 2019, however, for purposes of reflecting the Prosus Group, the assets and liabilities of Ming He have been included in the Combined Carve-out Financial Statements for the years ended 31 March 2019, 2018 and 2017.

Intragroup transactions, balances and unrealised gains and losses on transactions within the Prosus Group have been eliminated. Transactions between Naspers and the Prosus Group are recognised in accordance with IFRS and disclosed as related party transactions. The Combined Carve-out Financial Statements reflect all material transactions between the Prosus Group and Naspers. For details of such transactions with Naspers and subsidiaries under common control, refer to Note 15—Related party transactions.

Combined Income Statements and Statements of Comprehensive Income

The Combined Income Statements and Statements of Comprehensive Income of the Prosus Group reflect income and expenses of the international internet and ecommerce business combined with certain Naspers corporate expenses that have been directly attributed or allocated to international ecommerce and internet business.

Corporate overhead services related to the international ecommerce and internet business are included in the Combined Carve-out Financial Statements based on specific identification or have been allocated based on the share of Prosus Group segment revenue as a proportion of Naspers segment revenue, if no specific identification was possible. The

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

Prosus Group considered a range of allocation keys and considers segment revenues to be the most appropriate. The basis for assumptions and estimates made with regard to the allocation of expenses were consistently applied in each reporting period. Corporate expenses for the Prosus Group were determined as follows:

Allocation basis	2019 US$'m	2018 US$'m	2017 US$'m
Corporate costs included in Prosus Group	156.4	146.1	109.2
Additional corporate costs allocated to Prosus Group	11.7	14.5	6.1
Total	**168.1**	**160.6**	**115.3**

Management believes the allocation methods applied in the Combined Carve-out Financial Statements to be a reasonable reflection of the utilisation of services provided by Naspers and the historical cost of doing business. It is, however, not necessarily indicative of the future cost structure of the Prosus Group.

Combined Statements of Financial Position

The combined assets and liabilities of the Prosus Group include the assets and liabilities previously reported as part of the international ecommerce and internet business.

Combined Statements of Cash Flows

The Combined Statements of Cash Flows of the Prosus Group have been prepared using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. Amounts for cash, cash equivalents and debt are reflected in the Combined Carve-out Financial Statements only for those activities of the Prosus Group that operated or existed in separate dedicated Prosus Group legal entities, during the periods presented in the Combined Carve-out Financial Statements.

Segments

The Prosus Group will have the same governance structures as Naspers. It will have the same board and management oversight, including the same individuals comprising the chief operating decision maker ("CODM"). Accordingly, the CODM for Naspers will be the same CODM for the Prosus Group (refer to note 35). The segments of the Prosus Group will be the same as that previously reported on by Naspers, excluding the ecommerce businesses in South Africa as well as the video-entertainment and media businesses, which do not form part of the Prosus Group.

As the Prosus Group comprises the majority of Naspers (post the video-entertainment business unbundling), the CODM of the Prosus Group will review the same management information as the Naspers group CODM.

Income tax

Prosus Group management determines the income tax positions and expense for each of the legal entities' tax jurisdictions in which they operate. This involves the allocation of the actual current tax exposures and provisions as well as assessing temporary and permanent differences.

Prosus Group legal entities file separate tax returns on a standalone basis for the respective legal entities for the majority of its jurisdictions. In addition, the Dutch Prosus Group entities, which are at least 95% owned, file a single tax return through a fiscal unity arrangement, under which the tax return is filed for the entities as a whole. For the purpose of the Combined Carve-out Financial Statements, income taxes are computed and reported using the separate return method. Under this method, the carve-out entity calculates its tax provision as if it was filing its own separate tax return based on the pre-tax accounts of each legal entity included in the Combined Carve-out Financial Statements.

Goodwill

The goodwill included in the Combined Carve-out Financial Statements is related to prior acquisitions of companies or businesses within the Prosus Group. During the reporting periods presented, goodwill was tested for impairment at the business unit level, being a group of cash-generating units used at that time by the Naspers Limited

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

Group to monitor goodwill. The business unit level was determined to also be the appropriate level for testing of goodwill for impairment for the Prosus Group.

Owner's net investment and funding structure

The Prosus Group uses a central funding model, which includes three corporate bonds and a syndicated bank revolving credit facility. Naspers Limited guarantees the corporate bonds and syndicated revolving credit facility. Furthermore, a limited number of intercompany loan positions existed between Prosus Group and its owner, Naspers Limited. The balances with Naspers Limited (including intercompany loans) are presented as related party balances. Intercompany current accounts that have an operational nature are settled on a regular basis in line with normal credit terms.

There are also a limited number of intercompany loan positions between Prosus Group and its former subsidiaries in the video-entertainment business which were settled in the 2019 financial year.

The funding structure is therefore largely representative of the financing that would have been reported, had the Prosus Group operated on its own or as an entity independent from Naspers Limited during the periods presented. The capital structure of Prosus N.V. at the time of the listing is expected to differ from the capital structure presented in the Combined Carve-out Financial Statements.

Dividends

Historically, the dividends paid by Naspers Limited have not been funded by the Prosus Group. Naspers' declared dividends were primarily funded by the South African video-entertainment business.

Share-based compensation

Naspers Limited grants share options, share appreciation rights (SARs) and restricted stock units (RSUs) to its employees under a number of equity compensation plans. The share-based compensation expenses for each of the financial years ended 31 March 2019, 2018 and 2017 which relate to those plans associated with the employees within the Prosus Group are reflected in these Combined Carve-out Financial Statements. For details of these plans, refer to Note 38—Equity compensation benefits.

Share option awards which are settled via the Naspers share trusts and all RSU awards are considered to be equity- settled share-based payment arrangements as the share trusts are the grantors of the awards and accordingly, although employee services are received at the individual Prosus Group entities, the Prosus Group does not have an obligation to settle awards with employees. The share-based payment expenses are recognised by the various employer entities that receive the services from the employees.

There are also share option schemes that are settled in Naspers shares, but classified as cash-settled share-based payment arrangements by the Prosus Group as the shares required to settle relevant liability are not Prosus Group shares. In addition, certain of the entities have share option schemes that are settled in their own shares. These schemes are classified as equity-settled payment arrangements in the Prosus Group.

All SAR awards that are to be settled in cash or in Naspers shares are accounted for as cash-settled share-based payment arrangements. Where SAR schemes' awards are settled in equity instruments of subsidiaries of the Prosus Group or are awards where the Prosus Group has no obligation to settle (i.e. another entity in the Naspers group will settle the awards), these schemes are classified as equity settled share-based payment arrangements.

Subsequent events

The Naspers Limited consolidated annual financial statements, from which these Combined Carve-out Financial Statements were derived, were authorised for issue on 21 June 2019. Subsequent events have been considered from 31 March 2019 up to the date that these Combined Carve-out Financial Statements were authorised for issuance.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

Earnings per share

The information on earnings per share for the Prosus Group pursuant to IAS 33 has not been presented, as no capital structure has been presented in the Combined Carve-out Financial Statements.

Accounting judgements and sources of estimation uncertainty

The preparation of the combined annual financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates and assumptions affect the reported amounts of assets, liabilities and contingent assets and liabilities at the statement of financial position date as well as the reported income and expenses for the year. Although estimates are based on management's best knowledge and judgement of current facts as at the statement of financial position date, the actual outcome may differ from these estimates.

Estimates are made regarding the fair value of intangible assets recognised in business combinations; impairment of property, plant and equipment (refer to note 3); goodwill (refer to note 4); other intangible assets (refer to note 5); financial assets carried at amortised cost and other assets (refer to note 12); the remeasurements required in business combinations and disposals of associates, joint ventures and subsidiaries (refer to note 26); the valuation and remeasurement of written put option liabilities (refer to note 18) ; taxation (refer to note 27) and equity compensation benefits (refer to note 38). Where relevant, the group has provided sensitivity analyses demonstrating the impact of changes in key estimates and assumptions on reported results.

The following accounting judgements had the most significant impact on the combined annual financial statements:

Lag periods applied when reporting results of equity-accounted investments

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

Accounting for written put option liabilities

The group accounts for all written put options as liabilities equal to the present value of the expected redemption amount payable in the statement of financial position. This applies regardless of whether the group has the discretion to settle in its own equity instruments.

Accounting for share-based payment transactions

The group recognises cash- and equity-settled share-based payment expenses arising from its various share incentive schemes and exercises significant judgement when calculating these expenses. Expenses are generally based on the fair values of awards granted to employees. Fair value is measured using appropriate valuation and option pricing models, where applicable. The values assigned to the key assumptions used in the valuation models for the group's most significant share incentive schemes are disclosed in note 38.

(a) Basis of consolidation

The combined annual financial statements include the results of Prosus N.V. and its subsidiaries, associated companies and joint ventures.

Subsidiaries

Subsidiaries are entities over which the group has control. The existence and effect of potential voting rights are considered when assessing whether the group controls another entity to the extent that those rights are substantive.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

Subsidiaries are consolidated from the date on which control is obtained (acquisition date) up to the date control ceases. For certain entities, the group has entered into contractual arrangements which allow the group to control such entities. Because the group controls such entities, they are consolidated in the combined annual financial statements.

Intergroup transactions, balances and unrealised gains and losses are eliminated on consolidation.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in an acquisition of a business (acquiree) comprises the fair values of the assets transferred, the liabilities assumed, the equity interests issued by the group and the fair value of any contingent consideration arrangements. If the contingent consideration is classified as equity, it is not subsequently remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of contingent consideration are recognised in the income statement.

For each business combination, the group measures the non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Where a business combination is achieved in stages, the group's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through the income statement. The fair value of the group's previously held equity interest forms part of the consideration transferred in the business combination at the acquisition date.

When a selling shareholder is required to remain in the group's employment subsequent to a business combination, any retention agreements are recognised as employee benefit arrangements and dealt with in terms of the accounting policy for employee or equity compensation benefits.

Goodwill

Goodwill in a business combination is recognised at the acquisition date when the consideration transferred and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. If the consideration transferred is lower than the fair value of the identifiable net assets of the acquiree (a bargain purchase), the difference is recognised in the income statement. The gain or loss arising on the disposal of an entity is calculated after consideration of attributable goodwill.

Transactions with non-controlling shareholders

Non-controlling shareholders are equity participants of the group and all transactions with non-controlling shareholders are therefore accounted for as equity transactions and included in the statement of changes in equity. In transactions with non-controlling shareholders, any excess of the cost/proceeds of the transaction over the group's proportionate share of the net asset value acquired/disposed is allocated to the "Existing control business combination reserve" in equity. Refer to section (c) for the group's accounting policy regarding written put options over non-controlling interests.

Associates and joint ventures

Investments in associated companies (associates) and joint ventures are accounted for in terms of the equity method.

Associates are entities over which the group exercises significant influence, but which it does not control or jointly control. Joint ventures are arrangements in which the group contractually shares control over an activity with others and in which the parties have rights to the net assets of the arrangement.

Most major foreign associates and joint ventures do not have year-ends that are coterminous with that of the group, and the group's accounting policy is to account for an appropriate lag period in reporting their results. Any significant transactions and events occurring between the investees' and the group's March year-end are taken into account.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

Unrealised gains or losses on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in the relevant associate or joint venture, except where the loss is indicative of impairment of assets transferred.

Where an associate or joint venture holds equity in the group, the carrying amount of the investment in the associate or joint venture is adjusted by an amount representing the group's indirect holding in its own equity because of the cross-holding. An equivalent adjustment is made to the equity of the group as treasury shares. The amount of the group's share of the associate's or joint venture's results is determined after eliminating, from the associate's or joint venture's results, any income or dividends received by the associate or joint venture from the group.

The group's share of other comprehensive income and other changes in net assets of associates and joint ventures is recognised in the statement of comprehensive income.

For acquisitions of associates and joint ventures achieved in stages, the group measures the cost of its investment as the sum of the consideration paid for each purchase plus a share of the investee's profits and other equity movements. Any other comprehensive income recognised in prior periods in relation to the previously held stake in investee is reversed through equity and a share of profits and other equity movements is also recorded in equity. Acquisition-related costs form part of the investment in the associate or joint venture.

When the group increases its shareholding in an associate or joint venture and continues to exercise significant influence or to exert joint control over the investee, the cost of the additional investment is added to the carrying value of the investee. The acquired share in the investee's identifiable net assets, as well as any goodwill arising, is calculated using fair-value information at the date of acquiring the additional interest. Goodwill is included in the carrying value of the investment in the associate or joint venture.

Partial disposals of associates and joint ventures that do not result in a loss of significant influence or joint control are accounted for as dilutions. Dilution gains and losses are recognised in the income statement. The group's proportionate share of gains or losses previously recognised in other comprehensive income by associates and joint ventures are reclassified to the income statement when a dilution occurs.

Each associate and joint venture is assessed for impairment on an annual basis as a single asset. If impaired, the carrying value of the group's investment in the associate or joint venture is adjusted to its recoverable amount and the resulting impairment loss is included in "Impairment of equity-accounted investments" in the income statement.

Disposals

When the group ceases to have control (subsidiaries), exercise significant influence (associates) or exert joint control (joint ventures), any retained interest is remeasured to its fair value, with the change in the carrying value recognised in the income statement. This fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest. In addition, any amounts previously recognised in other comprehensive income in respect of the entity disposed are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

Where the group contributes a non-monetary asset (including a business) to an investee in exchange for an interest in that investee that is equity-accounted, the gain or loss arising on the remeasurement of the contributed non-monetary asset to fair value is recognised in the income statement only to the extent of other parties' interests in the investee. The gain or loss is eliminated against the carrying value of the investment in the associate or joint venture to the extent of the group's interest.

(b) Financial assets

Classification, initial recognition and measurement

Financial assets are initially recognised when the group becomes a party to the contractual provisions of the instrument.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets (continued)

On initial recognition, financial assets are classified as financial assets measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification is based on the objectives of the business model within which the financial asset is held and the characteristics of its contractual cash flows.

The group assesses the objective of the business model in which a financial asset is held based on all relevant evidence that is available at the date of assessment including how the performance of the financial asset is evaluated and reported to management and the risks affecting the performance of the financial asset as well as how those risks are managed.

In evaluating the contractual cash flows of a financial asset, the group considers its contractual terms, including assessing whether the financial asset is subject to contractual terms that change (or could potentially change) the timing or amount of associated future cash flows.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual cash flows represent solely payments of principal and interest on the amount outstanding. In making this assessment, the group considers the effect of terms (including conversion, prepayment and extension features) that may affect the timing and/or amounts of cash flows.

Financial assets classified as at amortised cost include trade and other receivables, related party receivables and cash and cash equivalents.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the fair value of such investments in other comprehensive income. This election is made on an investment-by-investment basis. These investments are classified as financial assets at fair value through other comprehensive income. The group has classified all equity investments that do not represent investments in subsidiaries, associates or joint ventures in this category.

All financial assets not classified as at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets other than those forming part of effective hedging relationships to which hedge accounting is applied. A financial asset is classified in this category at initial recognition if it is acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit making, or, if it is designated in this category to eliminate or significantly reduce an accounting mismatch that would otherwise arise.

Purchases and sales of financial assets are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. Financial assets (excluding trade receivables that are not subject to a significant financing component) are initially measured at fair value plus, for an instrument not at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue. Trade receivables that are not subject to significant financing components are initially measured at the relevant transaction prices.

Financial assets are presented as non-current assets, except for those with maturities within 12 months from the statement of financial position date, which are classified as current assets.

Subsequent measurement

Amortised cost financial assets are subsequently measured using the effective interest method, reduced by relevant impairment allowances. Interest income, foreign exchange gains and losses and impairment losses on amortised cost financial assets are recognised in the income statement.

Changes in the fair value of equity investments classified as financial assets at fair value through other comprehensive income are recognised in other comprehensive income and are accumulated in the valuation reserve in the statement of changes in equity. Dividends received on equity investments at fair value through other comprehensive income are recognised in the income statement. On derecognition of financial assets at fair value through other comprehensive income, fair value changes accumulated in the valuation reserve are transferred to retained earnings.

Financial assets at fair value through profit or loss are subsequently carried at fair value with changes in fair value recognised in the income statement.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial assets (continued)

Refer to note 42 for the group's fair-value measurement methodology regarding financial assets.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where they have been transferred and the group has also transferred substantially all risks and rewards of ownership.

Financial assets are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to realise the asset and settle a related financial liability simultaneously.

Impairment

The group recognises expected credit losses (impairment allowances) on financial assets measured at amortised cost and accrued income balances. The group assesses, on a forward-looking basis, the impairment allowances associated with these financial assets and makes use of provision matrices relevant to its various operations in establishing impairment allowances, specifically for trade receivables.

For financial assets at amortised cost (including primarily trade receivables) and accrued income balances, the group measures impairment allowances at an amount equal to the lifetime expected credit losses on these financial assets. Lifetime expected credit losses are those losses that result from all possible default events over the expected life of the financial instrument.

The group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full or the outstanding amount exceeds its contractual payment terms.

At each reporting date the group assesses whether financial assets at amortised cost and/or accrued income balances are credit-impaired. Financial assets are considered credit-impaired when one or more events that have a detrimental impact on expected future cash flows have occurred. Evidence that a financial asset is credit-impaired includes significant financial difficulty experienced by the borrower, a breach of contract such as defaulting on contractually due repayments and the probability of the borrower entering bankruptcy.

Impairment allowances for financial assets measured at amortised cost and accrued income balances are recognised in the income statement and accumulated in an allowance account. The gross carrying amount of the financial assets is reduced by the loss allowance via the allowance account and is written off when the group has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof.

Refer to note 36 for further details regarding the group's credit risk management.

(c) Financial liabilities

Financial liabilities are recognised when the group becomes party to the contractual provisions of the relevant instrument. The group classifies financial liabilities at amortised cost or at fair value through profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses on these financial liabilities are recognised in the income statement. Other financial liabilities comprise primarily trade and other payables, borrowings and written put option liabilities. These financial liabilities are initially recognised at fair value, net of transaction costs.

Written put option liabilities represent contracts that impose (or may potentially impose) an obligation on the group to purchase its own equity instruments (including the shares of a subsidiary) for cash or another financial asset. Written put option liabilities are initially raised from the "Existing control business combination reserve" in equity at the present value of the expected redemption amount payable. Subsequent revisions to the expected redemption amount payable as well as the unwinding of the discount related to the measurement of the present value of the written put option liability, are recognised in "Other finance (costs)/income—net" in the income statement. Where a written put option liability expires unexercised or is cancelled, the carrying value of the financial liability is reclassified to the "Existing control business combination reserve" in equity.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(c) Financial liabilities (continued)

Written put options that provide the group with the discretion to settle its obligations in the group's own equity instruments (including the shares of a subsidiary) are also accounted for as outlined above. Written put option liabilities are presented within "Other liabilities" in the statement of financial position.

Financial liabilities are presented as current liabilities if payment is due or could be demanded within 12 months (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis. Financial liabilities are derecognised when the contractual obligation is discharged, cancelled or when it expires.

(d) Financial instruments used for hedge accounting

The group uses derivative financial instruments (derivatives) to reduce exposure to fluctuations in foreign currency exchange rates and interest rates. These instruments mainly comprise forward exchange contracts and interest rate (including cross currency) swap agreements. Forward exchange contracts protect the group from movements in exchange rates by fixing the rate at which a foreign currency asset or liability will be settled. Cross-currency interest rate swap agreements protect the group from movements in foreign exchange risk on a net investment in a foreign operation.

The group documents, at inception of hedging transactions, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives used in hedging transactions are expected to be and have been highly effective in offsetting changes in fair values or cash flows of hedged items. Hedging instruments are included in 'derivative financial instruments' in the statement of financial position. The group designates derivatives as hedging instruments either in their entirety or elements thereof, as appropriate. The fair values of derivatives used for hedging purposes are disclosed in note 36.

The method of recognising the resulting gain or loss arising from the remeasurement of derivatives used for hedging is dependent on the nature of the item being hedged. The group designates a derivative as either a hedge of the fair value of a recognised asset, liability or firm commitment (fair value hedge), or a hedge of a forecast transaction or of the foreign currency risk of a firm commitment (cash flow hedge). The group also designates certain derivatives as hedges of the group's net investments in its foreign operations (cash flow hedges).

Fair value hedges

When a derivative is designated as a fair value hedge, changes in the fair value of the derivative are recorded in the income statement, along with changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The ineffective portion of the change in the fair value of the derivative is recognised in profit or loss.

When the hedged forecast transaction or firm commitment subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve is included directly in the initial cost of the non- financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to the income statement in the same period during which the hedged expected future cash flow affects in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. The amount accumulated in the hedging reserve at that time remains in equity until, for a hedge resulting in the recognition of a non-financial item, it is included in the initial cost on initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period as the expected cash flows affect the income statement. When a committed or forecast transaction is no longer expected to occur, the amounts accumulated in the hedging reserve are reclassified to the income statement.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments used for hedge accounting (continued)

Net investment hedges

When a derivative is designated as a hedging instrument in a hedge of the group's net investment in a foreign operation, the effective portion of the change in fair value of the hedging instrument is recognised in other comprehensive income and presented in the foreign currency translation reserve within equity. Any ineffective portion of the change in fair value of the derivative is recognised in the income statement. The amount accumulated in the foreign currency translation reserve is reclassified to the income statement on disposal of the relevant foreign operation.

Certain derivative transactions, while providing effective economic hedges under the group's risk management policies, do not qualify for hedge accounting. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised immediately in the income statement.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost, being the purchase cost plus any cost to prepare the assets for their intended use, less accumulated depreciation and any accumulated impairment losses. Cost includes transfers from equity of any gains/losses on qualifying cash flow hedges relating to foreign currency property, plant and equipment acquisitions. Property, plant and equipment, with the exception of land, are depreciated in equal annual amounts over each asset's estimated useful life to their residual values. Land is not depreciated as it is deemed to have an indefinite life.

Depreciation periods vary in accordance with the conditions in the relevant industries, but are subject to the following range of useful lives:

Buildings	1 to 50 years
Computers and office equipment	1 to 25 years
Furniture and fittings	1 to 25 years

Where parts of property, plant and equipment require replacement at regular intervals, the carrying value of an item of property, plant and equipment includes the cost of replacing the part when that cost is incurred, if it is probable that future economic benefits will flow to the group and the cost can be reliably measured. The carrying values of the parts replaced are derecognised on capitalisation of the cost of the replacement part. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately where it has an estimated useful life that differs from that of the item as a whole.

Major leasehold improvements are amortised over the shorter of the respective lease terms and estimated useful lives.

Subsequent costs, including major renovations, are included in an asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each statement of financial position date. Gains and losses on disposals are determined by comparing the proceeds to the asset's carrying value and are recognised in "Other (losses)/gains—net" in the income statement.

Work in progress are assets still in the construction phase and not yet available for use. These assets are carried at cost and are not depreciated. Depreciation commences once the assets are available for use as intended by management.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of those assets. All other borrowing costs are expensed as incurred. A qualifying asset is an asset that takes more than a year to get ready for its intended use.

(f) Leased assets

Finance leases

Leases of property, plant and equipment are classified as finance leases where substantially all risks and rewards associated with ownership are transferred to the group as lessee. Assets under finance leases are capitalised at the lower of

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(f) Leased assets (continued)

fair value and the present value of the minimum lease payments, with the related lease obligation recognised at an equivalent amount. The interest rate implicit in the lease or, where this cannot be reliably determined, the group's incremental borrowing rate is used to calculate the present values of minimum lease payments. Capitalised leased assets are depreciated over their estimated useful lives, limited to the duration of the lease agreement. Each lease payment is allocated between the lease obligation and finance charges. The corresponding lease obligations, net of finance charges, are included in long-term liabilities or current portion of long-term debt. The interest element of the minimum lease payments is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating leases

Leases of assets under which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(g) Intangible assets

Intangible assets acquired are capitalised at cost. Intangible assets with finite useful lives are amortised using the straight-line method over their estimated useful lives. The useful lives and residual values of intangible assets are reassessed on an annual basis.

Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Patents	5 years
Title rights	10 years
Brand names and trademarks	30 years
Software	10 years
Intellectual property rights	30 years
Customer-related assets	11 years

No value is attributed to internally developed trademarks or similar rights and assets. The costs incurred to develop these items are charged to the income statement as incurred.

Costs that are directly associated with the production of identifiable and unique software products controlled by the group, and which will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overheads. All other costs associated with developing or maintaining software programmes are expensed as incurred.

Web and application (app) development costs are capitalised as intangible assets if it is probable that the expected future economic benefits attributable to the asset will flow to the group and its cost can be measured reliably, otherwise these costs are expensed as incurred.

Research expenditure is expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets if the costs can be measured reliably, the products or processes are technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. Development costs that do not meet these criteria are expensed as incurred.

Work in progress are assets still in the development phase and not yet available for use. These assets are carried at cost and are not amortised but are tested for impairment at each reporting date. Amortisation commences once the assets are available for use as intended by management.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(h) Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill and intangible assets with indefinite useful lives are allocated to cash-generating units for purposes of impairment testing. An impairment test is performed by determining the recoverable amount of the cash-generating unit to which the goodwill or intangible assets with indefinite useful lives relates. The recoverable amount of a cash- generating unit or individual asset is the higher of its value in use and its fair value less costs of disposal. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in "Other gains/(losses)—net" in the income statement. Impairment losses recognised on goodwill are not reversed in subsequent periods.

Other intangible assets and property, plant and equipment

Other intangible assets (with finite useful lives) and items of property, plant and equipment are reviewed for indicators of impairment at least annually. Indicators of impairment include, but are not limited to: significant underperformance relative to expectations based on historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the group's overall business and significant negative industry or economic trends.

Intangible assets still in the development phase, and not yet available for use (work in progress), are tested for impairment on an annual basis.

An impairment loss is recognised in "Other (losses)/gains—net" in the income statement when the carrying amount of an asset exceeds its recoverable amount.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less costs of disposal is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date less the incremental costs directly attributable to the disposal of an asset or cash-generating unit, excluding finance costs and income tax expense.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash inflows of other assets or groups of assets (a cash generating unit level).

An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the revised recoverable amount exceeds the carrying amount. The reversal of such an impairment loss is recognised in "Other (losses)/gains—net" in the income statement.

(i) Inventory

Inventory is stated at the lower of cost and net realisable value. The cost of inventory is determined by means of the weighted average method.

The cost of finished products and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes finance costs. Costs of inventories include the transfer from other comprehensive income of any gains/losses on qualifying cash flow hedges relating to foreign currency denominated inventory purchases. Net realisable value is the estimate of the selling price, less the costs of completion and selling expenses. Allowances are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(j) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost which equals the cost or face value of the asset. Cash and cash equivalents comprise cash on hand and deposits held at call with banks. Certain cash balances are restricted from immediate use according to terms with banks or other financial institutions. For purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(k) Provisions

Provisions are obligations of the group where the timing or amount (or both) of the obligation is uncertain.

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The group recognises a provision relating to its estimated exposure on all products still under warranty at the statement of financial position date. A provision for onerous contracts is established when the expected benefits to be derived under a contract are less than the unavoidable costs of fulfilling the contract. Restructuring provisions are recognised in the period in which the group becomes legally or constructively committed to a formal restructuring plan.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is determined by discounting the anticipated future cash flows expected to be required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in the income statement

(l) Taxation

Tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such cases, the related tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

The normal Dutch corporate tax rate applicable to Prosus N.V. for the year ending 31 March 2019 is 25% (2018: 25% and 2017: 25%). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. International tax rates vary from jurisdiction to jurisdiction.

Deferred taxation

Deferred tax assets and liabilities have been calculated using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date, being the rates the group expects to apply to the periods in which the assets are realised or the liabilities are settled. Deferred taxation is provided on the taxable or deductible temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction, other than a business combination, that, at the time of the transaction, affects neither the accounting nor the taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences and unused tax losses can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(m) Foreign currencies

The combined annual financial statements are presented in US dollar (US$) which is the group's presentation currency. However, the group measures the transactions of its operations using the functional currency determined for that specific operating entity which is the currency of the primary economic environment in which the operation conducts its business.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of the valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as part of qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair-value gain or loss recognised in the income statement. Translation differences on non-monetary equity investments classified as available for sale are included in the valuation reserve in other comprehensive income as part of the fair-value remeasurement of such items.

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency that is different from the group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date.
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the spot rate on the dates of the transactions).
- Components of equity are translated at the historic rate.
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the "Foreign currency translation reserve" in the statement of changes in equity.

Foreign operations

The group recognises foreign exchange differences relating to monetary items that form part of its net investment in its foreign operations in other comprehensive income where settlement of the item is neither planned nor likely to take place in the foreseeable future.

When a foreign operation is disposed of, the accumulated foreign exchange differences are reclassified to the income statement, as part of the gain or loss on sale.

(n) Revenue recognition

Revenue from contracts with customers is derived from the sale of goods and rendering of services. Revenue is measured based on the transaction price specified in the contract with the customer. The group recognises revenue when (or as) it transfers control of goods and/or services to its customers, which is when specific criteria have been met for each of the group's activities as described below. Revenue is recognised at the amount the group expects to be entitled to in exchange for the goods and/or services transferred to customers.

Revenue is shown net of value-added tax (VAT), returns, rebates and discounts. For contracts that permit returns, rebates or discounts, revenue is recognised only to the extent that it is highly probable that a significant reversal of revenue will not occur as a result of such items. The amount of revenue recognised is adjusted for expected returns, rebates or discounts which are estimated based on the group's historical experience and taking into consideration the type of customer, the type of transaction and the specific terms of each arrangement. The right to return goods is measured at the former carrying amount of the inventory less any expected costs to recover goods.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(n) Revenue recognition (continued)

The group identifies all parties that are integral to it generating revenue on its online platforms as its customers and, accordingly, incentives (including cash discounts and discount vouchers/coupons) provided to any party transacting on the platform are treated as a reduction of revenue.

Where contracts include multiple goods and/or services, the transaction price is allocated to each distinct good or service (or performance obligation) based on respective stand-alone selling prices. Where stand-alone selling prices are not directly observable, they are estimated.

The group considers, for each contract with a customer, whether it is a principal or an agent. The group regards itself as the principal in a transaction where it controls a promised good or service before the good or service is transferred to a customer. Where the group is the principal in a transaction, it recognises revenue in the gross amount of consideration to which it expects to be entitled. The group is the principal in the majority of transactions that it enters into.

Revenue earned but not yet invoiced is presented as accrued income as part of other receivables in the statement of financial position. Payments received in advance from contracts with customers represent an obligation to transfer future goods and/or services and are presented as part of accrued expenses and other liabilities in the statement of financial position. The group is not party to contracts where the period between the transfer of goods and/or services and payment exceeds one year. Consequently, the group does not adjust its transaction prices for financing components.

Revenue recognition for the group's major revenue streams is outlined below in the following paragraphs.

Revenue represents amounts received or receivable from customers relating to online goods sold on the group's etail and other internet platforms and from services rendered. Services rendered include advertising, travel package revenue and commissions, classifieds listings revenue, payment transaction commissions and fees, food delivery revenue, mobile and other content revenue and comparison shopping commissions and fees.

Revenue from goods sold is recognised when the goods are delivered and accepted by customer. The group recognises classifieds listings and related fees on listing of an item for sale and success fees and any other relevant commissions when a transaction is completed on the group's websites. Payments and fintech, food delivery, mobile content and comparison shopping revenues are recognised once a transaction is completed and is based on the applicable fee for each transaction performed.

The group mainly derives advertising revenues from advertisements shown online on its websites and instant-messaging windows. Online advertising revenues are recognised over the period in which the advertisements are displayed.

(o) Employee benefits

Retirement benefits

The group provides retirement benefits to its full-time employees, primarily by means of monthly contributions to a number of defined contribution pension and provident funds. The assets of these funds are generally held in separate trustee administered funds. The group's contributions to retirement funds are recognised as an expense in the period in which employees render the related service.

Medical aid benefits

The group's contributions to medical aid benefit funds for employees are recognised as an expense in the period in which the employees render services to the group.

Post-employment benefits

Some group companies provide post-employment benefits to their retirees. The entitlement to post-employment healthcare benefits is subject to the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the minimum service period. Independent actuaries carry out annual valuations of these obligations. All remeasurements resulting from experience adjustments and changes in actuarial assumptions are recognised immediately in other comprehensive income. These obligations are unfunded.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(o) Employee benefits (continued)

Termination benefits

The group recognises termination benefits when it is demonstrably committed to either terminate the employment of employees before the normal retirement date, or provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Where termination benefits fall due more than 12 months after the reporting period, they are discounted. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Termination benefits are immediately recognised as an expense in the income statement.

(p) Equity compensation benefits

The group grants share options, share appreciation rights (SARs) and restricted stock units (RSUs) to its employees under a number of equity compensation plans. The group recognises an employee benefit expense in the income statement, representing the fair value of share options, SARs and RSUs granted. A corresponding credit to equity is raised for equity-settled plans, whereas a corresponding credit to liabilities is raised for cash-settled plans. The fair value of the options, SARs and RSUs at the date of grant under equity-settled plans is charged to the income statement over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. For cash-settled plans, the group remeasures the fair value of the recognised liability at each reporting date and at the date of settlement, with any changes in fair value recognised in the income statement.

A share option, SAR or RSU scheme is considered equity-settled when the transaction is settled through the issue of equity instruments of Prosus N.V. or its subsidiaries or where the group has no obligation to settle awards with participants. They are considered cash-settled when they are settled in cash or any other asset.

On the final vesting date of equity-settled plans, the group transfers the accumulated balance relating to vested share options, SARs and RSUs from the share-based compensation reserve to retained earnings

(q) Disposal groups held for sale and discontinued operations

Non-current assets and liabilities (disposal groups) are classified as held for sale, and presented as current assets and liabilities in the statement of financial position, when their carrying values will be recovered principally through a sale transaction and when such sale is considered highly probable. The assets and liabilities of disposal groups held for sale are stated at the lower of carrying value and fair value less costs of disposal. From the date on which disposal groups are classified as held for sale, the group applies the measurement provisions of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* which includes, amongst other requirements, the cessation of the recognition of depreciation and amortisation.

Discontinued operations comprise those activities of the group that were disposed of during a reporting period or which were classified as held for sale at the end of the period, and represent a separate major line of business or geographical area that can be clearly distinguished for operational and financial reporting purposes. Where disposal groups are classified as held for distribution and qualify for presentation as discontinued operations, the group presents those disposal groups as discontinued operations only after the distribution has been completed.

(r) Accounting developments

The IASB issued a number of standards, amendments to standards and interpretations during the year ended 31 March 2019.

(i) The following accounting standards have been adopted by the group and are applicable for the first time during the year ended 31 March 2019. The impact of adopting these new pronouncements is outlined below. Various other accounting pronouncements were effective for the first time during the current year but had no impact on the combined carve-out financial statements.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(r) Accounting developments (continued)

Standard/Interpretation	Title
IFRS 9[1]	*Financial Instruments*
IFRS 15[2]	*Revenue from Contracts with Customers*

[1] IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* (IFRS 9) replaced IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39). The group has applied IFRS 9 from 1 April 2018 and elected not to restate comparatives on transition, with the impact of adoption recognised as an adjustment to the opening balance of retained earnings as at 1 April 2018. The initial application of IFRS 9 did not have a significant impact on the group's existing impairment allowances on amortised cost financial assets (including trade and other receivables).

The group recognised an increase in the net parent investment of US$838m, as a transfer of US$838m from other reserves, relating to the impact of IFRS 9 on its associate, Tencent Holdings Limited. The impact relates to gains on investments classified as available-for-sale financial assets in terms of IAS 39 that are now accounted for as financial assets at fair value through profit or loss in terms of IFRS 9. Refer to the statement of changes in equity for the adjustment recorded on transition to IFRS 9.

Classification and measurement

In terms of IAS 39, the group previously classified equity investments as available-for-sale investments (refer to note 9) with changes in fair value recognised in other comprehensive income. On disposal or impairment, cumulative fair value changes recognised in other comprehensive income are reclassified to the income statement. Furthermore, certain available-for-sale investments were measured at cost as their fair value could not be measured with sufficient reliability.

IFRS 9 classifies these investments as financial assets at fair value through other comprehensive income and does not permit the reclassification of cumulative fair value changes to the income statement on disposal or impairment. Further, IFRS 9 no longer permits cost measurement where fair value cannot be measured with sufficient reliability. These investments are, however, not significant to the combined annual financial statements and their remeasurement to fair value on transition to IFRS 9 was insignificant. The group, following the adoption of IFRS 9, accordingly no longer reclassifies cumulative fair value changes on these investments to the income statement but rather transfers such cumulative changes to retained earnings on disposal of an investment.

The following table bridges the original measurement categories of financial instruments in terms of IAS 39 to the new measurement in terms of IFRS 9 as at 1 April 2018:

Financial instrument	New IFRS 9 classification[1]	Previous IAS 39 classification
Investments at fair value through other comprehensive income[2][3]	Financial assets at fair value through other comprehensive income	Available-for-sale investments
Investments in convertible notes of associates[3]	Financial assets at fair value through profit or loss	Financial assets at amortised cost
Loans and receivables (including related party and other receivables)	Financial assets at amortised cost	Financial assets at amortised cost
Derivative financial assets and liabilities	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities held for trading
Trade receivables	Financial assets at amortised cost	Financial assets at amortised cost
Cash and cash equivalents	Financial assets at amortised cost	Financial assets at amortised cost
Other financial liabilities	Financial liabilities at amortised cost	Financial liabilities at amortised cost

(1) The initial application of IFRS 9 did not have an impact on the measurement of the group's financial instruments.

(2) The group has irrevocably designated these investments as measured at fair value through other comprehensive income.

(3) These financial instruments are included as part of "Investments and loans" in the statement of financial position.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(r) Accounting developments (continued)

Impairment

In general, the IFRS 9 impairment model increases existing impairment allowances (refer to note 12) and introduces a forward-looking impairment model, based on expected credit losses. This replaces the incurred loss model in terms of IAS 39. In terms of IFRS 9, the group's impairment methodology now takes forward-looking information, that has been demonstrated to be predictive of credit losses, into consideration.

Hedge accounting

IFRS 9 did not have a significant impact on the group's hedge accounting practices and accordingly previously applied hedging practices continued unaffected. Refer to note 36.

(2) IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 *Revenue from Contracts with Customers* (IFRS 15) replaced IAS 18 *Revenue*. The group adopted IFRS 15 from 1 April 2018 on a retrospective basis and IFRS 15 has accordingly been applied to all periods presented in the combined carve-out financial statements. Apart from providing additional and more detailed disclosure around revenue recognition, IFRS 15 did not have a significant impact on the group's existing revenue recognition practices and combined annual financial statements.

(ii) The following new standards, interpretations and amendments to existing standards, that are considered relevant to the group, are not yet effective as at 31 March 2019. The group is currently evaluating the effects of these standards and interpretations, which have not been early adopted:

Standard/Interpretation	Title	Effective for year ending
IFRS 3	*Definition of a business*	March 2020
IFRS 10/IAS 28.....	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined by the IASB
IFRS 16(1)	*Leases*	March 2020

(1) IFRS 16 *Leases*

IFRS 16 *Leases* (IFRS 16) replaces IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement contains a Lease*. IFRS 16 contains principles for the recognition, measurement, presentation and disclosure of leases. In terms of IFRS 16, the group will recognise all leases (with limited exceptions) as right-of-use assets and obligations to make lease payments in the statement of financial position.

The group will apply IFRS 16 for the first time during the year ending 31 March 2020 and is currently finalising its transition. The impact of IFRS 16 largely relates to the recognition of existing operating lease commitments (refer to note 21 for these commitments as at 31 March 2019) as right-of-use assets and obligations to make lease payments in the statement of financial position. At 31 March 2019 these operating lease commitments amounted to US$181.3m on an undiscounted basis. In accordance with IFRS 16, the group will, however, not recognise operating lease commitments as right-of-use assets and obligations to make lease payments in the statement of financial position to the extent that they relate to short-term leases, leases of low-value assets or leases committed to for which the lease terms has not yet commenced.

On 1 April 2019, the date of transition to IFRS 16, the group expects to recognise right-of-use assets and obligations to make lease payments of between US$170m and US$200m, respectively. The majority of the impact of IFRS 16 relates to leases within the group's classifieds and etail segments and relate to the group's right to use various underlying assets including, significantly, office and warehouse space.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(r) Accounting developments (continued)

(1) IFRS 16 *Leases* (continued)

The group will apply IFRS 16 on a prospective basis with effect from 1 April 2019 and intends on applying the following practical expedients as permitted by the transitional provisions of IFRS 16:

- the group will not reassess whether a contract contains a lease and accordingly the previous classification in terms of IAS 17 and IFRIC 4 will be retained (therefore the accounting for contracts not previously identified as leases will be sustained);
- operating leases of which the underlying assets are of low value will not be recognised as right-of-use assets and obligations to make lease payments in the statement of financial position—the existing accounting for these leases will be sustained (i.e. lease payments expensed on a straight-line basis);
- where appropriate, the group will apply a single incremental borrowing rate to a portfolio of leases with reasonably similar characteristics;
- the group will rely on its existing onerous lease contract assessments as an alternative to performing impairment reviews on right-of-use assets as at 1 April with any existing provisions for onerous leases recognised as an adjustment to the relevant right-of-use assets on 1 April 2019;
- the lease terms of contracts ending within 12 months of 1 April 2019 will continue to be accounted for in terms of IAS 17 (i.e. lease payments expensed on a straight-line basis);
- the group will exclude any initial direct costs from the measurement of right-of-use assets as at 1 April 2019;
- the group will apply hindsight when determining the lease term for contracts containing extension and termination options.

Other new standards, interpretations and amendments to existing standards not yet effective

None of the other new standards, interpretations and amendments to existing standards that are not yet effective as at 31 March 2019 are expected to have a significant impact on the group.

2. SIGNIFICANT ACQUISITIONS AND DIVESTITURES

Financial year ended 31 March 2019

In August 2018 the group invested US$60m for a 100% effective and fully diluted interest in the issued share capital of Zooz Mobile Limited (Zooz), a management and optimisation payment provider based in Israel. The transaction was accounted for as a business combination with an effective date of August 2018. The purchase price allocation: cash and deposits US$2m; trade and other receivables US$1m; intangible assets US$22m; trade and other payables US$1m; loan liabilities US$1m; deferred tax liability US$5m and the balance of US$42m to goodwill. The main intangible assets recognised in the business combination were technology and customer relationships.

In December 2018 the group invested US$36m for a 69% effective interest (65% fully diluted) in the issued share capital of Aasaanjobs Private Limited (Aasaanjobs), an online recruitment marketplace based in India. The transaction was accounted for as a business combination with an effective date of December 2018. The purchase price allocation: cash and deposits US$23m; trade and other receivables US$1m; intangible assets US$5m; trade and other payables US$3m; deferred tax liability US$2m and the balance of US$13m to goodwill. The main intangible assets recognised in the business combination were customer relationships and tradenames.

Since the acquisition dates of the above business combinations, revenue of US$1m and net losses of US$9m have been included in the income statement. Had the revenue and net losses of the above business combinations been included from 1 April 2018 group revenue from continuing operations and net profit from continuing operations would have amounted to US$2.66bn and US$4.24bn respectively.

The main factor contributing to the goodwill recognised in these acquisitions was the acquirees' market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US$2m were recorded in "(Losses)/gains on acquisitions and disposals" in the income statement regarding the above-mentioned acquisitions.

In April 2018 the group acquired the share capital held by non-controlling shareholders of its subsidiary Dubizzle Limited (Dubizzle) for US$190m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Dubizzle and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective and fully diluted interest in Dubizzle.

In August 2018 the group's subsidiary Letgo Global B.V. (previously named Ambatana Holdings B.V.) acquired the share capital held by non-controlling shareholders of Letgo USA B.V. for US$189m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in the business and the derecognition of the related non-controlling interest. Following a US$150m funding round in June 2018, the group's shareholding in Letgo Global B.V. increased from an effective 73.4% at 31 March 2018 to 80% (77% fully diluted) at 31 March 2019.

In January 2019, the group acquired the share capital held by non-controlling shareholders of its subsidiary Avito AB (Avito) for US$1.16bn. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Avito and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective interest (99.5% fully diluted) in Avito.

In March 2019, the group acquired an additional interest in its subsidiary Silver Indonesia JVCo B.V. (Silver Indonesia) from non-controlling shareholders for US$46m. Following the acquisition, the group holds a 66% effective interest in Silver Indonesia.

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

In May 2018 the group invested US$35m for a 16% effective interest (15% fully diluted) in Honor Technology, Inc. (Honor) a comprehensive home-care company for older adults in the US. The group accounts for its interest as an investment in an associate.

In May 2018 the group invested US$89m in Frontier Car Group, Inc. (Frontier Car Group), an online car marketplace headquartered in Berlin and currently operating in eight countries, for a 36% effective (35% fully diluted) shareholding. The group accounts for its interest as an investment in an associate. The group also entered into a collaboration with FCG in India during February 2019 through an investment of US$25m in the group's subsidiary India Used Car Group B.V.

2. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (CONTINUED)

Financial year ended 31 March 2019 (continued)

In July 2018 the group invested an additional US$12m in PaySense Private Limited (PaySense), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. Following this investment, the group holds a 19% effective interest (17% fully diluted) in PaySense. The group now accounts for its interest in PaySense as an investment in an associate.

The group invested an additional US$79m in Bundl Technologies Private Limited (Swiggy), a leading online food-ordering and delivery platform in India, during July 2018, followed by a further investment of US$637m in January 2019. Following these investments, the group holds a 39% effective interest (35% fully diluted) in Swiggy. The group continues to account for its interest as an investment in an associate.

In December 2018 the group invested US$383m in Think & Learn Private Limited (BYJU's) for a 12% effective (12% fully diluted) shareholding in India's largest education company and the creator of India's largest personalised learning app. The group accounts for its interest as an investment in an associate.

The following relates to significant disposals by the group during the reporting period:

During May 2018 the group announced the disposal of its 12% effective interest (11% fully diluted) in Flipkart Limited—its equity-accounted etail investment in India—to US-based retailer Wal-Mart International Holdings, Inc. for US$2.2bn (inclusive of applicable withholding taxes and amounts held in escrow). Amounts held in escrow following the disposal have been included as part of "Other receivables" in the statement of financial position. The transaction was concluded in August 2018 following regulatory approval. A gain on disposal of US$1.6bn has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement. This gain includes the reclassification of a foreign currency translation reserve of US$97m to the income statement. Related income tax expenses of US$177m have been included as part of "Taxation" in the income statement.

In September 2018 the group concluded the sale of its 52% interest in Tek Travels Private Limited, its online B2B travel distribution business, for US$37m. A gain on disposal of US$6m has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement.

Financial year ended 31 March 2018

In November 2017 the group invested US$41m to acquire a 100% effective interest in The Car Trader Proprietary Limited (AutoTrader), an online automobile classifieds vertical in South Africa. The transaction was accounted for as a business combination with an effective date of November 2017. The total purchase consideration amounted to US$41m. The purchase price allocation: property, plant and equipment US$1m; cash and deposits US$3m; trade and other receivables US$1m; intangible assets US$27m; trade and other payables US$4m; loan liabilities US$14m; deferred tax liabilities US$8m and the balance of US$35m to goodwill. The main classes of intangible assets recognised in the business combination were brands, customer relationships and technology.

Since the acquisition date of the above business combination, revenue of US$7m has been included in the income statement relating to AutoTrader. AutoTrader did not contribute significantly to group net profit. Had the revenue and net results of AutoTrader been included from 1 April 2017, group revenue and net profit would have amounted to US$2.32bn and US$11.41bn, respectively.

The main factor contributing to the goodwill recognised in the acquisition is the acquiree's market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US$2m were recorded in "Gains on acquisitions and disposals" in the income statement regarding the above-mentioned acquisition.

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

The group made various investments in Delivery Hero AG (Delivery Hero), a global online food-ordering and delivery marketplace, during the year. In May 2017 the group acquired its initial interest in Delivery Hero through an investment of US$426m. On 30 June 2017, Delivery Hero successfully completed an initial public offering of its shares, a process during which the group invested a further US$47m. Following these investments, the group held an 11% effective interest (10% fully diluted) in Delivery Hero. In December 2017 the group invested an additional US$47m as part of a private placement in order to maintain its relative shareholding. During March 2018, following the receipt of regulatory approval, the group acquired Rocket Internet SE's interest in Delivery Hero for US$778m. The group's aggregate

2. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (CONTINUED)

Financial year ended 31 March 2018 (continued)

investment in Delivery Hero therefore amounts to US$1.30bn over the reporting period. Following the acquisition from Rocket Internet SE, the group holds a 23% effective interest (22% fully diluted) in Delivery Hero. The group accounts for its interest in Delivery Hero as an investment in an associate.

The group made two investments during June 2017 and February 2018 amounting to US$121m in total, in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food-delivery marketplace in India. Following these investments, the group holds a 22% effective interest (21% fully diluted) in Swiggy. The group accounts for its interest in Swiggy as an investment in an associate.

In May 2017 the group invested US$99m in Kreditech Holding SSL GmbH (Kreditech), a provider of consumer lending and financial services. The group has also provided convertible loan funding of €20m to Kreditech. Following the investment, the group holds a 38% effective interest (31% fully diluted) in Kreditech. The group accounts for its interest in Kreditech as an investment in an associate.

During May 2017 the group invested US$132m in its associate MakeMyTrip Limited (MakeMyTrip) as part of a funding round. In August and September 2017, following MakeMyTrip's issue of share options to its employees, the group invested US$23m to maintain its relative shareholding. Following these transactions, the group holds a 43% effective interest (40% fully diluted) in MakeMyTrip.

The group invested US$71m for an additional interest in its associate Flipkart Limited (Flipkart) in April 2017. The additional interest was acquired from existing shareholders of Flipkart. Flipkart undertook various funding rounds during the year in which the group did not participate. These funding rounds resulted in a dilution of the group's interest in Flipkart and in the recognition of an aggregate net dilution gain of US$252m in "Dilution gains/(losses) on equity-accounted investments" in the income statement. Following the dilutions, the group holds a 12% effective interest (11% fully diluted) in Flipkart.

In November 2017 the group invested US$100m in Remitly, Inc. (Remitly), a global digital money-transfer service. The investment resulted in the group acquiring a 23% effective interest (20% fully diluted) in Remitly. The group accounts for its interest in Remitly as an investment in an associate.

The following relates to significant disposals by the group during the reporting period:

During May 2017 the group disposed of its investment in its joint venture Souq Group Limited for a consideration of US$173m. A gain on disposal of US$89m has been recognised in "(Losses)/gains on acquisitions and disposals" in the income statement following the transaction.

During February 2018 the group disposed of its investment in its joint venture Konga Online Shopping Limited. A loss on disposal of US$38m, representing the reclassification of the group's foreign currency translation reserve from other comprehensive income to the income statement, has been recognised in "(Losses)/gains on acquisitions and disposals".

In March 2018 the group disposed of approximately 6% of its interest in its associate, Tencent Holdings Limited (Tencent). The disposal was executed by way of an accelerated offering by private placement on the Hong Kong Stock Exchange for a cash consideration of US$9.76bn. The disposal reduced the group's shareholding from 33.17% to 31.17%. A dilution gain of US$9.10bn has been recognised in "Dilution gains/(losses) on equity-accounted investments" following the transaction, resulting in a cumulative net dilution gain of US$8.98bn for the year on the group's investment in Tencent.

Financial year ended 31 March 2017

In November 2016 the group acquired a 100% interest in Citrus Pay, a leading Indian payments technology player, to expand the payments and fintech business's Indian footprint. Citrus Pay forms part of the Indian operations of PayU, the group's global online payment service provider. The transaction was accounted for as a business combination. The total purchase consideration amounted to US$112m. In addition, an employment-linked prepayment of US$18m was recognised as a transaction separate from the business combination. This amount will be expensed in the income statement over the service period. The purchase price allocation: net debt US$1m; net working capital US$2m; intangible assets US$15m; deferred tax liability of US$5m and the balance of US$105m to goodwill. The main classes of intangible assets recognised in the business combination were trademarks, customer bases and technology.

2. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (CONTINUED)

Financial year ended 31 March 2017 (continued)

As part of its strategy to consolidate the growing US online classifieds market, the US operations of Wallapop S.L. (Wallapop) were absorbed into the group's letgo business during July 2016. As consideration for the contribution of Wallapop's business and cash of US$45m, Wallapop was issued with a 45% interest in a newly formed entity in the US, with the group holding the remaining 55% interest. The transaction was accounted for as a business combination. The total deemed purchase consideration amounted to US$126m, representing the fair value of the equity interest issue to Wallapop. Given the early-stage nature of the business model, the transaction gave rise to the recognition of goodwill of US$126m. A non-controlling interest of US$45m was recognised following the business combination.

The main factor contributing to the goodwill recognised in these acquisitions is the acquiree's market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US$2m were recorded in "Gains on acquisitions and disposals" in the income statement regarding the above acquisitions.

Since the acquisition dates of the above transactions, revenue of US$8m and net losses of US$182m have been included in the income statement relating to the acquired businesses. Had the revenue and net results of the acquired businesses been included from 1 April 2016, group revenue and net profit would have amounted to US$1.84bn and US$2.32bn respectively.

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

The group made its first investment targeting the education technology market by investing US$13m (23.6% fully diluted interest) in Brainly (May 2016), a social learning network. The group also invested US$70m (10.6% fully diluted interest) in Udemy (June and October 2016), an online education marketplace with over 7 million students enrolled, and US$22m (19.2% fully diluted interest) in Codecademy (June 2016), a leading global platform focused on online coding education. The group accounts for these interests as investments in associates.

In January 2017 the group merged its Indian online travel business, ibibo, with Nasdaq-listed MakeMyTrip Limited, in exchange for a 40% fully-diluted interest in MakeMyTrip Limited. A gain on disposal of US$228m was recognised in "Gains on acquisitions and disposals" in the income statement following the transaction. The group accounts for its interest as an investment in an associate.

The following relates to significant disposals by the group during the reporting period:

In May 2016 the group disposed of its Czech online comparison-shopping platform Heureka for a cash consideration of US$67m, following the receipt of regulatory approval. A gain on disposal of US$61m was recognised in "Gains on acquisitions and disposals" in the income statement following the transaction.

During July 2016 the group disposed of its Czech online retail and ecommerce platform Netretail for a cash consideration of US$102m. A loss on disposal of US$28m has been recognised in "Gains on acquisitions and disposals" in the income statement.

During January 2017, following the receipt of regulatory approval, the group concluded the disposal of Allegro.pl and Ceneo.pl, the leading online marketplace and price comparison businesses in Poland for net proceeds of US$3.21bn. A gain on disposal of US$1.94bn was recognised in "Gains on acquisitions and disposals" in the income statement following the transaction (refer to note 28 for additional information).

Investments acquired and funding rounds participated in were funded through the utilisation of existing credit facilities and proceeds received from disposals during the reporting period.

3. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings US$'m	Computer and office equipment US$'m	Furniture and fittings US$'m	Other US$'m	Total US$'m
1 April 2018					
Cost	**49**	**33**	**42**	**5**	**129**
Accumulated depreciation and impairment	**(13)**	**(14)**	**(16)**	**(2)**	**(45)**
Carrying value at 1 April 2018	**36**	**19**	**26**	**3**	**84**
Foreign currency translation effects	**(8)**	**(3)**	**(4)**	**—**	**(15)**
Acquisitions of subsidiaries and businesses	**—**	**1**	**1**	**1**	**3**
Acquisitions	**57**	**23**	**14**	**1**	**95**
Disposals/scrappings	**—**	**(2)**	**(1)**	**(1)**	**(4)**
Depreciation	**(7)**	**(11)**	**(6)**	**(1)**	**(25)**
31 March 2019					
Cost	**96**	**53**	**49**	**4**	**202**
Accumulated depreciation and impairment	**(18)**	**(26)**	**(19)**	**(1)**	**(64)**
Carrying value at 31 March 2019	**78**	**27**	**30**	**3**	**138**
Work in progress at 31 March 2019					**5**
Total carrying value at 31 March 2019					**143**

	Land and buildings US$'m	Computers and office equipment US$'m	Furniture and fittings US$'m	Other US$'m	Total US$'m
1 April 2017					
Cost	24	28	26	2	80
Accumulated depreciation and impairment	(7)	(8)	(11)	(1)	(27)
Carrying value at 1 April 2017	17	20	15	1	53
Foreign currency translation effects	—	—	1	—	1
Reclassifications	1	—	(1)	—	—
Acquisitions	24	12	18	3	57
Disposals/scrappings	(1)	(1)	(1)	—	(3)
Depreciation	(5)	(12)	(6)	(1)	(24)
31 March 2018					
Cost	49	33	42	5	129
Accumulated depreciation and impairment	(13)	(14)	(16)	(2)	(45)
Carrying value at 31 March 2018	36	19	26	3	84
Work in progress at 31 March 2018					12
Total carrying value at 31 March 2018					96

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings US$'m	Computers and office equipment US$'m	Furniture and fittings US$'m	Other US$'m	Total US$'m
1 April 2016					
Cost	14	63	19	2	98
Accumulated depreciation and impairment	(4)	(31)	(8)	(1)	(44)
Carrying value at 1 April 2016	10	32	11	1	54
Foreign currency translation effects	2	(1)	—	2	3
Acquisitions of subsidiaries and businesses	—	1	—	—	1
Disposals of subsidiaries and businesses	(2)	(15)	(1)	(1)	(19)
Acquisitions	11	19	12	—	42
Disposals/scrappings	(1)	—	(1)	(1)	(3)
Depreciation[(1)]	(3)	(16)	(6)	—	(25)
31 March 2018					
Cost	24	28	26	2	80
Accumulated depreciation and impairment	(7)	(8)	(11)	(1)	(27)
Carrying value at 31 March 2017	17	20	15	1	53
Work in progress at 31 March 2017					2
Total carrying value at 31 March 2017					55

(1) Includes depreciation of US$5.2m associated with discontinued operations (refer to note 28).

The carrying value of work in progress mainly comprises buildings and equipment.

The carrying values of assets capitalised under finance leases are as follows:

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Buildings	**1**	2	2
Computers, furniture and office equipment	**9**	4	1
	10	6	3

Included in the acquisition of property, plant and equipment is an amount of US$0.5m (2018: US$8.5m and 2017: US$nil) relating to leased assets, which are non-cash in nature. Refer to note 21 for details of the group's assets pledged as collateral.

4. GOODWILL

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Cost			
Opening balance	**2 448**	2 415	2 797
Foreign currency translation effects	**(262)**	(10)	198
Acquisitions of subsidiaries and businesses	**105**	43	241
Disposals of subsidiaries and businesses	**(9)**	—	(821)
Transferred to assets classified as held for sale	**(13)**	—	—
Closing balance	**2 269**	2 448	2 415
Accumulated impairment			
Opening balance	**267**	268	280
Foreign currency translation effects	**(38)**	(1)	18
Impairment	**6**	—	5
Disposals of subsidiaries and businesses	**(1)**	—	(35)
Closing balance	**234**	267	268
Carrying value	**2 035**	2 181	2 147

The group recognised impairment losses on goodwill of US$6.0m (2018: US$nil and 2017: US$5.2m) related to various smaller ecommerce investments.

Management used 10-year projected cash flow models, terminal growth rates ranging between 1.5% and 5% and discount rates ranging between 12% and 23.5% in performing the impairment tests. The group uses 10-year projected cash flow models as many businesses have monetisation timelines longer than five years as further explained below.

Impairment testing of goodwill

The group has allocated goodwill to various cash-generating units. The recoverable amounts of these cash-generating units have been determined based on value in use calculations. Value in use is based on discounted cash flow calculations. The group based its cash flow calculations on three-to-ten year budgeted and forecast information approved by senior management and/or the various boards of directors of group companies. Long-term average growth rates for the respective countries in which the entities operate or, where more appropriate, the growth rate of the cash-generating units, were used to extrapolate cash flows into the future. The discount rates used reflect specific risks relating to the relevant cash-generating units and the countries in which they operate while maximising the use of market observable data. Other assumptions included in cash flow projections vary widely between cash-generating units due to the group's diverse range of business models, and are closely linked to entity-specific key performance indicators.

The group's impairment testing of goodwill takes into account that, in most instances, longer forecast periods are required for many ecommerce businesses. These longer forecast periods are required as the group's ecommerce businesses generally only reach maturity once sufficient market share has been gained, the businesses have reached the appropriate scale and have become revenue generative/profitable. Key assumptions in estimating these future cash flows over the forecast period include the cash generating unit's ability to capture the required market share and the additional investment required in order for it to reach the appropriate scale.

As a result of the group using longer-term cash flow forecasts, appropriate risk adjustments are made to the discount rates used (generally being the weighted average cost of capital) when calculating the value in use of cash generating units.

Where the group has committed to the sale of a cash generating unit or has determined that an impairment loss should be recognised on a cash generating unit based on its value in use, the group also calculates that cash generating unit's fair value less costs of disposal to ensure that the recognition of an impairment loss is appropriate.

Post-tax discount rates have been applied as value in use was determined using post-tax cash flows. Impairment testing is performed using the appropriate local currency cash flows, and accordingly, discount rates take into account country risk premiums and inflation differentials as appropriate.

The calculation of value in use is most sensitive to the following assumptions:

4. GOODWILL (CONTINUED)

- revenue and EBITDA growth rates;
- growth rates used to extrapolate cash flows beyond the budget/forecast period (the terminal growth rate), including the terminal growth rate applied in the final projection year; and
- discount rates.

When determining cash flows over the forecast periods, EBITDA margin assumptions vary between the group's diverse range of businesses.

The group's classifieds segment accounts for over 85% of the overall balance of goodwill and, accordingly, assumptions made in determining the cash flows of the classifieds cash generating units have a significant impact on the annual impairment assessment. Key assumptions underlying revenue forecasts for cash generating units in the classifieds segment include the cash generating unit's anticipated market share, the number of listings expected over the forecast period and the revenue and EBITDA contribution of each such listing. EBITDA margins assumed range between 30% and 60%, depending on the stage of maturity of the relevant business. Terminal growth rates and discount rates used in performing impairment tests are detailed in the table below.

If either the pre- or post-tax discount rate applied to cash flows were to increase by 5% or the growth rate used to extrapolate cash flows were to decrease by 5%, or if both the discount rate and the growth rate were to increase and decrease by 5% respectively, there would be no further significant impairments that would have to be recognised.

The group allocated goodwill to the following groups of cash-generating units:

			Pre-tax discount rates at 31 March			Post-tax discount rate applied to cash flows at 31 March			Growth rate used to extrapolate cash flows at 31 March		
	Carrying value of goodwill 31 March 2019 US$'m	Basis of determination of recoverable amount	2019 %	2018 %	2017 %	2019 %	2018 %	2017 %	2019 %	2018 %	2017 %
Groups of cash-generating units											
Avito AB	1 262	Value in use	17.3	17.1	17.6	15.0	15.0	14.0	5.0	5.0	5.0
Letgo Global B.V. (previously Ambatana Holdings B.V.)[1][2]	200	Value in use	20.0	16.3		17.5	14.0		5.0	3.0	
PayU Payments Private Limited (previously Citrus Payment Solutions Private Limited)[1]	98	Value in use	16.6	13.0		14.0	11.0		4.0	4.0	
OLX B.V.	77	Value in use	15.4	11.5	18.5	13.5	12.0	16.0	5.0	3.0	3.0
Dubizzle Limited (BVI)	75	Value in use	15.9	13.0	14.0	15.5	13.0	14.0	4.0	4.0	4.0
Movile Internet Movel S.A.	69	Value in use	23.5	17.3	23.6	18.0	14.0	18.0	5.0	5.0	5.0
Silver Indonesia JVCo B.V. (OLX Indonesia)	59	Value in use	19.3	13.8	17.0	17.0	12.0	17.0	4.0	4.0	4.0
Dante International S.A. (eMAG)	48	Value in use	17.3	14.0	15.2	16.0	13.0	14.0	3.0	4.0	3.0
Zooz Mobile Limited[1]	40	Value in use	13.1			12.0			4.0		
The Car Trader Proprietary Limited (AutoTrader)[1]	29	Value in use	26.5			21.0			4.0		
OLX Portugal S.A.	22	Value in use	17.5	14.2	17.9	16.0	12.0	15.0	1.5	1.5	1.5
Aasaanjobs Private Limited[1]	14										
Various other units	42	Value in use	Various	Various	Various	Various	Various	Various	Various	Various	Various
	2 035										

(1) This cash-generating unit includes goodwill from acquisitions that were made during the current year or a prior year. Based on the value of the recent transaction and the associated cash flows, no impairment was noted.

(2) In 2017, due to the start-up nature of this busines, the goodwill recognised was supported based on transaction values observed in recent funding rounds as well as an assessment of various key performance indicators specific to the business.

5. OTHER INTANGIBLE ASSETS

	Intellectual property rights and patents US$'m	Customer related assets US$'m	Brand names and title rights US$'m	Software US$'m	Total US$'m
1 April 2018					
Cost	**11**	**606**	**722**	**65**	**1 404**
Accumulated amortisation and impairment	**(4)**	**(151)**	**(253)**	**(40)**	**(448)**
Carrying value at 1 April 2018	**7**	**455**	**469**	**25**	**956**
Foreign currency translation effects	**—**	**(66)**	**(62)**	**(5)**	**(133)**
Acquisitions of subsidiaries and businesses	**1**	**23**	**8**	**26**	**58**
Disposals of subsidiaries and businesses	**(3)**	**—**	**(1)**	**—**	**(4)**
Acquisitions	**—**	**4**	**—**	**6**	**10**
Impairment	**(1)**	**—**	**—**	**—**	**(1)**
Amortisation	**(2)**	**(36)**	**(40)**	**(16)**	**(94)**
31 March 2019					
Cost	**2**	**552**	**636**	**82**	**1 272**
Accumulated amortisation and impairment	**—**	**(172)**	**(262)**	**(46)**	**(480)**
Carrying value at 31 March 2019	**2**	**380**	**374**	**36**	**792**
Work in progress at 31 March 2019					**2**
Total carrying value at 31 March 2019					**794**

	Intellectual property rights and patents US$'m	Customer related assets US$'m	Brand names and title rights US$'m	Software US$'m	Total US$'m
1 April 2017					
Cost	9	596	716	56	1 377
Accumulated amortisation and impairment	(1)	(115)	(199)	(25)	(340)
Carrying value at 1 April 2017	8	481	517	31	1 037
Foreign currency translation effects	1	(6)	(7)	—	(12)
Reclassifications	3	—	(3)	—	—
Acquisitions of subsidiaries and businesses	—	15	8	3	26
Acquisitions	1	1	1	6	9
Disposals	—	—	(2)	(1)	(3)
Impairment	(4)	—	—	—	(4)
Amortisation	(2)	(36)	(45)	(14)	(97)
31 March 2018					
Cost	11	606	722	65	1 404
Accumulated amortisation and impairment	(4)	(151)	(253)	(40)	(448)
Carrying value at 31 March 2018	7	455	469	25	956
Work in progress at 31 March 2018					2
Total carrying value at 31 March 2018					958

5. OTHER INTANGIBLE ASSETS (CONTINUED)

	Intellectual property rights and patents US$'m	Customer related assets US$'m	Brand names and title rights US$'m	Software US$'m	Total US$'m
1 April 2016					
Cost	9	690	799	74	1 572
Accumulated amortisation and impairment	(1)	(239)	(233)	(38)	(511)
Carrying value at 1 April 2016	8	451	566	36	1 061
Foreign currency translation effects	3	74	79	2	158
Reclassifications	—	1	—	(1)	—
Acquisitions of subsidiaries and businesses	—	12	3	1	16
Disposals of subsidiaries and businesses	—	(18)	(59)	(6)	(83)
Acquisitions	—	2	1	14	17
Disposals	—	—	—	(2)	(2)
Impairment	(2)	(4)	(18)	—	(24)
Amortisation[(1)]	(1)	(37)	(55)	(13)	(106)
31 March 2017					
Cost	9	596	716	56	1 377
Accumulated amortisation and impairment	(1)	(115)	(199)	(25)	(340)
Carrying value at 31 March 2017	8	481	517	31	1 037
Work in progress at 31 March 2017					1
Total carrying value at 31 March 2017					1 038

(1) Includes amortisation of US$2.3m associated with discontinued operations (refer to note 28).

The group recognised impairment losses on other intangible assets of US$0.6m (2018: US$4.2m and 2017: US$24.2m). The recoverable amounts of the intangible assets impaired amounted to US$nil (2018: US$nil and 2017: US$nil). The intangible assets impaired were written off in full as no future cash inflows were associated with them.

The impairment losses have been included in "Other (losses)/gains—net" in the income statement, of which US$0.6m (2018: US$4.2m and 2017: US$nil) has been included in the classifieds segment and US$nil (2018: US$nil and 2017: US$22.5m) in the etail segment.

6. SIGNIFICANT SUBSIDIARIES

The following information relates to the group's interest in its significant subsidiaries:

Name of subsidiary	Effective percentage interest[1] 2019 %	2018 %	2017 %	Nature of business	Country of incorporation	Functional currency
Unlisted companies						
Corporate companies						
MIH Ming He Holdings Limited	**100.0**	100.0	100.0	Investment holding	Hong Kong	US$
MIH B2C Holdings B.V.	**100.0**	100.0	100.0	Investment holding	The Netherlands	US$
Classifieds						
Avito AB[2]	**100.0**	71.2	70.5	Classifieds	Sweden	SEK
Letgo Global B.V. (previously Ambatana Holdings B.V.)[2]	**79.9**	73.4	69.7	Classifieds	The Netherlands	US$
Letgo USA B.V.	**79.9**	47.2	41.6	Classifieds	The Netherlands	US$
OLX B.V.	**100.0**	100.0	99.9	Classifieds	The Netherlands	US$
OLX Portugal S.A.	**100.0**	100.0	99.9	Classifieds	Portugal	EUR
Silver Indonesia JVCo B.V. (OLX Indonesia)[4]	**65.8**	40.5	40.5	Classifieds	The Netherlands	EUR
Netrepreneur Connections Enterprises Inc. (Sulit)[3]	**100.0**	100.0	91.6	Classifieds	Philippines	PHP
Dubizzle Limited (BVI)[4]	**100.0**	51.8	53.7	Classifieds	UAE	AED
The Car Trader Proprietary Limited (AutoTrader)	**100.0**	100.0	—	Classifieds	South Africa	ZAR
Aasaanjobs Private Limited[4]	**68.6**	—	—	Classifieds	India	INR
Etail and travel						
Dante International S.A. (eMAG)	**80.1**	79.3	77.1	Retail and ecommerce	Romania	RON
Tek Travel Private Limited (Travel Boutiques Online)[5]	**—**	47.3	47.3	Online travel portal	India	INR
Payments and fintech						
PayU Global B.V.	**98.8**	97.6	97.6	Payments platform	The Netherlands	US$
PayU Payments Private Limited[6]	**98.8**	97.6	97.6	Payments platform	India	INR
Zooz Mobile Limited[4]	**98.8**	—	—	Payments platform	Israel	US$

(1) The percentage interest shown is the financial effective interest, after disregarding the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

(2) The group acquired the shares held by non-controlling shareholders of its subsidiaries Avito AB and Letgo USA B.V. during the current year. Refer to note 2 for further information.

(3) The group classified Sulit as held for sale during the current reporting period. Refer to note 14 for further information. This business was contributed in exchange for an interest in Carousell Private Limited after the end of the reporting period (refer to note 39).

(4) Refer to note 2 for the acquisition of the group's interest during the current period.

(5) The group disposed of Tek Travel Private Limited during the current period. Refer to note 2 for further information.

(6) Citrus Payment Solutions Private Limited was merged with PayU Payments Private Limited during the current year.

6. SIGNIFICANT SUBSIDIARIES (CONTINUED)

Name of subsidiary	Effective percentage interest[1] 2019 %	2018 %	2017 %	Nature of business	Country of incorporation	Functional currency
Food delivery						
iFood.com Agência de Restaurantes Online S.A.(iFood)	**53.8**	51.6	42.9	Food delivery	Brazil	BRL
Other ecommerce						
Movile Internet Móvel S.A.	**80.7**	77.4	70.7	Mobile value added services	Brazil	BRL

(1) The percentage interest shown is the financial effective interest, after disregarding the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

The summarised financial information contained below relates to a subsidiary of the group that is considered to have a significant non-controlling interest:

	Avito AB[1] 31 March 2018 US$'m	2017 US$'m
Summarised statement of financial position		
Non-current assets	2 319	2 441
Current assets	133	71
Total assets	2 452	2 512
Non-current liabilities	168	183
Current liabilities	45	33
Total liabilities	213	216
Accumulated non-controlling interests	227	237
Summarised income statement		
Revenue	284	204
Net profit for the year	62	24
Other comprehensive (loss)/income	(3)	20
Total comprehensive income	59	44
Profit attributable to non-controlling interests	17	8
Dividends paid to non-controlling interests	25	14
Summarised statement of cash flows		
Cash flows generated from operating activities	83	63
Cash flows utilised in investing activities	(5)	(13)
Cash flows utilised in financing activities	(25)	(14)

(1) The group acquired the shares held by non-controlling shareholders in its subsidiary Avito AB during the current period (refer note 2). Accordingly, Avito AB no longer has significant non-controlling interests.

7. INVESTMENTS IN ASSOCIATES

The following information relates to the group's financial interest in its significant associates:

Name of associated company	Effective percentage interest[1] 2019 %	2018 %	2017 %	Nature of business	Country of incorporation	Functional currency	Year-end
Listed companies							
Tencent Holdings Limited..	**31.1**	31.2	33.3	Internet- related services	Cayman Islands	RMB	December
Mail.ru Group Limited	**28.0**	28.4	28.7	Internet- related services	British Virgin Islands	RUB	December
MakeMyTrip Limited.....	**42.6**	43.1	43.2	Online travel	Mauritius	INR	March
Delivery Hero SE	**22.3**	22.8	—	Food delivery	Germany	EUR	December
Unlisted companies							
Classifieds							
Frontier Car Group, Inc. (FCG)[2]	**35.7**	—	—	Classifieds	Germany	EUR	December
Etail							
Flipkart Limited[3][4].....	**—**	12.4	16.5	Ecommerce	India	US$	March
Payments and fintech							
Kreditech Holding SSL GmbH.....	**34.9**	37.6	—	Consumer lending	Germany	EUR	December
Remitly, Inc.....	**22.6**	22.6	—	Digital money transfer	United States of America	US$	December
Primrose Hill Ventures Private Limited (ZestMoney).....	**21.4**	21.4	—	Consumer lending	India	INR	December
Paysense Private Limited[4]	**18.8**	5.3	—	Consumer lending	India	INR	March
Food delivery							
Bundl Technologies Private Limited (Swiggy)	**38.8**	21.9	—	Food delivery	India	INR	March

(1) *The percentage interest shown is the financial effective interest, after disregarding the interests of equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.*

(2) *The group acquired its interest in these entities during the current period. Refer to note 2 for further information.*

(3) *The group disposed of its interest in Flipkart Limited during the current period. Refer to note 2 for further information.*

(4) *The group accounts for its interest as an investment in an associate on account of its board representation.*

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following information relates to the group's financial interest in its significant associates:

Name of associated company	Effective percentage interest[1] 2019 %	2018 %	2017 %	Nature of business	Country of incorporation	Functional currency	Year-end
Other ecommerce							
SimilarWeb Limited	**24.5**	24.5	28.8	Internet metrics	Israel	NIS	December
Udemy, Inc.[4]	**11.8**	12.1	12.0	Educational technology	United States of America	US$	March
Sololearn, Inc[2][4]	**15.3**	—	—	Educational technology	United States of America	US$	March
Human DX	**22.6**	22.6	—	Health technology	United States of America	US$	December
Ryzac, Inc. (Codecademy)	**21.1**	21.1	21.3	Educational technology	United States of America	US$	December
Brainly, Inc.	**34.0**	34.1	26.0	Educational technology	United States of America	US$	December
Honor Technology Inc. (Honor)[2][4]	**16.4**	—	—	Home care	United States of America	US$	December
Think & Learn Private Limited (BYJU's)[2][4]	**12.2**	—	—	Educational technology	India	INR	March

(1) The percentage interest shown is the financial effective interest, after disregarding the interests of equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

(2) The group acquired its interest in these entities during the current period. Refer to note 2 for further information.

(3) The group disposed of its interest in Flipkart Limited during the current period. Refer to note 2 for further information.

(4) The group accounts for its interest as an investment in an associate on account of its board representation.

Adjustments are made for significant transactions and events that take place where lag periods are applied. These adjustments routinely include fair-value adjustments related to the underlying financial instruments of associates measured at fair value through profit or loss or at fair value through other comprehensive income.

The fair values of the group's investments in its listed associates are detailed below:

	31 March 2019 US$'m	2018 US$'m	2017 US$'m
Listed investments			
Tencent Holdings Limited	**136 180**	154 535	90 347
Mail.ru Group Limited	**1 501**	2 121	1 340
MakeMyTrip Limited	**1 208**	1 519	1 363
Delivery Hero SE	**1 506**	2 027	

The above fair values have been measured using quoted prices in active markets and the disclosed amounts therefore represent level 1 fair-value measurements.

	31 March 2019 US$'m	2018 US$'m	2017 US$'m
Opening balance	**16 669**	10 691	7 518
Associates acquired—gross consideration	**1 279**	1 885	611
net assets acquired	**517**	433	210
goodwill and other intangibles recognised	**821**	1 535	428
deferred taxation recognised	**(59)**	(83)	(27)
Associates disposed of	**(461)**	(3)	(21)
Share of current year other reserve movements	**482**	763	1 102
Share of equity-accounted results	**3 418**	3 326	1 922

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

Equity-accounted results due to purchase accounting	**(11)**	(18)	(6)
amortisation of other intangible assets	**(19)**	(26)	(8)
realisation of deferred taxation	**8**	8	2
(Impairment)/reversal of impairment	**(88)**	(46)	1
Dividends received	**(342)**	(247)	(191)
Foreign currency translation effects	**(1 027)**	1 016	(126)
Disposal of partial interest in Tencent	**—**	(816)	—
Dilution (losses)/gains	**(173)**	118	(119)
Closing balance	**19 746**	16 669	10 691
Investments in associates			
Listed	**18 175**	15 583	10 127
Unlisted	**1 571**	1 086	564
Total investments in associates	**19 746**	16 669	10 691

The group recognised US$3.41bn (2018: US$3.33bn and 2017: US$1.92bn) from associates as its share of equity-accounted results in the income statement. Cumulative unrecognised losses relating to associates that have been fully impaired, amounted to US$4.6m (2018: US$6.4m and 2017: US$5.2m) as at 31 March 2019.

The group recognised total dilution losses of US$181.7m (2018: dilution gains of US$9.22bn and 2017: dilution losses of US$119.0m) as part of "Dilution gains/(losses) on equity-accounted investments" in the income statement. The aggregate net dilution losses include US$173.3m related to dilutions in the group's shareholding in Tencent, Delivery Hero, MakeMyTrip and Mail.ru.

The total dilution loss presented in the income statement also includes US$7.9m relating to the reclassification of a portion of the group's foreign currency translation reserves from other comprehensive income to the income statement following shareholding dilutions.

Impairment losses related mainly to an equity-accounted investment focussed on the provision of consumer lending and financial services in the payments business. The group impaired this investment as performance and the opportunity to leverage the investment in some of the group's core markets fell below expectations.

The prior year dilution gain presented in the income statement included a gain of US$9.10bn relating to the group's disposal of approximately 6% of its interest in Tencent during March 2018 (refer to note 2).

The group's share of equity-accounted investments' other comprehensive income and reserves relates mainly to the revaluation of the associates' investments at fair value through other comprehensive income.

Material associates' summarised financial information

	31 March[1] Tencent Holdings Limited			31 March[1] Mail.ru Group Limited		
	2019 US$'m	2018 US$'m	2017 US$'m	2019 US$'m	2018 US$'m	2017 US$'m
Dividends received	**342**	247	191	**—**	—	—
Non-current assets	**77 637**	59 758	36 510	**2 763**	2 971	3 103
Current assets	**32 341**	28 436	21 657	**381**	416	232
Total assets	**109 978**	88 194	58 167	**3 144**	3 387	3 335
Non-current liabilities	**24 564**	20 053	15 748	**228**	169	125
Current liabilities	**30 160**	24 181	14 694	**381**	279	265
Total liabilities	**54 724**	44 234	30 442	**609**	448	390
Revenue	**46 443**	36 211	22 483	**1 013**	898	642
Net profit/(loss) from continuing operations	**11 872**	10 888	6 101	**(125)**	30	34
Other comprehensive income/(loss)	**286**	130	1 847	**(5)**	(6)	12
Total comprehensive income/(loss)	**12 158**	11 018	7 948	**(130)**	24	46

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

Reconciliation of summarised financial information to carrying value of investment

	31 March[1] Tencent Holdings Limited			31 March[1] Mail.ru Group Limited		
	2019 US$'m	2018 US$'m	2017 US$'m	2019 US$'m	2018 US$'m	2017 US$'m
Opening net assets	**43 961**	27 726	18 676	**2 939**	2 946	2 389
Profit/(loss) for the year	**11 872**	10 888	6 101	**(125)**	30	34
Other comprehensive income/(loss)	**286**	130	1 847	**(5)**	(6)	12
Transactions with equity holders	**2 515**	2 811	2 880	**111**	—	1
Dividends	**(1 100)**	(792)	(573)	**—**	—	—
Foreign currency translation effects	**(2 280)**	3 198	(1 205)	**(385)**	(45)	471
Other	**—**	—	—	**—**	14	39
Closing net assets	**55 254**	43 961	27 726	**2 535**	2 939	2 946
Non-controlling interests	**(4 871)**	(3 349)	(1 688)	**(6)**	(1)	(1)
	50 383	40 612	26 038	**2 529**	2 938	2 945
Group's effective interest in associate (at year-end)	**15 669**	12 655	8 658	**709**	831	845
Goodwill	**11**	11	11	**121**	143	145
Carrying value of investment	**15 680**	12 666	8 669	**830**	974	990

(1) Reflects the summarised financial information of the above associates as at 31 December, adjusted for significant transactions and events that take place during the lag period applied for accounting purposes.

Material associates' summarised financial information

	31 March[1] MakeMyTrip Limited[2]			31 March[1] Delivery Hero SE		
	2019 US$'m	2018 US$'m	2017 US$'m	2019 US$'m	2018 US$'m	2017 US$'m
Non-current assets	**187**	298		**746**	1 052	
Current assets	**502**	616		**982**	942	
Total assets	**689**	914		**1 728**	1 994	
Non-current liabilities	**60**	63		**168**	242	
Current liabilities	**183**	184		**367**	274	
Total liabilities	**243**	247		**535**	516	
Revenue	**481**	520		**769**	408	
Net loss from continuing operations	**(170)**	(241)		**(69)**	(295)	
Other comprehensive (loss)/income	**(94)**	69		**(107)**	(68)	
Total comprehensive loss	**(264)**	(172)		**(176)**	(363)	

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

Reconciliation of summarised financial information to carrying value of investment

	31 March[1] MakeMyTrip Limited[2]			31 March[1] Delivery Hero SE		
	2019 US$'m	2018 US$'m	2017 US$'m	2019 US$'m	2018 US$'m	2017 US$'m
Opening net assets	**668**	471		**1 478**	—	
Loss for the year	**(170)**	(241)		**(69)**	(295)	
Other comprehensive (loss)/income	**(94)**	69		**(107)**	(68)	
Acquisitions/disposals	**—**	326		**—**	1 602	
Transactions with equity holders	**42**	43		**20**	195	
Foreign currency translation effects	**—**	—		**(130)**	45	
Other	**—**	—		**1**	(1)	
Closing net assets	**446**	668		**1 193**	1 478	
Non-controlling interests	**—**	1		**3**	2	
	446	669		**1 196**	1 480	
Group's effective interest in associate (at year-end)	**190**	287	204	**267**	335	
Goodwill	**274**	282	265	**934**	1 039	
Carrying value of investment	**464**	569	469	**1 201**	1 374	

(1) Reflects the summarised financial information of the above associates as at 31 December, adjusted for significant transactions and events that take place during the lag period applied for accounting purposes.

(2) The group acquired its interest in MakeMyTrip during January 2017. As the group's interest in MakeMyTrip is accounted for on a three-month lag basis, the group commenced accounting for its share of the results and net assets of MakeMyTrip for the first time during the 2018 financial year and accordingly the prior year carrying value of the investment represents only the initial interest acquired.

Other associates' summarised financial information

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Net loss from continuing operations	**(166)**	(172)	(146)
Other comprehensive income	**32**	—	15
Total comprehensive loss	**(134)**	(172)	(131)
Carrying value of investments	**1 571**	1 086	564
Total carrying value of investments in associates	**19 746**	16 669	10 691

The group had no capital commitments or contingent liabilities at 31 March 2019, 2018 and 2017 in respect of its investments in associates.

8. INVESTMENTS IN JOINT VENTURES

The following information relates to the group's financial interest in its significant joint ventures:

Name of joint venture	Effective percentage interest[1] 2019 %	2018 %	2017 %	Nature of business	Country of incorporation	Functional currency	Year-end
Unlisted companies							
Souq Group Limited[2]..	**—**	—	36.4	Ecommerce	Singapore	US$	December
Konga Online Shopping Limited[2]	**—**	—	50.9	Ecommerce	Nigeria	NGN	December
Sympla Internet Soluções SA[3]	**—**	34.2	24.7	Ecommerce	Brazil	BRL	December
Silver Brazil JVCo B.V. (OLX Brazil).....	**50.0**	50.0	50.0	Classifieds	The Netherlands	US$	December
El Cocinero a Cuerda S.L. (SinDelantal Mexico)	**26.4**	25.3	23.1	Online food delivery services	Spain	EUR	December

(1) The percentage interest shown is the financial effective interest, after disregarding the interests of equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

(2) The group disposed of its interests in Souq Group Limited and Konga Online Shopping Limited during 2018—refer to note 2 for details regarding these disposals.

(3) The group gained control of Sympla Internet Soluções SA during the current period.

Adjustments are made for significant transactions and events that take place where lag periods are applied.

	31 March 2019 US$'m	2018 US$'m	2017 US$'m
Opening balance	**74**	66	204
Joint ventures acquired—gross consideration	**19**	20	31
net assets acquired	**19**	13	28
goodwill and other intangibles recognised	**—**	7	3
Joint ventures classified as held for sale (refer to note 14).....	**—**	—	(102)
Joint venture disposed of[1].....	**(5)**	—	—
Share of current year other reserve movements	**—**	—	2
Share of equity-accounted results.....	**3**	(14)	(56)
Equity-accounted results due to acquisition accounting.....	**(1)**	(2)	(3)
amortisation of other intangible assets	**(2)**	(2)	(3)
realisation of deferred taxation.....	**1**	—	—
Foreign currency translation effects	**5**	4	(10)
Closing balance.....	**95**	74	66

(1) During the current reporting period, the group increased its interest in Sympla Internet Soluções SA resulting in the entity becoming a subsidiary.

The group recognised US$1.8m (2018: US$16.4m and 2017: US$58.7m) as its share of equity-accounted profits in 2019 from joint ventures in the income statement. Cumulative unrecognised losses relating to joint ventures that have been fully impaired, amounted to US$nil (2018: US$nil and 2017: US$21.6m) as at 31 March 2019.

No impairment losses (2018: US$nil and 2017: US$nil) on investments in joint ventures have been recorded.

The group's share of joint ventures' other comprehensive income and reserves relates mainly to share-based compensation transactions.

None of the group's interests in joint ventures are considered to be individually material. The group had no capital commitments or contingent liabilities in respect of its investments in joint ventures at 31 March 2019, 2018 and 2017.

9. INVESTMENTS AND LOANS

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Investments at fair value through other comprehensive income	**47**	30	30
Investments in convertible notes of associates	**—**	32	13
Loans to related parties	**—**	—	6
Total investments and loans	**47**	62	49

Investments at fair value through other comprehensive income were previously referred to as available-for-sale investments in terms of IAS 39 *Financial Instruments: Recognition and Measurements*. Following the application of IFRS 9 *Financial Instruments* in 2019, fair value gains or losses on these investments will no longer be reclassified to the income statement in future reporting periods. There is no current intention to dispose of these investments.

Included in the 2018 and 2017 balance of investments at fair value through other comprehensive income is an amount of US$28.3m (2017: US$27.7m) relating to equity investments and investments in funds that were measured at cost less accumulated impairment losses in terms of IAS 39. The fair value of these investments could not be measured with sufficient reliability on account of the group's minority shareholding and the associated lack of future cash flow information.

Significant equity investments at fair value through other comprehensive income

Significant equity investments at fair value through other comprehensive income include the following:

	31 March	
	2019 US$'m Fair Value	2019 US$'m Dividend Income
Unlisted Investments		
Creditas Financial Solutions Limited	**13**	**—**
Grishin Robotics Fund, L.P.	**8**	**—**
SV Angel Funds	**9**	**1**
Bakkt Holdings LLC	**5**	**—**
Other	**12**	**—**
Total investments and loans	**47**	**1**

10. DEFERRED TAXATION

The deferred tax assets and liabilities and movements thereon were attributable to the following items:

	1 April 2018 US$'m	Charged to income US$'m	Acquisition of subsidiaries and businesses US$'m	Disposals of subsidiaries and businesses US$'m	Foreign exchange effects US$'m	31 March 2019 US$'m
Deferred taxation assets						
Provisions and other current liabilities	**5**	**4**	**—**	**(3)**	**—**	**6**
Tax losses carried forward	**19**	**(10)**	**—**	**1**	**(2)**	**8**
Other	**18**	**(2)**	**—**	**—**	**(1)**	**15**
Total deferred tax assets	**42**	**(8)**	**—**	**(2)**	**(3)**	**29**
Offsetting of deferred tax liabilities	**(17)**					**(15)**
Net deferred tax assets	**25**					**14**
Deferred taxation liabilities						
Intangible assets	**200**	**(13)**	**8**	**(1)**	**(25)**	**169**
Other	**22**	**(1)**	**—**	**—**	**1**	**22**
Total deferred tax liabilities	**222**	**(14)**	**8**	**(1)**	**(24)**	**191**
Offsetting of deferred tax liabilities	**(17)**					**(15)**
Net deferred tax liabilities	**205**					**176**
Net deferred taxation	**(180)**	**6**	**(8)**	**(1)**	**21**	**(162)**

	1 April 2017 US$'m	Charged to income US$'m	Acquisition of subsidiaries and businesses US$'m	Foreign exchange effects US$'m	31 March 2018 US$'m
Deferred taxation assets					
Provisions and other current liabilities	3	1	—	1	5
Tax losses carried forward	32	(13)	—	—	19
Other	16	2	—	—	18
Total deferred tax assets	51	(10)	—	1	42
Offsetting of deferred tax liabilities	(27)				(17)
Net deferred tax assets	24				25
Deferred taxation liabilities					
Intangible assets	212	(18)	7	(1)	200
Other	43	(20)	—	(1)	22
Total deferred tax liabilities	255	(38)	7	(2)	222
Offsetting of deferred tax liabilities	(27)				(17)
Net deferred tax liabilities	228				205
Net deferred taxation	(204)	28	(7)	3	(180)

10. DEFERRED TAXATION (CONTINUED)

	1 April 2016 US$'m	Charged to income US$'m	Charged to other comprehensive income US$'m	Acquisition of subsidiaries and businesses US$'m	Disposals of subsidiaries and businesses US$'m	Foreign exchange effects US$'m	31 March 2017 US$'m
Deferred taxation assets							
Provisions and other current liabilities	10	(4)	—	—	(4)	1	3
Tax losses carried forward	9	8	18	—	—	(3)	32
Other	—	10	5	—	(1)	2	16
Total deferred tax assets	19	14	23	—	(5)	—	51
Offsetting of deferred tax liabilities							(27)
Net deferred tax assets							24
Deferred taxation liabilities							
Intangible assets	212	(22)	—	5	(17)	34	212
Other	21	—	24	—	—	(2)	43
Total deferred tax liabilities	233	(22)	24	5	(17)	32	255
Offsetting of deferred tax liabilities							(27)
Net deferred tax liabilities							228
Net deferred taxation	(214)	36	(1)	(5)	12	(32)	(204)

The ultimate outcome of additional taxation assessments may vary from the amounts accrued. However, management believes that any additional taxation liability over and above the amounts accrued would not have a material adverse impact on the group's combined income statement and statement of financial position.

The group has tax losses carried forward of approximately US$2.4bn (2018: US$1.8bn and 2017: US$1.7bn). A summary of the tax losses carried forward at 31 March 2019 by tax jurisdiction and the expected expiry dates are set out below:

	Africa US$'m	Asia US$'m	Europe US$'m	Latin America and USA US$'m	Other US$'m	Total US$'m
Expires in year one	**—**	**28**	**168**	**4**	**—**	**200**
Expires in year two	**—**	**29**	**155**	**—**	**—**	**184**
Expires in year three	**—**	**23**	**138**	**—**	**7**	**168**
Expires in year four	**—**	**24**	**132**	**—**	**7**	**163**
Expires in year five	**—**	**22**	**325**	**19**	**8**	**374**
after year five	**20**	**47**	**1 237**	**54**	**—**	**1 358**
	20	**173**	**2 155**	**77**	**22**	**2 447**

Total deferred taxation assets amount to US$14.3m (2018: US$25.1m and 2017: US$24.0m), of which US$8.8m (2018: US$11.2m and 2017: US$9.7m) are expected to be utilised within the next 12 months and US$5.5m (2018: US$13.9m and 2017: US$14.3m) after 12 months. Total deferred taxation liabilities amount to US$175.6m (2018:

10. DEFERRED TAXATION (CONTINUED)

US$205.4m and 2017:US$228.2m), of which US$17.5m (2018: US$15.9m and 2017: US$15.7m) will be settled within the next 12 months and US$158.1m (2018: US$189.6m and 2017:US$212.5m) after 12 months.

Included in the group's recognised deferred tax assets is an amount of US$nil (2018: US$nil and 2017: US$43.4m), of which the utilisation depends on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences, and the relevant group entity from which the deferred tax asset arises has suffered a loss in either the current or a preceding period. These entities are expected to return to profitability in the foreseeable future.

11. INVENTORY

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Carrying value			
Finished products, trading inventory and consumables	**155**	147	100
Gross inventory	**155**	147	100
Allowance for slow-moving and obsolete inventories	**(7)**	(8)	(6)
Net inventory	**148**	139	94

The total allowance charged to the income statement to write inventory down to net realisable value amounted to US$1.9m (2018: US$4.0m and 2017: US$3.2m), and reversals of these allowances amounted to US$1.4m (2018: US$3.1m and 2017: US$1.8m). Net realisable value write-downs relate primarily to inventory within the etail segment.

12. TRADE RECEIVABLES

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Carrying value			
Trade accounts receivable, gross	**155**	186	144
Less: Allowance for impairment of receivables	**(20)**	(17)	(6)
	135	169	138
The movement in the allowance for impairment of trade receivables during the year was as follows:			
Opening balance	**(17)**	(6)	(11)
Additional allowances charged to income statement	**(7)**	(13)	(3)
Allowances reversed through the income statement	**1**	1	1
Allowances utilised	**—**	1	1
Disposal of subsidiaries	**1**	—	4
Foreign currency translation effects	**1**	—	2
Closing balance	**(20)**	(17)	(6)

The group's maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables mentioned above. The group does not hold any form of collateral as security relating to trade receivables. Refer to note 36 for the group's credit risk management. Refer to note 1 for the group's adoption of IFRS 9 in 2019.

At 31 March 2019, 2018 and 2017 the total allowance for impairment of trade receivables comprised both portfolio allowances and specific allowances. The majority of the allowance related to a portfolio allowance, which cannot be identified with specific receivables.

The ageing of trade receivables as well as the amount of the impairment allowance per age class is presented below:

	31 March 2019			31 March 2018		31 March 2017	
	Carrying value US$'m	**Impairment US$'m**	**Expected loss rate**	**Carrying value US$'m**	**Impairment US$'m**	**Carrying value US$'m**	**Impairment US$'m**
Current	**102**	**(1)**	**1%**	134	—	111	—
Past due 30 to 59 days	**17**	**(1)**	**6%**	13	(1)	12	(1)
Past due 60 to 89 days	**6**	**(1)**	**17%**	14	(6)	6	—
Past due 90 to 119 days	**6**	**(1)**	**17%**	6	(1)	3	—
Past due 120 days and older	**24**	**(16)**	**67%**	19	(9)	12	(5)
	155	**(20)**		186	(17)	144	(6)

13. OTHER RECEIVABLES

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Prepayments	**98**	80	92
Accrued income[1]	**22**	13	9
Staff debtors*	**4**	1	1
VAT and related taxes receivable	**79**	71	52
Merchant and bank receivables*[2]	**156**	141	66
Sundry deposits	**8**	9	5
Interest receivable on cross-currency interest rate swap*	**8**	8	—
Disposal proceeds receivable*	**97**	34	—
Other receivables**	**30**	12	20
Total other receivables	**502**	369	245
Less: non-current portion of other receivables[3]	**(6)**	(21)	(32)
Current portion of other receivables	**496**	348	213

(1) *Relates to revenue earned from contracts with customers but not yet invoiced. Refer to note 22 for movements in accrued income balances.*

(2) *Merchant and bank receivables are presented net of an allowance for expected impairment (credit) losses of US$6.5m. Refer to note 36 for details of the group's credit risk management policy.*

(3) *Relates to non-current prepaid rental deposits and employment linked prepayments.*

* *Financial assets*

** *Includes financial assets of US$14.3m (2018: US$13m and 2017: US$4m)*

14. ASSETS CLASSIFIED AS HELD FOR SALE

The assets and liabilities of the group's subsidiary Netrepreneur Connections Enterprises, Inc. (Sulit) were classified as held for sale during the year as the group signed an agreement to contribute this investment to Carousell Private Limited (Carousell) in exchange for an equity interest in Carousell (refer to note 39).

In March 2017, the group signed an agreement to dispose of its joint venture Souq Group Limited (Souq) and accordingly classified the investment, with a carrying value of US$102.3m, as held for sale. Souq formed part of the etail segment. The group concluded the disposal of Souq in May 2017. Refer to note 2 for further details regarding the disposal.

The assets and liabilities classified as held for sale as at 31 March 2019, 2018 and 2017 are detailed in the table below:

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Assets classified as held for sale			
Goodwill and other intangible assets	**13**	—	—
Investment in joint venture	**—**	—	102
Trade and other receivables	**2**	—	—
Cash and cash equivalents	**1**	—	—
	16	—	102
Liabilities classified as held for sale			
Accrued expenses and other current liabilities	**2**	—	—
	2	—	—

15. RELATED PARTY TRANSACTIONS AND BALANCES

The group entered into transactions and has balances with a number of related parties, including associates, joint ventures, directors (key management personnel), shareholders, and entities under common control. Transactions that are eliminated on consolidation as well as gains or losses eliminated through the application of the equity method are not included. The transactions and balances with related parties are summarised below:

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Sale of goods and services to related parties[1]			
MakeMyTrip Limited[2]	**12**	15	2
Sindelantal Mexico SA De CV	**1**	1	1
Various other related parties	**5**	4	8
	18	20	11

(1) The group receives revenue from a number of its related parties in connection with service agreements. The nature of these related party relationships are that of associates.

(2) Revenue earned from MakeMyTrip Limited, the group's associate, relates to payment services provided by PayU.

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Services received from related parties[1]			
MIH Holdings Proprietary Limited	**7**	8	8
MIH Ecommerce Holdings Proprietary Limited	**4**	6	—
Naspers Limited	**11**	9	6
Various other related parties	**4**	3	2
	26	26	16

(1) The group receives corporate and other services rendered by a number of its related parties. The nature of these related party relationships are that of entities under the common control of the group's ultimate controlling parent, Naspers Limited. An allocation of corporate costs from Naspers Limited of US$11.7m (2018: US$14.5m and 2017: US$6.1m) is included above.

15. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

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

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Receivables			
Myriad/MIH (Malta) Limited	**22**	34	38
MIH Holdings Proprietary Limited	**6**	1	1
Other	**4**	4	2
Less: Allowance for impairment of loans and receivables[1]	**(13)**	(13)	(17)
Total related party receivables	**19**	26	24
Less: non-current portion of related party receivables	**—**	—	—
Current portion of related party receivables	**19**	26	24
Payables			
Myriad/MIH (Malta) Limited	**16**	22	18
MIH Holdings Proprietary Limited	**1**	3	1
Showmax B.V.	**17**	—	—
Other	**5**	6	8
Total related party payables	**39**	31	27
Less: non-current portion of related party payables	**(2)**	(4)	(5)
Current portion of related party payables	**37**	27	22
The movement in the allowance for impairment of related party receivables during the year was as follows:			
Opening balance	**(13)**	(17)	(11)
Additional allowances charged to the income statement	**—**	—	(6)
Allowances reversed through the income statement	**—**	4	—
Closing balance	**(13)**	(13)	(17)

(1) Refer to note 36 for the group's impairment methodology for related party receivables.

Refer to note 9 for the group's non-current related party loans and receivables.

Terms of significant related party receivables and payables:

These above 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 receivables and payables are interest free.

Key management remuneration

The aggregate amounts of remuneration of key management personnel during the relevant periods are as follows:

	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Short-term employee benefits[1]	**12 420**	13 705	13 331
Post-employment benefits	**518**	793	912
Share-based payment expense	**28 249**	26 352	28 825
	41 187	40 850	43 068

(1) Short-term employee benefits consist of base salary, short-term incentives and other short-term benefits.

Key management comprises the Naspers Limited group CODM (refer to note 1) and other members of Naspers Limited senior management with oversight responsibilities for the Prosus N.V. group.

Comparatives have not been restated to account for changes in the composition of key management.

16. OTHER RESERVES

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Other reserves in the statement of financial position comprise:			
Foreign currency translation reserve	**(1 470)**	(73)	(946)
Valuation reserve	**641**	1 565	1 271
Existing control business combination reserve	**(1 087)**	(2 014)	(1 868)
Share-based compensation reserve	**1 688**	1 297	952
	(228)	775	(591)

The foreign currency translation reserve relates to exchange differences arising on the translation of foreign operations' income statements and statements of comprehensive income at average exchange rates for the year and their statements of financial position at the ruling exchange rates at the reporting date if the functional currency differs from the group's presentation currency. The movement on the foreign currency translation reserve for the year relates primarily to the effects of foreign exchange rate fluctuations related to the group's net investments in its subsidiaries.

The valuation reserve relates to fair-value changes in financial assets at fair value through other comprehensive income, remeasurements on post-employment benefit plans, differences between the fair value and the contractually stipulated value of shares issued in business combinations and other acquisitions as well as the group's share of equity-accounted investees' revaluations of their financial assets at fair value through other comprehensive income. Following the adoption of IFRS 9 in the current year, no amounts contained in the valuation reserve will be reclassified to the income statement in future periods. During the prior year, US$128.5m (2017: US$59.3m) previously recognised as the group's share of other comprehensive income of equity-accounted investments, was reclassified to the income statement by equity accounted investees in accordance with IAS 39 and was therefore included in the group's share of equity-accounted results.

The existing control business combination reserve is used to account for transactions with non-controlling shareholders, whereby the excess of the cost of the transactions over the acquirer's proportionate share of the net asset value acquired/sold is allocated to this reserve in equity. Written put options and other obligations that may require the group to purchase its own equity instruments by delivering cash or another financial asset are also initially recognised from this reserve. Similarly, written put options and other similar obligations are reclassified to this reserve in the event of cancellation or expiry. On disposal of a business, any amounts accumulated in the existing control business combination reserve in respect of that business are transferred to retained earnings.

The grant date fair value of share incentives issued to employees in equity-settled share-based payment transactions is accounted for in the share-based compensation reserve over the vesting period, if any. The reserve is adjusted at each reporting period when the entity revises its estimates of the number of share incentives that are expected to vest. The impact of revisions of original estimates, if any, is recognised in the income statement, with a corresponding adjustment to this reserve in equity.

A significant proportion of the group's foreign currency translation, valuation and share-based compensation reserves relates to the group's interests in its equity-accounted investments, particularly Tencent.

17. LONG-TERM LIABILITIES

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Interest-bearing: Capitalised finance leases	**5**	7	—
Total liabilities	**8**	10	—
Less: Current portion	**(3)**	(3)	—
Interest-bearing: Loans and other liabilities	**3 237**	3 202	2 198
Total liabilities	**3 247**	3 216	2 898
Less: Current portion	**(10)**	(14)	(700)
Non-interest-bearing: Loans and other liabilities	**2**	7	—
Total liabilities	**11**	58	23
Less: Current portion	**(9)**	(51)	(23)
Net long-term liabilities	**3 244**	3 216	2 198

Interest-bearing: Capitalised finance leases

				31 March		
Type of lease	Currency of year-end balance	Year of final repayment	Weighted average year-end interest rate	2019 US$'m	2018 US$'m	2017 US$'m
Buildings, computers, furniture and office equipment	Various	Various	Various	**8**	10	—
Total capitalised finance leases				**8**	10	—

Maturity profile

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Minimum instalments			
Payable within year one	**3**	3	—
Payable within year two	**2**	3	—
Payable within year three	**2**	3	—
Payable within year four	**2**	2	—
Future finance costs on finance leases	**9**	11	—
	(1)	(1)	—
Present value of finance lease liabilities	**8**	10	—
Present value			
Payable within year one	**3**	3	—
Payable within year two	**2**	3	—
Payable within year three	**2**	2	—
Payable within year four	**1**	2	—
Present value of finance lease liabilities	**8**	10	—

17. LONG-TERM LIABILITIES (CONTINUED)

Interest-bearing: Loans and other liabilities

	Asset secured	Currency of year-end balance	Year of final repayment	Weighted average year-end interest rate	31 March 2019 US$'m	31 March 2018 US$'m	31 March 2017 US$'m
Unsecured							
Publicly traded bond		US$	2017	6.40%	**—**	—	700
Publicly traded bond		US$	2020	6.00%	**1 000**	1 000	1 000
Publicly traded bond		US$	2025	5.50%	**1 200**	1 200	1 200
Publicly traded bond		US$	2027	4.85%	**1 000**	1 000	—
Financiadora de Estudos e Projectos (Finep)		BRL	2020	4.50%	**4**	—	—
Ita_ Unibanco Holding S.A.		BRL	2020–2021	11.00%	**4**	—	—
Syndicated facility[1]		ZAR	2022	JIBAR + 1.9%	**9**	14	—
Various institutions		Various	Various	Various	**5**	11	9
Secured							
Exim Bank S.A.	Buildings	RON and EUR	2019–2028	1.58%–4.12%	**19**	6	—
Raiffeisen Bank S.A.	Buildings	RON and EUR	2019–2028	1.58%–4.12%	**19**	—	—
Total facilities					**3 260**	3 231	2 909
Unamortised loan costs					**(13)**	(15)	(11)
					3 247	3 216	2 898

(1) This is a syndicated facility between Investec Bank Limited and Rand Merchant Bank.

17. LONG-TERM LIABILITIES (CONTINUED)

Non-interest-bearing: Loans and other liabilities

Loans	Currency of year-end balance	Year of final repayment	31 March 2019 US$'m	31 March 2018 US$'m	31 March 2017 US$'m
Unsecured					
Earn-out obligations	Various	Conditional	**6**	55	23
Other	Various	Various	**5**	3	—
			11	58	23
Total long-term liabilities					
Repayment terms of long-term liabilities (excluding capitalised finance leases)					
Payable within year one			**19**	65	723
Payable within year two			**1 011**	12	3
Payable within year three			**5**	1 003	—
Payable within year four			**4**	2	1 004
Payable within year five			**6**	7	2
Payable after year five			**2 226**	2 200	1 200
			3 271	3 289	2 932
Unamortised loan costs			**(13)**	(15)	(11)
			3 258	3 274	2 921
Interest rate profile of long-term liabilities (long- and short-term portion, including capitalised finance leases)					
Liabilities at fixed rates: 1 to 12 months			**6**	17	700
Liabilities at fixed rates: more than 12 months			**3 201**	3 203	2 195
Interest-free loans			**11**	58	23
Liabilities linked to variable rates			**48**	6	3
			3 266	3 284	2 921

17. LONG-TERM LIABILITIES (CONTINUED)

Reconciliation of liabilities arising from financing activities

	Finance lease liabilities	Interest bearing liabilities	Non-interest bearing liabilities
		31 March	
	2019 US$'m	2019 US$'m	2019 US$'m
Balance at 1 April 2018	**10**	**3 216**	**58**
Additional liabilities recognised	**—**	**60**	**2**
Repayments of long- and short-term debt	**(1)**	**(26)**	**(2)**
Settlements of earnout obligations	**—**	**—**	**(23)**
Settlements of obligations relating to investing activities	**—**	**—**	**(17)**
Interest accrued	**—**	**2**	**—**
Remeasurement of contingent consideration	**—**	**—**	**(3)**
Acquisition of subsidiary	**—**	**1**	**—**
Disposal of subsidiary	**—**	**(1)**	**—**
Amortisation of transaction costs	**—**	**2**	**—**
Foreign exchange translation	**(1)**	**(7)**	**(4)**
Balance at 31 March 2019	**8**	**3 247**	**11**
Less: Current portion	**(3)**	**(10)**	**(9)**
Non-current liabilities	**5**	**3 237**	**2**

	Finance lease liabilities	Interest bearing liabilities	Non-interest bearing liabilities
		31 March	
	2018 US$'m	2018 US$'m	2018 US$'m
Balance at 1 April 2017	**—**	**2 898**	**23**
Additional liabilities recognised	**9**	**1 013**	**47**
Repayments	**(1)**	**(706)**	**(8)**
Interest accrued	**1**	**1**	**—**
Acquisition of subsidiary	**—**	**14**	**—**
Amortisation of transaction costs	**—**	**3**	**—**
Capitalisation of transaction costs	**—**	**(7)**	**—**
Foreign exchange translation	**1**	**—**	**(4)**
Balance at 31 March 2018	**10**	**3 216**	**58**
Less: Current portion	**(3)**	**(14)**	**(51)**
Non-current liabilities	**7**	**3 202**	**7**

18. OTHER NON-CURRENT LIABILITIES

	31 March		
	2019 US$'m	**2018 US$'m**	**2017**
Written put option liabilities[(1)]	**827**	2 394	2 218
Post-employment liabilities	**2**	2	2
Total other liabilities	**829**	2 396	2 220
Less: Current portion of other liabilities included in accrued expenses and other current liabilities (refer to note 20)	**(289)**	(1 527)	(510)
Non-current portion of other liabilities	**540**	869	1 710

(1) Relates to put options written over the non-controlling interests in the group's letgo classifieds business, Dante International S.A. (eMAG), Movile Internet Movel S.A. and various other smaller ecommerce units.

During the year, the group recognised an aggregate gain on the remeasurement of written put option liabilities of US$52.8m (2018: US$252.1m expense and 2017: US$621.7m expense) as part of "Other finance (costs)/income—net" in the income statement (refer to note 25). The decrease in witten put option liabilities is mainly due to the settlement of the written put options held by the non-controlling interest in Avito, Dubizzle and letgo USA (refer to note 2 for information regarding the acquisitions of non-controlling interest in these businesses during the year).

The maturity profile of the group's written put option liabilities is detailed in the table below and reflects the first date on which the respective written put options can be contractually exercised:

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Exercisable within one year	**289**	1 527	510
Exercisable within one to two years	**286**	—	906
Exercisable after two to five years	**252**	867	793
Exercisable after more than five years	**—**	—	9
Total other liabilities	**827**	2 394	2 218

The group has the contractual discretion to settle all written put option obligations either in cash or in Naspers N ordinary shares.

The majority of the group's written put option liabilities are exercisable when non-controlling shareholders request an initial public offering (IPO) of the relevant group subsidiary and the IPO is either declined by the group or is ultimately unsuccessful.

Sensitivity analysis

The measurement of written put option liabilities is based on discounted cash flow analyses as well as prices observed in orderly transactions. At 31 March 2019, 27% of the total balance of written put option liabilities have been measured using discounted cash flow analyses. Accordingly, the measurement of written put option liabilities is subject to significant estimation uncertainty. The following analysis illustrates the sensitivity of written put option liabilities to reasonably possible changes in the most significant underlying variables used in their measurement:

Increase/(decrease) in written put option liabilities and loss/(gain) in the income	**31 March 2019 US$'m**
1% increase in the discount rate and a 1% decrease in the terminal growth rate	**(36)**
1% decrease in the discount rate and a 1% increase the terminal growth rate	**44**

Other assumptions contained in the discounted cash flow analyses used by the group when valuing written put option liabilities vary widely between obligations due to the group's diverse range of business models and are closely linked to entity-specific key performance indicators.

Movements during the year on the group's written put option liabilities are detailed below. Cash flows arising from the settlement of written put option liabilities are presented as part of financing activities in the statement of cash flows.

18. OTHER NON-CURRENT LIABILITIES (CONTINUED)

Sensitivity analysis (continued)

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Opening balance	**2 394**	2 218	1 505
Additional obligations raised	**83**	—	143
Remeasurements recognised in the income statement	**(53)**	252	622
Settlements	**(1 566)**	(62)	(49)
Expirations and cancellations	**—**	—	(27)
Foreign currency translation effects	**(31)**	(14)	24
Closing balance	**827**	2 394	2 218

19. PROVISIONS

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Pending litigation	**10**	8	11
Reorganisation	**2**	—	—
Long-service and retirement gratuity	**4**	6	2
Other	**1**	15	12
Total provisions	**17**	29	25
Less: Non-current portion of provisions	**(3)**	(6)	(5)
Current portion of provisions	**14**	23	20

Provisions relate to a variety of obligations for the group as follows:

The group is currently involved in various litigation matters. The litigation provision has been estimated based on legal counsel and management's estimates of costs and possible claims relating to these.

The provision for long service and retirement gratuity relates to the estimated cost of these employee benefits.

The provision for reorganisation relates to the relocation costs of certain of our operations.

Included in other provisions are estimated amounts related to other regulatory matters.

20. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Deferred income[(1)]	**42**	36	22
Accrued expenses*	**160**	162	169
Amounts owing in respect of investments acquired*	**47**	13	3
Taxes and other statutory liabilities	**72**	65	47
Bonus accrual	**46**	41	24
Accrual for leave	**10**	10	6
Other personnel accruals	**27**	21	15
Payments received in advance	**14**	33	24
Cash-settled share-based payment liability (refer to note 38)	**168**	164	113
Payables from reverse factoring arrangements*	**57**	35	14
Merchant payable*	**285**	232	130
Written put option liabilities (refer to note 18)*	**289**	1 527	510
Other current liabilities**	**20**	4	11
	1 237	2 343	1 088

(1) *Relates to revenue received in advance from contracts with customers. Refer to note 22 for movements in deferred income balances.*

* *Financial liabilities*

** *Includes financial liabilities of US$14.3m (2018: US$4m and 2017: US$11m)*

21. COMMITMENTS AND CONTINGENCIES

The group is subject to commitments and contingencies, which occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group plans to fund these commitments and contingencies out of existing facilities and internally generated funds.

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2019 amount to US$5.6m (2018: US$nil and 2017: US$nil).

(b) Other commitments

The group entered into contracts for the receipt of various services. These service contracts are for the receipt of information technology and computer support services, access to networks, consulting services and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amount to US$23.2m (2018: US$12.9m and 2017: US$15.1m).

(c) Operating lease commitments

The group has the following operating lease commitments at 31 March:

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Minimum operating lease payments:			
Payable in year one	**34**	24	19
Payable in year two	**34**	17	11
Payable in year three	**33**	16	8
Payable in year four	**27**	18	1
Payable in year five	**17**	18	1
Payable after five years	**36**	5	1
	181	98	41

The group leases office, manufacturing and warehouse space under various non-cancellable operating leases. Certain contracts contain renewal options and escalation clauses for various periods of time.

(d) Litigation claims

Taxation matters

The group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. The group has a contingent asset of US$177.0m (2018: US$nil and 2017: US$nil) related to amounts receivable from tax authorities.

(e) Assets pledged as collateral

The group pledged property, plant and equipment, investments, cash and cash equivalents, accounts receivable and inventory as collateral against its finance leases and other secured liabilities with an outstanding balance of US$46.4m (2018: US$15.3m and 2017: US$nil). Refer to note 17 for further details.

22. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Reportable segment(s) where revenue is included	31 March 2019 US$'m	2018 US$'m	2017 US$'m
Online sale of goods revenue	Etail and classifieds	**1 193**	1 059	916
Classifieds listings revenue	Classifieds	**606**	477	308
Payment transaction commissions and fees	Payments and fintech	**309**	257	141
Mobile and other content revenue	Other ecommerce	**159**	141	107
Food delivery revenue	Food delivery	**159**	115	53
Travel package revenue and commissions	Travel	**27**	53	116
Advertising revenue	Classifieds	**100**	98	81
Comparison shopping commissions and fees	Other ecommerce	**45**	59	73
Other revenue	Various	**56**	44	40
		2 654	2 303	1 835

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

The group has recognised the following assets and liabilities in the statement of financial position that relate to revenue from contracts with customers:

Accrued income (refer to note 13)

	31 March 2019 US$'m	2018 US$'m	2017 US$'m
Accrued income	**22**	13	9
Accrued income net of impairment allowance[(1)]	**22**	13	9

(1) Refer to note 36 for the group's credit risk management policy. Impairment allowances recorded on accrued income balances were not significant.

Deferred income (refer to note 20)

	31 March 2019 US$'m	2018 US$'m	2017 US$'m
Deferred income	**42**	36	22
	42	36	22

Revenue recognised in relation to deferred income liabilities

The following table depicts the amount of revenue recognised in each reporting period that related to amounts included within the opening balance of deferred income for that reporting period:

	31 March 2019 US$'m	2018 US$'m	2017 US$'m
Revenue recognised that was included in the deferred income balance at the beginning of the period	24	16	9

There were no significant changes in accrued income or deferred revenue balances during any of the periods presented.

Unsatisfied long-term contracts

The group has no unsatisfied long-term contracts as at 31 March 2019. As permitted by the transitional provisions of IFRS 15, the group has not disclosed the transaction price allocated to partially or fully unsatisfied long-term contracts for periods prior to 31 March 2019.

23. EXPENSES BY NATURE

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Operating profit includes the following items:			
Depreciation classification			
Selling, general and administration expenses	**25**	24	20
Amortisation classification			
Selling, general and administration expenses	**94**	97	104
Operating leases			
Minimum lease payments	**6**	5	6
Staff costs			
As at 31 March 2019, the group had 15 078 (2018: 12 559 and 2017: 10 739) permanent employees.			
The total cost of employment of all employees, including executive directors, was as follows:			
Salaries, wages and bonuses	**682**	571	476
Retirement benefit costs	**—**	2	1
Medical aid fund contributions	**1**	1	1
Post-employment benefits	**1**	2	1
Training costs	**7**	7	6
Retention option expense	**11**	7	1
Share-based compensation expenses	**111**	162	94
Total staff costs	**813**	752	580
Advertising expenses	**292**	371	570
Cost of inventories sold	**1 102**	996	886

24. OTHER (LOSSES)/GAINS—NET

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Loss on sale of assets	**(1)**	(1)	(1)
Fair-value adjustments on financial instruments	**(27)**	1	4
Impairment losses	**(7)**	(27)	(28)
impairment of goodwill and other intangible assets	**(7)**	(4)	(28)
impairment of other assets	**—**	(23)	—
Other	**(5)**	—	—
Total other (losses)/gains—net	**(40)**	(27)	(25)

Refer to notes 3, 4 and 5 for further information on the above impairments.

25. FINANCE (COSTS)/INCOME

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Interest expense			
Loans and overdrafts	**(196)**	(190)	(192)
Other	**(4)**	(5)	(8)
	(200)	(195)	(200)
Interest income			
Loans and bank accounts	**265**	31	15
Other	**—**	3	2
	265	34	17
Net profit/(loss) from foreign exchange translation and fair-value adjustments on derivative financial instruments			
On translation of assets and liabilities	**46**	(5)	(15)
On translation of forward exchange contracts and cross-currency interest rate swaps	**15**	(73)	(1)
	61	(78)	(16)
Remeasurement of written put option liabilities	**53**	(252)	(622)
Other finance income/(costs)—net	**114**	(330)	(638)
Total finance income/(costs)—net	**179**	(491)	(821)

26. GAINS ON ACQUISITIONS AND DISPOSALS

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Profit on sale of investments	**1 618**	47	35
Gains recognised on loss of control transactions	**—**	—	228
Remeasurement of contingent consideration	**3**	(5)	1
Acquisition-related costs	**(18)**	(13)	(15)
Remeasurement of previously held interest	**7**	1	—
	1 610	30	249

27. TAXATION

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Normal taxation	**264**	67	47
current year	**261**	67	47
prior year	**3**	—	—
Deferred taxation	**(6)**	(28)	(36)
current year	**(15)**	(28)	(34)
prior year	**9**	—	(2)
Total taxation per income statement	**258**	39	11
Reconciliation of taxation			
Taxation at statutory rates[1]	**1 128**	2 849	87
Adjusted for:			
non-deductible expenses[2]	**59**	94	151
non-taxable income[2]	**(55)**	(2 340)	(57)
temporary differences not provided for[3]	**106**	195	176
assessed losses (utilised)/unprovided	**(4)**	(3)	1
initial recognition of prior year taxes	**—**	—	(7)
other taxes	**9**	13	12
tax attributable to equity-accounted earnings	**(853)**	(822)	(458)
tax adjustment for foreign taxation rates	**(132)**	53	106
Taxation provided in income statement	**258**	39	11

(1) *The reconciliation of taxation has been performed using the statutory tax rate of Prosus N.V. of 25% (2018: 25% and 2017: 25%). The impact of different tax rates applied to profits earned in other jurisdictions is disclosed above as "Tax adjustment for foreign taxation rates".*

(2) *Non-deductible expenses relate primarily to impairment losses and dilutions of equity-accounted investments. Non-taxable income relates primarily to the gains on disposals of subsidiaries and associates.*

(3) *Temporary differences not provided for relate primarily to loss-making entities that did not recognise deferred tax assets.*

28. PROFIT FROM DISCONTINUED OPERATIONS

The group concluded the disposal of its subsidiaries Allegro.pl and Ceneo.pl in January 2017 (refer to note 2). The results and cash flows of these entities have been presented as discontinued operations in these combined annual financial statements.

Income statement information of discontinued operations

	31 March 2017 US$'m
Revenue	**327**
Expenses	**(190)**
Profit before tax	**137**
Taxation	**(16)**
Profit for the period	**121**
Gain on disposal of discontinued operation	**1 941**
Profit from discontinued operations	**2 062**

Cash flow statement information of discontinued operations

	31 March 2017 US$'m
Net cash generated from operating activities	**127**
Net cash utilised in investing activities	**(12)**
Net cash utilised in financing activities	**(15)**
Net increase in cash generated by discontinued operations	**100**

29. CASH FROM OPERATIONS

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Profit before tax from continuing operations per income statement	**4 510**	11 394	349
Adjustments relating to continuing operations:			
Non-cash and other	**(4 701)**	(11 698)	(972)
Loss on sale of assets	**1**	1	1
Depreciation and amortisation	**119**	121	124
Retention option expense	**11**	7	1
Share-based compensation expenses	**111**	162	94
Net finance (income)/ cost	**(179)**	491	821
Share of equity-accounted results	**(3 408)**	(3 292)	(1 857)
Impairment/(reversal) of impairment of equity-accounted investments	**88**	46	(1)
Gains on acquisitions and disposals	**(1 628)**	(43)	(264)
Dilution losses/(gains) on equity-accounted investments	**182**	(9 224)	119
Net realisable value adjustments on inventory, net of reversals	**1**	3	—
Impairment losses	**7**	27	28
Other	**(6)**	3	(38)
Operating cash flows of discontinued operations, net of adjustments for non-cash and other items	**—**	—	127
	(191)	(304)	(496)
Working capital	**(76)**	(7)	143
Cash movement in trade and other receivables	**(50)**	(29)	7
Cash movement in payables and accruals	**2**	50	164
Cash movement in inventories	**(28)**	(28)	(28)
Total cash from operations	**(267)**	(311)	(353)

30. ACQUISITIONS OF SUBSIDIARIES AND BUSINESSES

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Carrying values of assets and liabilities:			
property, plant and equipment	**3**	—	1
other intangible assets	**58**	26	16
net current assets	**48**	(3)	1
deferred taxation	**(8)**	(7)	(5)
long-term liabilities	**(1)**	(14)	—
	100	2	13
Non-controlling interests	**(13)**	(1)	(1)
Derecognition of equity-accounted investments	**(15)**	—	—
Remeasurement of previously held interest	**(7)**	(1)	—
Goodwill	**103**	43	241
Purchase consideration	**168**	43	253
Settled through the issuance of equity instruments of the group	**—**	—	(126)
Employment-linked prepayment	**—**	—	18
Amount to be settled in future	**—**	—	(1)
Net cash in subsidiaries and businesses acquired	**(66)**	(4)	(4)
Net cash outflow from acquisitions of subsidiaries and businesses	**102**	39	140

31. DISPOSALS OF SUBSIDIARIES AND BUSINESSES

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Carrying values of assets and liabilities:			
property, plant and equipment	**—**	—	19
goodwill	**8**	—	786
other intangible assets	**4**	—	83
net assets	**29**	—	23
deferred taxation	**(1)**	—	(12)
other liabilities	**(9)**	—	41
foreign currency translation reserve realised	**10**	—	220
	41	—	1 160
Consideration transferred	**—**	—	112
Non-controlling interests	**(10)**	—	(17)
Existing control business combination reserve	**(1)**	—	(30)
Gain on disposal	**24**	—	2 204
shown as part of continuing operations	**24**	—	263
shown as part of discontinued operations	**—**	—	1 941
Selling price	**54**	—	3 429
Net cash in subsidiaries and businesses disposed of	**(37)**	—	(178)
Shares received as settlement	**—**	—	(468)
Loan settled	**—**	—	575
Net cash inflow from disposals of subsidiaries and businesses	**17**	—	3 358

32. ACQUISITION OF AND ADDITIONAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Included in acquisition of and additional investments in associates of US$1 277.0m (2018: US$1 923.5m and 2017: US$231.4m) are the following: Swiggy US$716.4m, BYJU US$383.2m, Frontier Car Group US$89.4m, Honor US$35.0m, PaySense US$11.5m and other acquisitions of US$41.5m (2018: Delivery Hero US$1 343.0m, MakeMyTrip US$155.0m, Swiggy US$121.0m, Remitly US$100.0m, Kreditech US$99.0m, FlipKart US$71.0m, Joymode US$11.2m, Brainly US$9.3m and other acquisitions of US$13.5m and 2017: Brainly US$13.0m, Codecademy US$22.0m, Udemy US$70.0m, MakeMyTrip US$91.6m and other acquisitions of US$35.8m). These investments were classified as investments in associates.

Included in acquisition of and additional investments in joint ventures of US$17.8m (2018: US$17.4m and 2017: US$25.6m) is El Cochinero US$8.8m and THL MIH Limited US$7.8m and other additional investments of US$1.2m (2018: WeChat US$6.5m, Sympla US$4.6m, El Cochinero US$4.3m and Silver Brazil JVCo US$2.0m and 2017: Silver Brazil JVCo US$11.6m and other acquisitions of US$13.5m). These investments were classified as investments in joint ventures.

33. SHORT-TERM INVESTMENTS

The carrying values of short-term investments as at 31 March 2019 are shown below.

	Weighted average interest rate	31 March 2019 US$'m	2018 US$'m	2017 US$'m
Money-market investments	2.9%	**6 967**	—	—
Accrued interest income		**70**	—	—
		7 037	—	—

The money-market investments of US$6.97bn (2018: US$nil, 2017: US$nil) are denominated in US dollar.

The above investments have maturity dates (from the date of acquisition) of between three and 12 months and have accordingly not been disclosed as part of cash and cash equivalents.

Short-term investments are classified as financial assets at amortised cost. Due to their short-term nature, the carrying values of these investments are considered to be a reasonable approximation of their fair values. None of the group's short-term investments were past due or subject to significant impairment allowances as at 31 March 2019.

Short-term investments are held by entities that have the same functional currencies as the currencies in which the investments are denominated and accordingly do not give rise to foreign currency risk. Due to the nature of short- term investments, there is an insignificant exposure to price risk.

Refer to note 36 for further information regarding the credit risk of short-term investments.

34. CASH AND CASH EQUIVALENTS

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Cash at bank and on hand	**1 221**	478	616
Short-term bank deposits[(1)]	**910**	10 331	2 593
Bank overdrafts	**(8)**	(1)	—
	2 123	10 808	3 209
Restricted cash			
The following cash balances are restricted from immediate use:			
Africa	**4**	3	2
Europe	**100**	82	61
Other	**29**	37	19
Total restricted cash	**133**	122	82

(1) The group invested a significant portion of its cash and cash equivalents in short-term cash investments during the year. Refer to note 33 for further details.

Restricted cash is still included in cash and cash equivalents due to the fact that it mostly relates to cash held on behalf of customers.

35. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decisionmaker (CODM) in order to allocate resources to the segments and to assess their performance. The CODM has been identified as the group's executive directors, who make strategic decisions. The Prosus N.V. group will have the same governance structures as its ultimate controlling parent, Naspers Limited. It will have the same board and management oversight, including the same individuals comprising the CODM. Accordingly, the CODM for Naspers Limited will be the same CODM for the Prosus N.V. group. The segments of the Prosus N.V. group will be the same as that reported by Naspers Limited, excluding the ecommerce businesses in South Africa as well as the video-entertainment and media businesses which do not form part of the Prosus N.V. group.

The group proportionately consolidates its share of the results of its associated companies and joint ventures in its reportable segments. This is considered to be more reflective of the economic value of these investments and corresponds to the manner in which the CODM assesses segmental performance.

The group has identified its operating segments based on its business by service or product as follows: social and internet platforms and ecommerce. Below are the types of services and products from which each segment generates revenue:

Ecommerce—the group operates internet platforms to provide various services and products. These platforms and communities offer ecommerce. The reportable segments within ecommerce include classifieds, payments and fintech, food delivery, etail, travel and other ecommerce.

- *Classifieds*—the group operates a number of leading online classifieds platforms comprising general classifieds (such as OLX and letgo) and verticals (automotive and real estate verticals) in more than 40 markets globally.

- *Payments and fintech*—operates one of the largest mobile and online payment platforms in 18 markets through PayU, an online payment services provider. This segment also includes the group's fintech and credit interests via associates and subsidiaries.

- *Food delivery*—the group invests in leading global online food ordering and delivery platforms operating in regions including India, Latin America and across Europe, Asia and the Middle East through its investments in Delivery Hero and iFood.

- *Etail*—comprises the group's etail subsidiaries (eMAG) and, up to the first half of 2019, the group's associate Flipkart. The group's operations are spread across Central and Eastern Europe, South Africa and India.

- *Travel*—the group through its investment in MakeMyTrip in India operates a platform for online travel services including flight tickets and hotel reservations.

- *Other ecommerce*—this segment comprises the group's online comparison shopping interests as well as its mobile and other content businesses.

Social and internet platforms—The group's holds listed investments in social and internet platforms through Tencent, China's largest and most used internet services platform and Mail.ru, the leading internet company in Russian speaking markets.

Corporate—this segment comprises entities providing various corporate functions and activities.

Sales between the above segments are eliminated in the "Eliminations" column. The revenue from external parties and all other items of income, expenses, profits and losses reported in the segment report is measured in a manner consistent with that in the income statement. EBITDA, as presented in the segmental report, refers to earnings before interest, tax, depreciation, amortisation and cash-settled share-based payment expenses.

The revenues from external customers for each major group of products and services are disclosed in note 22. The group is not reliant on any one major customer as the group's products are consumed by the general public in a large number of countries.

35. SEGMENT INFORMATION (CONTINUED)

	Revenue Year ended 31 March 2019		
	US$'m	US$'m	US$'m
	External	Inter-segmental	Total
Ecommerce	**3 596**	**—**	**3 596**
—Classifieds	**857**	**—**	**857**
—Payments and fintech	**354**	**6**	**360**
—Food delivery	**377**	**—**	**377**
—Etail	**1 529**	**—**	**1 529**
—Travel	**233**	**1**	**234**
—Other	**246**	**(7)**	**239**
Social and internet platforms	**14 744**	**—**	**14 744**
—Tencent	**14 457**	**—**	**14 457**
—Mail.ru	**287**	**—**	**287**
Corporate	**—**	**—**	**—**
Total economic interest	**18 340**	**—**	**18 340**
Less: Equity-accounted investments	**(15 686)**	**—**	**(15 686)**
Total combined	**2 654**	**—**	**2 654**

35. SEGMENT INFORMATION (CONTINUED)

	Revenue Year ended 31 March					
	2018			2017		
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
	External	Inter-segmental	Total	External	Inter-segmental	Total
Continuing operations						
Ecommerce	3 342	—	3 342	2 518	33	2 551
—Classifieds	614	—	614	409	10	419
	288	6	294	142	44	186
—Food delivery	166	—	166	54	—	54
—Etail	1 837	1	1 838	1 585	9	1 594
—Travel	211	—	211	120	3	123
—Other and eliminations	226	(7)	219	208	(33)	175
Social and internet platforms	12 281	—	12 281	7 692	—	7 692
—Tencent	12 024	—	12 024	7 506	—	7 506
—Mail.ru	257	—	257	186	—	186
Corporate	—		—	—	—	—
Total economic interest from continuing operations	15 623	—	15 623	10 210	33	10 243
Less: Equity-accounted investments	(13 320)	—	(13 320)	(8 375)	—	(8 375)
Eliminations	—		—	—	(33)	(33)
Total combined from continuing operations	2 303	—	2 303	1 835	—	1 835
Total combined from discontinued operations (refer to note 28)	—	—	—	327	—	327
Total combined	2 303	—	2 303	2 162	—	2 162

35. SEGMENT INFORMATION (CONTINUED)

	Year ended 31 March 2019					
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
	Total revenue	COPS and SGA[1]	EBITDA	Depreciation	Amortisation of software	Trading (loss)/profit
Ecommerce	3 596	(4 095)	(499)	(36)	(17)	(552)
—Classifieds	857	(847)	10	(13)	(3)	(6)
—Payments and fintech	360	(399)	(39)	(4)	—	(43)
—Food delivery	377	(539)	(162)	(4)	(5)	(171)
—Etail	1 529	(1 616)	(87)	(13)	(1)	(101)
—Travel	234	(270)	(36)	(1)	—	(37)
—Other	239	(424)	(185)	(1)	(8)	(194)
Social and internet platforms	14 744	(10 375)	4 369	(400)	(17)	3 952
—Tencent	14 457	(10 133)	4 324	(388)	(7)	3 929
—Mail.ru	287	(242)	45	(12)	(10)	23
Corporate	—	(14)	(14)	(1)	(2)	(17)
Total economic interest	18 340	(14 484)	3 856	(437)	(36)	3 383
Less: Equity-accounted investments	(15 686)	11 571	(4 115)	412	20	(3 683)
Total combined	2 654	(2 913)	(259)	(25)	(16)	(300)

(1) Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.

35. SEGMENT INFORMATION (CONTINUED)

	Year ended 31 March 2018					
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
	Total revenue	COPS and SGA[1]	EBITDA	Depreciation	Amortisation of software	Trading (loss)/profit
Ecommerce	3 342	(3 941)	(599)	(44)	(9)	(652)
—Classifieds	614	(720)	(106)	(13)	(1)	(120)
—Payments and fintech	294	(354)	(60)	(3)	(1)	(64)
—Food delivery	166	(186)	(20)	(6)	(4)	(30)
—Etail	1 838	(2 044)	(206)	(16)	(1)	(223)
—Travel	211	(270)	(59)	(2)	—	(61)
—Other and eliminations	219	(367)	(148)	(4)	(2)	(154)
Social and internet platforms	12 281	(8 284)	3 997	(255)	(16)	3 726
—Tencent	12 024	(8 099)	3 925	(245)	(5)	3 675
—Mail.ru	257	(185)	72	(10)	(11)	51
Corporate	—	(14)	(14)	—	—	(14)
Total economic interest	15 623	(12 239)	3 384	(299)	(25)	3 060
Less: Equity-accounted investments	(13 320)	9 582	(3 738)	275	17	(3 446)
Total combined	2 303	(2 657)	(354)	(24)	(8)	(386)

(1) Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.

35. SEGMENT INFORMATION (CONTINUED)

	Year ended 31 March 2017					
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
	Total revenue	COPS and SGA[1]	EBITDA	Depreciation	Amortisation of software	Trading (loss)/profit
Continuing operations						
Ecommerce	2 551	(3 375)	(824)	(33)	(9)	(866)
—Classifieds	419	(740)	(321)	(8)	(1)	(330)
—Payments and fintech	186	(252)	(66)	(2)	(1)	(69)
—Food delivery	54	(49)	5	—	—	5
—Etail	1 594	(1 830)	(236)	(19)	(3)	(258)
—Travel	123	(210)	(87)	(1)	—	(88)
—Other and eliminations	175	(294)	(119)	(3)	(4)	(126)
Social and internet platforms	7 692	(4 728)	2 964	(191)	(12)	2 761
—Tencent	7 506	(4 618)	2 888	(183)	(4)	2 701
—Mail.ru	186	(110)	76	(8)	(8)	60
Corporate	—	(14)	(14)	—	—	(14)
Total economic interest from continuing operations	10 243	(8 117)	2 126	(224)	(21)	1 881
Less: Equity-accounted investments	(8 375)	5 598	(2 777)	204	13	(2 560)
Eliminations	(33)	33	—	—	—	—
Total combined from continuing operations	1 835	(2 486)	(651)	(20)	(8)	(679)
Total combined from discontinued operations (refer to note 28)	327	(183)	144	(5)	(2)	137
Total combined	2 162	(2 669)	(507)	(25)	(10)	(542)

(1) Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.

35. SEGMENT INFORMATION (CONTINUED)

Additional disclosure

	Year ended 31 March 2019		
	US$'m	US$'m	US$'m
	Impairment of assets	Remeasurement of written put option liabilities	Share of equity-accounted results
Ecommerce	**(7)**	**53**	**(252)**
—Classifieds	**—**	**86**	**5**
—Payments and fintech	**—**	**3**	**(29)**
—Food delivery	**—**	**—**	**(66)**
—Etail	**(2)**	**7**	**(43)**
—Travel	**(1)**	**—**	**(73)**
—Other	**(4)**	**(43)**	**(46)**
Social and internet platforms	**(806)**	**—**	**3 661**
—Tencent	**(799)**	**—**	**3 696**
—Mail.ru	**(7)**	**—**	**(35)**
Total reportable segments	**(813)**	**53**	**3 409**
Less: Equity-accounted investments[1]	**806**	**—**	**—**
Total	**(7)**	**53**	**3 409**

(1) All associates' and joint ventures' results are accounted for using the equity method.

35. SEGMENT INFORMATION (CONTINUED)

	Year ended 31 March 2018			Year ended 31 March 2017			
	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m	US$'m
	(Impairment)/ reversal of impairment of assets	Remeasurement of written put option liabilities	Share of equity-accounted results	Impairment of assets	Remeasurement of written put option liabilities	Impairment of goodwill	Share of equity-accounted results
Ecommerce	(34)	(252)	(333)	(23)	(622)	(5)	(190)
—Classifieds	(9)	(228)	(5)	—	(483)	—	(19)
—Payments and fintech	—	(6)	(16)	—	(4)	—	(1)
—Food delivery	(1)	—	(36)	—	—	—	—
—Etail	(22)	(23)	(145)	(23)	(35)	(3)	(151)
—Travel	(7)	—	(103)	—	—	—	—
—Other	5	5	(28)	—	(100)	(2)	(19)
Social and internet platforms	(141)	—	3 625	(236)	—	—	2 047
—Tencent	(141)	—	3 616	(236)	—	—	2 037
—Mail.ru	—	—	9	—	—	—	10
Corporate	—	—	—	(1)	—	—	—
Total reportable segments	(175)	(252)	3 292	(260)	(622)	(5)	1 857
Less: Equity-accounted investments[(1)]	148	—	—	237	—	—	—
Total	(27)	(252)	3 292	(23)	(622)	(5)	1 857

(1) All associates' and joint ventures' results are accounted for using the equity method.

35. SEGMENT INFORMATION (CONTINUED)

Trading profit/(loss) as presented in the segment disclosure is the CODM's measure of each segment's operational performance. A reconciliation of the segmental trading profit/(loss) to operating profit/(loss) and profit before tax as reported in the income statement is provided below:

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
Trading loss from continuing operations per segment report	**(300)**	(386)	(679)
Adjusted for:			
Amortisation of other intangible assets	**(78)**	(89)	(96)
Other (losses)/gains—net	**(40)**	(27)	(25)
Retention option expense	**(11)**	(7)	(1)
Share-based incentives calculated on a cash-settled basis[(1)]	**35**	(77)	6
Share-based incentives settled in Naspers Limited shares[(2)]	**(24)**	(29)	(23)
Operating loss per the income statement	**(418)**	(615)	(818)
Interest received	**265**	34	17
Interest paid	**(200)**	(195)	(200)
Other finance income/(costs)—net	**114**	(330)	(638)
Share of equity-accounted results	**3 408**	3 292	1 857
(Impairment)/reversal of impairment of equity-accounted investments	**(88)**	(46)	1
Dilution (losses)/gains on equity-accounted investments	**(182)**	9 224	(119)
Gains on acquisitions and disposals	**1 610**	30	249
Profit before taxation per the income statement	**4 509**	11 394	349

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

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

35. SEGMENT INFORMATION (CONTINUED)

Geographical information

The group operates in five main geographical areas:

Africa—The group derives revenues primarily from payments and fintech and classifieds services and products.

Asia—The group's activities comprise its interests in internet activities based in China, India, Thailand and Singapore.

Europe—The group's activities comprise its interest in internet activities based in Central and Eastern Europe and Russia. Furthermore, the group generates revenue from services provided by subsidiaries based in the Netherlands.

Latin America—The group's activities comprise its interests in internet activities based in Brazil and other Latin American countries.

Other—Includes the group's provision of various products and internet services located mainly in Australia and the United States of America.

	Africa US$'m	Latin America US$'m	Asia US$'m	Europe US$'m	Other US$'m	Total US$'m
March 2019						
External consolidated revenue	**31**	**423**	**215**	**1 895**	**90**	**2 654**
External proportionately consolidated revenue[(1)]	**31**	**469**	**15 270**	**2 431**	**139**	**18 340**
March 2018						
External consolidated revenue	13	372	168	1 679	71	2 303
External proportionately consolidated revenue[(1)]	13	410	13 097	2 006	97	15 623
March 2017						
External consolidated revenue from continuing operations	3	272	172	1 334	54	1 835
External proportionately consolidated revenue from continuing operations[(1)]	3	298	8 304	1 529	76	10 210

(1) Revenue includes the group's proportionate share of associates' and joint ventures' external revenue.

Revenue is allocated to a country based on the location of subscribers or users/customers.

36. FINANCIAL RISK MANAGEMENT

Financial risk factors

The group's activities expose it to a variety of financial risks such as market risk (including currency risk, fair-value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. These include the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. The group's overall risk management programme seeks to minimise the potential adverse effects of financial risks on its financial performance. The group uses derivative financial instruments, such as forward exchange contracts and interest rate swaps, to hedge certain risk exposures.

Risk management is carried out by management under policies approved by the board of directors and its risk management committee. Management identifies, evaluates and, where appropriate, hedges financial risks. The various boards of directors within the group provide written policies, in line with the overall group policies, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and the investment of excess liquidity.

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk. A substantial portion of the group's revenue is denominated in the currencies of the countries in which it operates.

Following the acquisition of the group's interests in Delivery Hero SE and Kreditech Holding SSL GmbH during the 2018 financial year (refer to note 2), the group is exposed to significant foreign exchange translation risk as a result of these investments being euro denominated.

To hedge its exposure to the foreign currency translation risk arising on translation of certain of the group's euro denominated equity-accounted investments to the group's US dollar presentation currency, the group entered into a cross-currency interest rate swap agreement. The cross-currency interest rate swap agreement has been designated as a net investment hedge.

The cross-currency interest rate swap matures in July 2025 and on maturity the group will exchange €700m for US$786.5m. The group has designated only the spot exchange rate element of the cross-currency interest rate swap as forming part of the hedging relationship. The hedge ratio is 1:1.

During the current year, total gains of US$89.9m (2018: losses of US$122.9m and 2017: US$nil) were recognised on the cross-currency interest rate swap agreement. Gains of US$77.3m (2018: US$53.4m and 2017: US$nil) have been recognised in the foreign currency translation reserve relating to the net investment hedge. Gains of US$12.6m (2018: losses of US$69.5m and 2017: US$nil) were recognised as part of "Other finance (costs)/income—net" in the income statement. This relates to the element of the cross-currency interest rate swap not designated as part of the hedging relationship.

The group has entered into an agreement, maturing within the next 12 months, to exchange US$180m for HKD1.41bn (Hong Kong dollars) at an average exchange rate US$/HKD 7.82.

The group does not apply hedge accounting with respect to any of its forward exchange contracts outstanding as at 31 March 2019.

Where the group has surplus funds offshore, the treasury policy is to spread the funds between more than one currency to limit the effect of foreign exchange rate fluctuations and to generate the highest possible interest income. As at 31 March 2019 the group had a net cash balance of US$9.16bn (2018: US$10.81bn and 2017: US$3.21bn). These funds are largely denominated in US dollar which is also the functional currency of the relevant group subsidiary in which the cash is held.

Foreign currency sensitivity analysis

The group's presentation currency is the US dollar, but as it operates internationally, it is exposed to a number of currencies, of which the exposure to the US dollar, euro, Indian rupee and Russian rouble is the most significant. The group is also exposed to the Chinese yuan renminbi and Brazil real, albeit to a lesser extent. For purposes of the below analysis,

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

Foreign exchange risk (continued)

financial instruments are only considered sensitive to foreign exchange rates when they are not denominated in the functional currency of the group entity holding the relevant financial instrument.

The sensitivity analysis details the group's sensitivity to a 10% decrease (2018 and 2017: 10% decrease) in the Indian rupee and Russian rouble against the US dollar as well as a 10% increase of the US dollar against the euro (2018 and 2017: 10% increase of the US dollar against the euro). These movements would result in a US$52.2m decrease in net profit after tax for the year (2018: US$75.1m increase and 2017: US$1.3m increase). Total equity would decrease by US$89.0m (2018: US$72.1m decrease and 2017: US$51.4m increase).

This analysis includes only outstanding foreign currency denominated monetary assets and liabilities (i.e. those monetary assets and liabilities denominated in a currency that differs from the relevant group company's functional currency) and adjusts their translation at the period-end for the above percentage changes in foreign currency rates. The sensitivity analysis includes external loans, as well as loans to foreign operations within the group, but excludes translation differences due to translating from functional currency to presentation currency. The analysis has been adjusted for the effect of hedge accounting.

Foreign exchange rates

The exchange rates used by the group to translate foreign entities' income statements, statements of comprehensive income and statements of financial position are as follows:

	31 March 2019		31 March 2018		31 March 2017	
	Average rate	Closing rate	Average rate	Closing rate	Average rate	Closing rate
Currency (1FC = US$)						
South African rand	**0.0723**	**0.0690**	0.0774	0.0845	0.0713	0.0745
Euro	**1.1537**	**1.1218**	1.1786	1.2323	1.0940	1.0652
Chinese yuan renminbi	**0.1485**	**0.1490**	0.1517	0.1594	0.1483	0.1452
Brazilian real	**0.2622**	**0.2548**	0.3097	0.3026	0.3061	0.3202
Indian rupee	**0.0143**	**0.0145**	0.0155	0.0154	0.0149	0.0154
Polish zloty	**0.2684**	**0.2606**	0.2794	0.2922	0.2516	0.2517
Russian rouble	**0.0153**	**0.0152**	0.0173	0.0175	0.0159	0.0178

The average rates listed above are only approximate average rates. The group measures separately the transactions of each of its material operations, using the particular currency of the primary economic environment in which the operation conducts its business, translated at the prevailing exchange rate on the transaction date.

The below table details the group's unhedged liabilities that are denominated in a currency other than the functional currency of the settling entity:

	31 March 2019		31 March 2018		31 March 2017	
	Currency amount of liabilities 'm	US$'m	Currency amount of liabilities 'm	US$'m	Currency amount of liabilities 'm	US$'m
Uncovered liabilities						
US dollar	**32**	**32**	31	31	1	1
British pound	**1**	**1**	1	1	—	—
Euro	**8**	**9**	13	17	40	42
Polish zloty	**—**	**—**	—	—	1	—
Indian rupee	**—**	**—**	192	3	—	—
Other	**—**	**—**		8	2	1

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

Derivative financial instruments

The following table details the group's derivative financial instruments:

	31 March 2019		31 March 2018		31 March 2017	
	Assets US$'m	Liabilities US$'m	Assets US$'m	Liabilities US$'m	Assets US$'m	Liabilities US$'m
Current portion						
Forward exchange contracts	—	**3**	2	—	—	4
Shareholders' liabilities	—	—	—	—	—	12
Interest rate and cross-currency swaps	—	—	—	1	—	6
	—	**3**	2	1	—	22
Non-current portion						
Derivatives embedded in leases	**1**	—	1	—	—	—
Interest rate and cross-currency swaps	—	**33**	—	123	—	2
	1	**33**	1	123	—	2
Total	**1**	**36**	3	124	—	24

The group's forward exchange contracts and interest rate swaps are subject to master netting arrangements that allow for offsetting of asset and liability positions with the same counterparty in the event of default. None of the group's forward exchange contracts, cross-currency or interest rate swap agreements have been offset in the statement of financial position.

Credit risk

The group is exposed to credit risk relating to the following financial assets measured at amortised cost:

Trade receivables and accrued income balances

Trade receivables consist primarily of invoiced amounts from normal trading activities. The group has a diversified customer base across various geographical areas. Various credit checks are performed on new debtors to determine the quality of their credit history. These checks are also performed on existing debtors with long-overdue accounts. Furthermore, current debtors are monitored to ensure they do not exceed their credit limits.

The group's trade receivables arise mainly in its etail, classifieds and online content businesses as well as, but to a lesser extent, from its online comparison shopping and payments businesses. Average payment terms vary considerably between the group's businesses, given the diverse nature of their operations. Average payment terms, however, generally do not exceed 60 days from date of invoice.

Accrued income balances relate to unbilled revenue that has been earned and have substantially similar risk characteristics as trade receivables. Accrued income balances arise mainly in the group's etail businesses and are included within "Other receivables" in the statement of financial position.

The group applies the simplified approach mandated by IFRS 9 *Financial Instruments* when measuring impairment loss allowances related to trade receivables and accrued income balances and accordingly the group's impairment allowances on these financial assets equal, at all times, the credit losses expected to arise over the lifetime of these financial assets.

In measuring credit losses expected to arise over the lifetime of trade receivables and accrued income balances, financial assets are grouped according to their shared credit characteristics and aging profile.

The quantification of credit losses expected to arise over the lifetime of trade receivables and accrued income balances is based on (i) the group's actual observed historical loss experience/rates within each business and (ii) forward-looking information that is considered predictive of future credit losses within each business.

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

The historical loss experience/rates that are taken into account when determining impairment allowances is determined with reference to representative sales periods within each businesses (typically not shorter than 12 months) and the credit losses incurred over that period.

Forward-looking information considered in measuring lifetime expected credit losses include macroeconomic factors, with the most significant factors considered being inflation and unemployment rate increases as these are considered to most significantly affect the future ability of the group's customers to settle their accounts as they fall due for payment. All forward-looking information considered is specific to the economy that most significantly affects the underlying customer's ability to repay the relevant amount due. Due to the group's diverse operations, the forward- looking information considered and the values assigned to forward-looking information when calculating impairment allowances vary by business type and country in which the customer is located.

Related party loans and receivables

Related party loans and receivables consist primarily of balances with a number of entities under the common control of Naspers Limited, the group's ultimate controlling parent, as well as with certain associates of the group. These financial assets are considered by nature to be trade receivables and accordingly are subject to the simplified impairment methodology outlined in IFRS9.

Other receivables

Credit risk related to other receivables arises mainly from accrued income balances, merchant and bank receivables and disposal proceeds receivable.

Accrued income

The credit risk profile and impairment methodology applied to accrued income balance that are included within "Other receivables" in the statement of financial position is outlined above.

Merchant and bank receivables

Merchant and bank receivables balances relate to transactions, primarily in the group's payments and fintech and food delivery segments, where the group facilitates the payment process between the end consumer and the provider of goods and services (i.e. the merchant).

Impairment allowances are established on merchant and bank receivables by considering the group's historical loss experience/rates as well as forward-looking information. The group also considers whether the underlying counterparty is a new or recurring customer. The credit risk inherent in merchant and bank receivables is also reduced by the group's right to offset amounts receivable from counterparties against the corresponding amounts payable to banks and other merchants (refer to note 20) in the event of default. An average payment terms of 30 days generally apply to merchant and bank receivables.

As at 31 March 2019, an impairment allowance of US$6.5m has been recognised with respect to merchant and bank receivables

Disposal proceeds receivable

Disposal proceeds receivable relate to amounts held in escrow following disposals of group businesses to external parties. These amounts are generally held in escrow by the relevant purchaser as security for the group's warranty and indemnity obligations in terms of disposal agreements.

The group assesses, on a continuing basis, whether a significant increase in credit risk has taken place with respect to the relevant underlying counterparty. At 31 March 2019, impairment allowances related to disposal proceeds receivable were not significant.

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

Cash and cash equivalents, short-term investments and derivative assets

The group is exposed to certain concentrations of credit risk relating to its cash, short-term investments and derivative assets. There are no significant concentrations of credit risk relating to derivative financial assets. The group places these instruments mainly with major banking groups and high-quality institutions that have high credit ratings. The group's treasury policy is designed to limit exposure to any one institution and to invest excess cash in low-risk investment accounts. As at 31 March 2019, 2018 and 2017 the group held the majority of its cash and cash equivalents, short-term investments and derivative assets with local and international banks with a 'Baa1' credit rating or higher. The majority of the group's short-term investments are placed with international banks with an 'A1' credit rating (Moody's International's long-term deposit rating). The credit standings of counterparties that are used by the group are evaluated on a continuous basis.

Total impairment losses on financial assets at amortised cost

Total impairment losses (net of reversals) recorded on financial assets measured at amortised cost amounted to US$12.5m as at 31 March 2019.

Previous accounting policy and methodology regarding impairment of financial assets at amortised cost

The group adopted IFRS 9 *Financial Instruments* for the first time during the current year (refer to note 1) and has applied IFRS 9's requirements, including those relating to impairment of financial assets at amortised cost, on a prospective basis from the beginning of the 2019 financial year. Impairment allowances for 2018 and 2017 were accordingly determined in accordance with the group's previously applied guidance as contained in IAS 39 *Financial Instruments: Recognition and Measurement.* In terms of IAS 39, impairment allowances were determined in terms of an incurred loss model and the group assessed, at each reporting date (or earlier when such assessment was prompted) whether there was objective evidence that a financial asset or group of financial assets may be impaired. The impairment loss was measured as the difference between the financial asset's carrying amount and the present value of the estimated future cash flows that were expected to be recovered.

Liquidity risk

Prudent liquidity risk management implies, among other aspects, maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The facilities expiring within one year are subject to renewal at various dates during the next year. The group had the following unutilised banking facilities as at 31 March 2019, 2018 and 2017:

	31 March		
	2019 US$'m	**2018 US$'m**	**2017 US$'m**
On call	**35**	12	9
Expiring within one year	**25**	5	16
Expiring beyond one year	**2 510**	2 500	2 505
	2 570	2 517	2 530

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

The following analysis details the remaining contractual maturity of the group's non-derivative and derivative financial liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to settle the liability. The analysis includes both interest and principal cash flows.

	31 March 2019				
	Carrying value US$'m	Contractual cash flows US$'m	0–12 months US$'m	1–5 years US$'m	5 years + US$'m
Non-derivative financial liabilities					
Interest-bearing: Capitalised finance leases	**(8)**	**(9)**	**(3)**	**(6)**	**—**
Interest-bearing: Loans and other liabilities	**(3 247)**	**(4 198)**	**(185)**	**(1 632)**	**(2 381)**
Non-interest-bearing: Loans and other liabilities	**(11)**	**(11)**	**(9)**	**(2)**	**—**
Other non-current liabilities	**(538)**	**(538)**	**—**	**(538)**	**—**
Trade payables	**(244)**	**(244)**	**(244)**	**—**	**—**
Accrued expenses and other current liabilities[(1)]	**(852)**	**(852)**	**(852)**	**—**	**—**
Related party loans and payables	**(39)**	**(39)**	**(37)**	**(2)**	**—**
Bank overdrafts	**(8)**	**(8)**	**(8)**	**—**	**—**
Derivative financial assets/(liabilities)					
Forward exchange contracts—inflow	**—**	**179**	**179**	**—**	**—**
Forward exchange contracts—outflow	**(1)**	**(180)**	**(180)**	**—**	**—**
Cross-currency interest rate swap—inflow	**—**	**1 063**	**43**	**172**	**848**
Cross-currency interest rate swap—outflow	**(33)**	**(1 115)**	**(29)**	**(125)**	**(961)**

(1) Includes written put liabilities—refer to note 18.

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

	31 March 2018				
	Carrying value US$'m	Contractual cash flows US$'m	0–12 months US$'m	1–5 years US$'m	5 years + US$'m
Non-derivative financial liabilities					
Interest-bearing: Capitalised finance leases	(10)	(11)	(3)	(8)	—
Interest-bearing: Loans and other liabilities	(3 216)	(4 338)	(189)	(1 565)	(2 584)
Non-interest-bearing: Loans and other liabilities	(58)	(58)	(50)	(8)	—
Other non-current liabilities	(867)	(867)	—	(867)	—
Trade payables	(290)	(290)	(290)	—	—
Accrued expenses and other current liabilities	(1 976)	(1 976)	(1 976)	—	—
Related party loans and payables	(27)	(27)	(22)	(5)	—
Bank overdrafts	(1)	(1)	(1)	—	—
Derivative financial assets/(liabilities)					
Forward exchange contracts—inflow	2	3	3	—	—
Forward exchange contracts—outflow	—	(1)	(1)	—	—
Cross-currency interest rate swap—inflow	—	1 106	43	172	891
Cross-currency interest rate swap—outflow	(124)	(1 289)	(33)	(138)	(1 119)

	31 March 2017				
	Carrying value Restated US$'m	Contractual cash flows Restated US$'m	0–12 months Restated US$'m	1–5 years Restated US$'m	5 years + Restated US$'m
Non-derivative financial liabilities					
Interest-bearing: Loans and other liabilities	(2 898)	(3 704)	(858)	(1 415)	(1 431)
Non-interest-bearing: Loans and other liabilities	(23)	(23)	(23)	—	—
Other non-current liabilities	(1 708)	(1 708)	—	(1 699)	(9)
Trade payables	(254)	(254)	(254)	—	—
Accrued expenses and other current liabilities	(838)	(838)	(838)	—	—
Related party loans and payables	(31)	(31)	(27)	(4)	—
Derivative financial assets/(liabilities)					
Forward exchange contracts—inflow	—	86	86	—	—
Forward exchange contracts—outflow	(4)	(90)	(90)	—	—
Shareholders' liabilities	(12)	(12)	(12)	—	—
Interest rate swaps	(8)	(8)	(6)	(2)	—

Interest rate risk

As part of the process of managing the group's fixed and floating borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Where appropriate, the group uses derivative financial instruments, such as interest rate swap agreements, purely for hedging purposes. The fair value of these instruments will not change significantly as a result of changes in interest rates due to their short-term nature and floating interest rates.

The group had an interest rate swap agreement in place with respect to its revolving credit facility (US$2.5bn facility which is fully undrawn as at 31 March 2019). This interest rate swap agreement commenced on 29 February 2016, had a notional value of US$500m and carried interest at 2.37%. This interest rate swap expired on 31 October 2018.

The fair values of the group's interest rate swaps amounted to a net liability of US$1.0m (2017: net liability of US$7.9m) as at 31 March 2018.

Refer to note 17 for the interest rate profiles and repayment terms of long-term liabilities as at 31 March 2019, 2018 and 2017.

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk (continued)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non- derivative instruments at the statement of financial position date (after taking into account the effect of hedge accounting) and the stipulated change taking place at the beginning of the next financial year and held constant throughout the reporting period in the case of instruments that have floating rates. The group is mainly exposed to interest rate fluctuations of the American, European and London repo rates. Management's best estimate of the possible change in these interest rates is an increase of 100 basis points (2018 and 2017: 100 basis points).

If interest rates changed as stipulated above and all other variables were held constant, specifically foreign exchange rates, the group's net profit after tax and total equity for the year ended 31 March 2019 would increase by US$77.7m (2018: increase on net profit (and equity) by US$1.4m and 2017: increase on net profit (and equity) by US$4.7m).

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	31 March 2019			
	Carrying value US$'m	Net gains/ (losses) recognised in profit or loss US$'m	Total interest income US$'m	Impairment US$'m
Assets				
Investments and loans	**47**	**(27)**	**—**	**—**
Investments in convertible notes of associates	**—**	**(27)**	**—**	**—**
Financial assets at fair value through other comprehensive income[1][2]	**47**	**—**	**—**	**—**
Receivables and loans	**433**	**(15)**	**—**	**13**
Trade receivables	**135**	**(3)**	**—**	**6**
Other receivables	**279**	**(1)**	**—**	**7**
Foreign currency intergroup receivables	**—**	**(11)**	**—**	**—**
Related party receivables	**19**	**—**	**—**	**—**
Derivative financial instruments	**1**	**—**	**—**	**—**
Derivatives embedded in leases	**1**	**—**	**—**	**—**
Short-term investments	**7 037**	**—**	**70**	**—**
Cash and cash equivalents	**2 131**	**16**	**195**	**—**
Total	**9 649**	**(26)**	**265**	**13**

(1) During the period a gain of US$9.0m was recognised in other comprehensive income with respect to the group's financial assets at fair value through other comprehensive income.

(2) Previously referred to as available-for-sale investments in terms of IAS 39 Financial Instruments: Recognition and measurements.

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	31 March 2019		
	Carrying value US$'m	Net gains/ (losses) recognised in profit or loss US$'m	Total interest expense US$'m
Liabilities			
Long-term liabilities	**3 784**	**113**	**187**
Interest-bearing: Capitalised finance leases	**5**	**—**	**—**
Interest-bearing: Loans and other liabilities	**3 237**	**—**	**187**
Non-interest-bearing: Loans and other liabilities	**2**	**—**	**—**
Other non-current liabilities	**538**	**113**	**—**
Related party loans and payables	**2**	**—**	**—**
Short-term payables and loans	**1 155**	**(23)**	**1**
Interest-bearing: Capitalised finance leases	**3**	**—**	**—**
Interest-bearing: Loans and other liabilities	**10**	**(1)**	**1**
Non-interest-bearing: Loans and other liabilities	**9**	**3**	**—**
Trade payables	**244**	**(1)**	**—**
Accrued expenses and other current liabilities	**852**	**(27)**	**—**
Related party loans and payables	**37**	**—**	**—**
Foreign currency intergroup payables	**—**	**3**	**—**
Derivative financial instruments	**36**	**15**	**—**
Forward exchange contracts	**3**	**2**	**—**
Cross-currency interest swap	**33**	**13**	**—**
Bank overdrafts	**8**	**—**	**10**
Total	**4 983**	**105**	**198**

The carrying values of all financial instruments, apart from those disclosed below, are considered to be a reasonable approximation of their fair values.

The fair values of the following instruments that are not measured at fair value have been disclosed as their carrying values are not a reasonable approximation of fair value:

Financial liabilities	Carrying value US$'m	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
31 March 2019					
Publicly traded bonds	**3 200**	**3 350**	**—**	**3 350**	**—**
31 March 2018					
Publicly traded bonds	3 200	3 357	—	3 357	—
31 March 2017					
Publicly traded bonds	2 900	3 041	—	3 041	—

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	31 March 2018			
	Carrying value US$'m	Net gains/ (losses) recognised in profit or loss US$'m	Total interest income US$'m	Impairment US$'m
Assets				
Investments and loans	62	—	—	—
Investments in convertible notes of associates[1]	32	—	—	—
Available-for-sale investments[2]	30	—	—	—
Receivables and loans[1]	393	(3)	5	13
Trade receivables	169	(4)	—	12
Other receivables	198	—	1	—
Related party receivables and loans	26	1	4	1
Derivative financial instruments[3]	3	—	—	—
Forward exchange contracts	2	—	—	—
Derivatives embedded in leases	1	—	—	—
Cash and cash equivalents[1]	10 809	(11)	29	—
Total	11 267	(14)	34	13

(1) Measured at amortised cost.

(2) Measured at fair value through other comprehensive income. During the period a gain of US$1.0m was recognised in other comprehensive income with respect to the group's available-for-sale investments.

(3) Measured at fair value through profit or loss.

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	31 March 2018		
	Carrying value US$'m	Net gains/ (losses) recognised in profit or loss US$'m	Total interest expense US$'m
Liabilities			
Long-term liabilities[1]	4 087	(74)	192
Interest-bearing: Capitalised finance leases	7	—	—
Interest-bearing: Loans and other liabilities	3 202	—	190
Non-interest-bearing: Loans and other liabilities	7	—	—
Other non-current liabilities	867	(74)	—
Related party loans and payables	4	—	2
Short-term payables and loans[1]	2 361	(167)	3
Interest-bearing: Capitalised finance leases	3	—	—
Interest-bearing: Loans and other liabilities	14	1	—
Non-interest-bearing: Loans and other liabilities	51	—	—
Trade payables	290	1	—
Accrued expenses and other current liabilities	1 976	(166)	3
Related party loans and payables	27	(3)	—
Derivative financial instruments[2]	124	(73)	—
Forward exchange contracts	—	(3)	—
Interest rate and cross-currency swaps	124	(70)	—
Bank overdrafts[1]	1	—	—
Total	6 573	(314)	195

(1) Measured at amortised cost.

(2) Measured at fair value through profit or loss.

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	31 March 2017			
	Carrying value US$'m	Net gains/ (losses) recognised in profit or loss US$'m	Total interest income US$'m	Impairment US$'m
Assets				
Investments and loans	49	—	—	—
Investments in convertible notes of associates[1]	13	—	—	—
Available-for-sale investments[2]	30	—	—	—
Related party loans[1]	6	—	—	—
Receivables and loans[1]	233	(3)	4	16
Trade receivables	138	—	1	2
Other receivables	71	(1)	1	—
Related party receivables and loans	24	(2)	2	14
Cash and cash equivalents[1]	3 209	9	12	—
Total	3 491	6	16	16

(1) Measured at amortised cost.

(2) Measured at fair value through other comprehensive income.

	31 March 2017		
	Carrying value US$'m	Net gains/ (losses) recognised in profit or loss US$'m	Total interest expense US$'m
Liabilities			
Long-term liabilities[1]	3 906	(519)	192
Interest-bearing: Loans and other liabilities	2 198	1	192
Other non-current liabilities	1 708	(520)	—
Short-term payables and loans[1]	1 842	(122)	5
Interest-bearing: Loans and other liabilities	700	—	—
Non-interest-bearing: Loans and other liabilities	23	(1)	—
Trade payables	254	—	—
Accrued expenses and other current liabilities	838	(115)	3
Related party payables and loans	27	(6)	2
Derivative financial instruments[2]	24	1	—
Forward exchange contracts	4	(1)	—
Shareholders' liabilities	12	(2)	—
Interest rate swap	8	4	—
Total	5 772	(640)	197

(1) Measured at amortised cost.

(2) Measured at fair value through profit or loss.

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The group categorises fair-value measurements into levels 1 to 3 of the fair value hierarchy based on the degree to which the inputs used in measuring fair value are observable:

- Level 1 fair-value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair-value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). The fair value of financial instruments that are not traded in active markets (for example, derivatives such as interest rate swaps, forward exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in level 2.

- Level 3 fair-value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Level 2 fair-value measurements

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

- *Interest rate and cross currency swaps*—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.

Level 3 fair-value measurements

- *Shareholders' liabilities*—relate predominantly to derivative financial instruments contained in shareholders' agreements to which the group is a party. Where relevant, such derivative financial instruments are valued using option pricing models as well as discounted cash flow analyses. Significant inputs vary between agreements but include: the current fair value of the underlying share over which the instrument is written, the strike price of the option, risk-free interest rates, calculated volatilities and the period to exercise.

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

Instruments not measured at fair value for which fair value is disclosed

- *Level 2*—the fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments at the reporting date. As the instruments are not actively traded, this is a level 2 disclosure.

- *Level 3*—the fair values of all level 3 disclosures have been determined through the use of discounted cash flow analyses. Key inputs include current market interest rates as well as contractual cash flows.

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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

	31 March 2019			
	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
Assets				
Financial assets at fair value through other comprehensive income	**47**	**—**	**3**	**44**
Derivatives embedded in leases	**1**	**—**	**—**	**1**
Total	**48**	**—**	**3**	**45**
Liabilities				
Forward exchange contracts	**3**	**—**	**3**	**—**
Earn-out obligations	**6**	**—**	**—**	**6**
Cross-currency interest rate swap	**33**	**—**	**33**	**—**
Total	**42**	**—**	**36**	**6**

	31 March 2018			
	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
Assets				
Available-for-sale investments	2	—	2	—
Derivatives embedded in leases	1	—	—	1
Forward exchange contracts	2	—	2	—
Total	5	—	4	1
Liabilities				
Earn-out obligations	55	—	—	55
Cross-currency interest rate swap	123	—	123	—
Total	178	—	123	55

	31 March 2017			
	Fair value US$'m	Level 1 US$'m	Level 2 US$'m	Level 3 US$'m
Assets				
Available-for-sale investments	2	—	2	—
Total	2	—	2	—
Liabilities				
Forward exchange contracts	4	—	4	—
Shareholders' liabilities	12	—	—	12
Earn-out obligations	23	—	—	23
Interest rate swaps	6	—	6	—
Total	45	—	10	35

There were no transfers between level 1 and level 2 during any period presented.

38. EQUITY COMPENSATION BENEFITS

The group had various equity compensation plans in operation during the financial year, the majority of which are classified as cash-settled. In terms of these plans, employees are offered awards in the form of either share options, restricted stock units (RSUs) or share appreciation rights (SARs).

All awards are granted subject to the completion of a requisite service (vesting) period by employees, ranging from one year to five years. Unvested awards are subject to forfeiture on termination of employment. Vesting takes place in tranches depending on the duration of the total vesting period.

In respect of the share options and SARs on exercise date, following completion of the vesting period, awards are settled with employees in the equity instruments of subsidiaries of the Prosus Group for equity-settled plans and in cash or other assets (including shares of the Naspers Limited group) for cash-settled plans, where applicable.

With respect to certain share option plans in which the group's employees participate, awards are settled with employees by the relevant share trust/option plan and the Prosus Group does not have any obligation to settle these award with employees. Such awards are classified as equity-settled.

In respect of RSUs, awards are automatically settled in Naspers Limited equity instruments on the vesting date.

All share options are granted with an exercise price of not less than 100% of the market value or fair value of the respective company's shares on the date of the grant. RSUs are granted with an exercise price of zero. All SARs are granted with an exercise price of not less than 100% of the fair value of the SARs on the date of the grant. All unvested share options/RSUs/SARs are subject to forfeiture upon termination of employment. All cancelled options/RSUs/SARs are cancelled by mutual agreement between the employer and employee.

Although the group has various equity compensation plans in operation, disclosure is provided only for those plans that had the most significant impact on the group's income statement during the current year.

The following share option and RSU plans were in operation during the financial year:

Share option plan/RSU plan	Maximum awards permissible[1]	Vesting period[2]	Period to expiry from date of offer	IFRS 2 classification
Group				
MIH Services FZ LLC Share Trust (MIH Services)	Note 3	a[3]	10 years	Equity-settled
Naspers Restricted Stock Plan Trust (Naspers RSU)	Note 4	a	Note 5	Equity-settled
Social and internet platforms				
MIH Russia Internet B.V. Share Trust	10%	c	10 years	Equity-settled
Ecommerce				
OLX B.V. Share Trust	15%	b	7 years and 3 months	Cash-settled
Ambatana Holdings B.V. 2016 Stock Option Plan	5%	a	10 years	Cash-settled
MIH Buscapé Holdings B.V. 2012 Share Trust	15%	c	10 years	Cash-settled
Buscapé Company Brasil Holdings B.V. Share Option Scheme	15%	a	10 years	Cash-settled
MIH In Loco Holdings B.V. share option plan	1%	a	10 years	Equity-settled

38. EQUITY COMPENSATION BENEFITS (CONTINUED)

iFood.com Share Option Scheme (iFood)	10%	c	10 years	Equity-settled
Movile Internet Movel S.A. 2013 Share Trust	10%	c	10 years	Equity-settled
Dante International S.A. (eMAG) Share Option Scheme	10%	c	10 years	Cash-settled
MMC PlayKids Holding B.V. Share Option Scheme	15%	c	10 years	Cash-settled
Rapiddo Agencia de Servicos de Entriga Rapida Limiteda Stock Option Scheme	10%	a	10 years	Cash-settled

The group provides detailed disclosure for those share option and RSU plans that are considered significant to the combined carve-out financial statements.

Notes in relation to the group's share option and RSU plans:

(1) The percentage reflected in this column is the maximum percentage of the respective companies' issued share capital that is available for the plan.

(2) Vesting period: a One quarter vests after years one, two, three and four.

b One third vests after years three, four and five.

c One fifth vests after years one, two, three, four and five.

(3) The vesting period for options granted after 25 August 2017 is one quarter vesting after years one, two, three and four. Options granted before 25 August 2017 vest over three, four and five years respectively.

(4) The Naspers Restricted Stock Plan Trust may issue no more than 200 000 awards in aggregate during any one financial year.

(5) Awards are automatically settled with participants on the vesting date.

The following share appreciation rights plans were in operation during the financial year:

Share appreciation rights plans	Maximum awards permissible[1]	Vesting period[2]	Period to expiry from date of offer	IFRS 2 classification
Social and internet platforms				
MIH China/MIH TC 2008 SAR Scheme	10%	c	5 years and 14 days	Cash-settled
Ecommerce				
Netrepreneur Connections Enterprises Inc (OLX Philippines) SAR Scheme	13%	c	10 years	Cash-settled
MIH Internet SEA Private Limited SAR Scheme	15%	c	10 years	Cash-settled

38. EQUITY COMPENSATION BENEFITS (CONTINUED)

MIH Food Holdings B.V. SAR Scheme	5%	b	10 years	Cash-settled
MIH India Food Holdings B.V. SAR Scheme	10%	b	10 years	Cash-settled
Avito AB SAR Scheme (Avito)	5%	b	10 years	Cash-settled
CEE Classifieds SAR Scheme	10%	c	10 years	Cash-settled
FixeAds B.V. SAR Scheme	10%	c	10 years	Cash-settled
Tokobagus Exploitatie B.V. SAR Scheme	15%	c	10 years	Cash-settled
Dubizzle Limited SAR Scheme	10%	c	10 years	Cash-settled
Flipkart Limited SAR Scheme	5%	c	10 years	Cash-settled
Naspers Fintech B.V. SAR Scheme (Naspers Fintech) .	15%	c	10 years	Cash-settled
Naspers Global Classifieds SAR Scheme (Naspers Global Classifieds)	Note 3	c	10 years	Cash-/equity- settled
Naspers Global Ecommerce SAR Scheme (Naspers Global Ecommerce)	Note 3	c	10 years	Cash-/equity- settled
Naspers Global Online Services SAR Scheme	Note 3	c	10 years	Cash-/equity- settled
Naspers Ventures B.V. SAR Scheme	10%	d	10 years	Cash-settled
SimilarWeb Limited SAR Scheme	5%	c	10 years	Cash-settled
Property24 SAR Scheme	15%	c	10 years	Cash-settled
Dante International S.A. SAR Scheme	2.5%	b	10 years	Cash-settled

The group provides detailed disclosure for those share appreciation rights plans that are considered significant to the financial statements.

Notes in relation to the group's share appreciation rights plans:

(1) The percentage reflected in this column is the maximum percentage of the respective companies issued/notional share capital that is available for the plan.

(2) Vesting period: a One third vests after years three, four and five.

b One quarter vests after years one, two, three and four.

c One fifth vests after years one, two, three, four and five.

38. EQUITY COMPENSATION BENEFITS (CONTINUED)

d One quarter vests after years two, three, four and five.

(3) The Naspers Global Classifieds, Naspers Global Ecommerce and Naspers Global Online Services SAR schemes may collectively issue no more than 5% of the then total notional shares of all the underlying assets as recorded in the most recent pro forma capitalisation tables. The majority of awards in these schemes are equity-settled.

Movements in terms of the group's significant share option and RSU plans are as follows:

	31 March 2019		
	Naspers RSU	MIH Services	iFood
Shares			
Outstanding at 1 April	**108 407**	**2 185 008**	**65 984**
Granted	**82 721**	**326 880**	**26 590**
Exercised	**(43 693)**	**(200 183)**	**(8 162)**
Forfeited	**(46 915)**	**(35 134)**	**(12 580)**
Outstanding at 31 March	**100 520**	**2 276 571**	**71 832**
Available to be implemented at 31 March	**—**	**1 498 368**	**23 080**

Weighted average exercise price	(SA rand)	(SA rand)	(BRL)
Outstanding at 1 April	**—**	**1 332.29**	**881.82**
Granted	**—**	**3 082.67**	**3 984.58**
Exercised	**—**	**1 242.04**	**358.04**
Forfeited	**—**	**2 619.97**	**1 079.25**
Outstanding at 31 March	**—**	**1 492.14**	**2 055.31**
Available to be implemented at 31 March	**—**	**948.08**	**736.96**
Weighted average share price of options taken up during the year			
Shares	**43 693**	**200 183**	**8 162**
Weighted average share price	**3 094.60**	**3 099.02**	**3 984.58**

Movements in terms of the group's significant share option and RSU plans are as follows:

	31 March 2018		
	Naspers RSU	MIH Services	iFood
Shares			
Outstanding at 1 April	99 604	2 340 315	94 990
Granted	50 568	252 898	11 487
Exercised	(27 127)	(390 796)	(1 627)
Forfeited	(14 638)	(16 292)	(38 866)
Expired	—	(1 117)	—
Outstanding at 31 March	108 407	2 185 008	65 984
Available to be implemented at 31 March	—	1 148 260	22 975

Weighted average exercise price	(SA rand)	(SA rand)	(BRL)
Outstanding at 1 April	—	973.72	461.47
Granted	—	2 945.66	2 233.05
Reduction in strike price	—	(2.05)	—
Exercised	—	193.13	73.73
Forfeited	—	1 977.23	287.65
Expired	—	182.00	—
Outstanding at 31 March	—	1 332.29	881.82
Available to be implemented at 31 March	—	776.58	423.32
Shares	27 127	390 796	1 627
Weighted average share price	3 109.23	3 127.84	2 465.00

38. EQUITY COMPENSATION BENEFITS (CONTINUED)

	31 March 2017		
Shares			
Outstanding at 1 April	93 643	2 274 456	73 824
Granted	86 888	265 715	24 128
Exercised	(47 803)	(179 727)	—
Forfeited	(33 124)	(20 129)	(2 962)
Outstanding at 31 March	99 604	2 340 315	94 990
Available to be implemented at 31 March	—	1 131 780	28 596

Weighted average exercise price	(SA rand)	(SA rand)	(BRL)
Outstanding at 1 April	—	773.64	220.31
Granted	—	2 235.36	1 221.85
Exercised	—	274.86	—
Forfeited	—	1 260.92	628.28
Outstanding at 31 March	—	973.72	461.47
Available to be implemented at 31 March	—	469.84	162.70
Shares	47 803	179 727	—
Weighted average share price	2 187.01	2 137.52	—

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2019			
	Avito	Naspers Global Classifieds	Naspers Global Ecommerce	Naspers Fintech
SARs				
Outstanding at 1 April	**500 883**	**17 157 432**	**11 881 092**	**1 292 869**
Granted	**326 407**	**7 486 846**	**1 365 536**	**350 713**
Exercised	**(37 789)**	**(2 701 047)**	**(398 763)**	**(230 250)**
Forfeited	**(113 232)**	**(1 857 849)**	**(268 118)**	**(142 389)**
Outstanding at 31 March	**676 269**	**20 085 382**	**12 579 747**	**1 270 943**
Available to be implemented at 31 March	**93 874**	**5 534 311**	**7 649 628**	**360 394**

Weighted average exercise price	(US$)	(US$)	(US$)	(US$)
Outstanding at 1 April	**69.13**	**5.99**	**17.73**	**44.69**
Granted	**82.03**	**8.50**	**33.43**	**75.16**
Exercised	**61.62**	**5.44**	**18.66**	**42.11**
Forfeited	**70.30**	**7.39**	**26.67**	**46.74**
Outstanding at 31 March	**75.58**	**6.87**	**19.21**	**53.34**
Available to be implemented at 31 March	**69.11**	**5.37**	**16.40**	**43.00**
Weighted average share price of options taken up during the year				
Shares	**37 789**	**2 701 047**	**398 763**	**230 250**
Weighted average share price	**82.03**	**8.50**	**32.38**	**75.16**

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2018			
	Avito	Naspers Global Classifieds	Naspers Global Ecommerce	Naspers Fintech
SARs				
Outstanding at 1 April	—	13 154 364	10 542 951	1 463 562
Granted	605 429	6 253 259	1 580 021	288 153
Exercised	(18 740)	(516 830)	(186 331)	(167 894)
Forfeited	(85 806)	(1733 361)	(55 549)	(290 952)
Outstanding at 31 March	500 883	17 157 432	11 881 092	1 292 869
Available to be implemented at 31 March	15 363	3 929 738	5 588 826	331 547

38. EQUITY COMPENSATION BENEFITS (CONTINUED)

Weighted average exercise price	(US$)	(US$)	(US$)	(US$)
Outstanding at 1 April	—	5.23	16.32	40.99
Granted	73.04	7.62	27.19	58.44
Exercised	54.86	5.35	17.42	40.98
Forfeited	58.21	6.30	19.67	41.84
Outstanding at 31 March	69.13	5.99	17.73	44.69
Available to be implemented at 31 March	54.86	4.80	15.96	41.09
Weighted average share price of options taken up during the year				
Shares	18 740	516 830	186 331	167 894
Weighted average share price	73.04	7.64	27.68	58.44

	31 March 2017			
	Avito	Naspers Global Classifieds	Naspers Global ecommerce	Naspers Fintech
SARs				
Outstanding at 1 April	—	8 523 139	9 779 686	1 188 028
Granted	—	5 474 734	865 988	597 885
Exercised	—	(109 960)	(62 299)	(141 246)
Forfeited	—	(733 549)	(40 424)	(181 105)
Outstanding at 31 March	—	13 154 364	10 542 951	1 463 562
Available to be implemented at 31 March	—	1 897 587	3 632 489	261 121

Weighted average exercise price	(US$)	(US$)	(US$)	(US$)
Outstanding at 1 April	—	4.56	15.96	41.00
Granted	—	6.15	20.45	40.92
Exercised	—	4.68	16.57	40.03
Forfeited	—	4.40	18.10	41.55
Outstanding at 31 March	—	5.23	16.32	40.99
Available to be implemented at 31 March	—	4.35	15.78	41.09
Weighted average share price of options taken up during the year				
Shares	—	109 960	62 299	141 246
Weighted average share price	—	6.15	23.36	40.92

38. EQUITY COMPENSATION BENEFITS (CONTINUED)

Share option allocations outstanding and currently available to be implemented at 31 March 2019 by exercise price for the group's significant share incentive plans:

	Share options outstanding			Share options currently available	
Exercise prices	Number outstanding at 31 March 2019	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2019	Weighted average exercise price
MIH Services (SA rand)					
142.88 to 195.93	**253 264**	0.10	151.01	**253 264**	151.01
197.88 to 271.30	**32 078**	2.12	230.64	**32 078**	230.64
303.89 to 482.59	**119 602**	3.31	421.35	**119 602**	421.35
661.88 to 886.69	**43 513**	4.33	699.52	**43 513**	699.52
1 046.88 to 1 272.66	**935 546**	5.03	1 064.44	**910 657**	1 058.75
1 302.89 to 1 378.67	**12 373**	5.64	1 369.94	**8 173**	1 368.51
1 477.88 to 1 634.84	**75 703**	6.42	1 620.31	**29 517**	1 614.73
1 700.53 to 1 770.05	**17 341**	6.64	1 735.22	**5 820**	1 735.38
1 817.89 to 1 886.88	**40 957**	7.05	1 832.58	**14 946**	1 826.63
1 931.85 to 1 992.88	**10 214**	7.30	1 979.65	**415**	1 991.88
2 056.88 to 2 340.52	**212 577**	7.32	2 134.80	**1 855**	2 323.52
2 429.53 to 2 945.89	**244 428**	8.53	2 803.70	**60 969**	2 827.39
3 017.00 to 3 213.98	**268 927**	9.25	3 102.82	**15 600**	3 135.67
3 463.98 to 3 809.00	**10 048**	9.02	3 596.58	**1 959**	3 700.39
	2 276 571			**1 498 368**	
iFood					
73.73 to 408.64	**21 271**	6.00	303.94	**14 928**	296.60
1 221.85 to 2 233.05	**24 871**	8.02	1 560.37	**7 752**	1 417.39
3 984.58	**25 690**	9.51	3 984.58	**400**	3 984.58
	71 832			**23 080**	

38. EQUITY COMPENSATION BENEFITS (CONTINUED)

Share appreciation rights allocations outstanding and currently available to be implemented at 31 March 2019 by exercise price for the group's significant share incentive plans:

	SARs outstanding			SARs currently available	
Exercise prices	Number outstanding at 31 March 2019	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2019	Weighted average exercise price
Avito (US$)					
54.86 to 82.03	**676 269**	8.85	75.58	**93 874**	69.11
Naspers Global Classifieds (US$)					
3.54 to 7.64	**13 254 033**	7.24	6.03	**5 534 311**	5.37
8.50	**6 831 349**	9.32	8.50	**—**	—
	20 085 382			**5 534 311**	
Naspers Global Ecommerce (US$)					
15.58 to 23.61	**9 874 555**	5.71	16.22	**7 360 485**	15.97
27.25 to 28.20	**1 456 889**	8.39	27.32	**289 143**	27.32
31.42 to 33.78	**1 248 303**	9.28	33.42	**—**	—
	12 579 747			**7 649 628**	
Naspers Fintech (US$)					
39.10 to 58.44	**928 847**	7.19	45.30	**360 394**	43.00
75.16	**342 096**	9.30	75.16	**—**	—
	1 270 943			**360 394**	

Share option and RSU plan grants made during the year relating to the group's significant plans:

	31 March 2019		
	Naspers RSU (SA rand)	MIH Services (SA rand)	iFood (BRL)
Weighted average fair value at measurement date	**3 140.09**	**1 111.81**	**1 906.92**
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:			
Weighted average share price	**—**	**3 113**	**3 985**
Weighted average exercise price	**—**	**3 113**	**3 985**
Weighted average expected volatility (%)*	**—**	**34.0%**	**37.9%**
Weighted average option life (years)	**2.5**	**10.0**	**10.0**
Weighted average dividend yield (%)	**0.2%**	**0.2%**	**—**
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	**—**	**8.4%**	**7.7%**
Weighted average annual suboptimal rate (%)	**—**	**340%**	**100%**
Weighted average vesting period (years)	**2.5**	**2.5**	**3.0**

* The weighted average expected volatility of all share options listed above is determined using historical daily share prices.

Various early exercise expectations were calculated based on historical exercise behaviours.

38. EQUITY COMPENSATION BENEFITS (CONTINUED)

Share option and RSU plan grants made during the year relating to the group's significant plans:

	Naspers RSU (SA rand)	MIH Services (SA rand)	iFood (BRL)
31 March 2018			
Weighted average fair value at measurement date	2 694.02	914.03	921.67
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:			
Weighted average share price	—	2 946	2 233
Weighted average exercise price	—	2 946	2 233
Weighted average expected volatility (%)*	—	26.2%	28.1%
Weighted average option life (years)	4.0	10.0	10.0
Weighted average dividend yield (%)	0.2%	0.2%	—
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	—	7.9%	7.6%
Weighted average annual suboptimal rate (%)	—	318%	100%
Weighted average vesting period (years)	2.5	2.5	3.0
31 March 2017			
Weighted average fair value at measurement date	2 305.32	960.82	462.34
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:			
Weighted average share price	—	2 235	1 222
Weighted average exercise price	—	2 235	1 222
Weighted average expected volatility (%)*	—	32.3%	41.8%
Weighted average option life (years)	2.0	10.0	10.0
Weighted average dividend yield (%)	0.3%	0.3%	—
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	—	8.4%	8.1%
Weighted average annual suboptimal rate (%)	—	316%	100%
Weighted average vesting period (years)	2.5	4.0	3.0

* The weighted average expected volatility of all share options listed above is determined using historical daily share prices.

Various early exercise expectations were calculated based on historical exercise behaviours.

Share appreciation rights plan grants made during the year relating to the group's significant plans:

	Avito (US$)	Naspers Global Classifieds (US$)	Naspers Global Ecommerce (US$)	Naspers Fintech (US$)
31 March 2019				
Weighted average fair value at measurement date	26.61	2.72	13.07	27.81
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average SAR price	82.03	8.50	33.63	75.16
Weighted average exercise price	82.03	8.50	33.63	75.16
Weighted average expected volatility (%)*	29.9%	29.2%	38.0%	35.3%
Weighted average option life (years)	10.0	10.0	10.0	10.0
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	2.8%	2.8%	2.9%	2.9%
Weighted average annual suboptimal rate (%)	100.0%	100.0%	100.0%	100.0%
Weighted average vesting period (years)	2.5	2.5	2.5	2.5

* The weighted average expected volatility of all share options listed above is determined using historical daily share prices.

Various early exercise expectations were calculated based on historical exercise behaviours.

38. EQUITY COMPENSATION BENEFITS (CONTINUED)

Share appreciation rights plan grants made during the year relating to the group's significant plans:

	Avito (US$)	Naspers Global Classifieds (US$)	Naspers Global Ecommerce (US$)	Naspers Fintech (US$)
31 March 2018				
Weighted average fair value at measurement date	23.35	2.11	6.77	17.40
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average SAR price	68.13	7.62	27.19	58.44
Weighted average exercise price	68.13	7.62	27.19	58.44
Weighted average expected volatility (%)*	32.9%	23.8%	20.7%	26.4%
Weighted average option life (years)	10.0	10.0	10.0	10.0
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	2.1%	2.3%	2.2%	2.2%
Weighted average annual suboptimal rate (%)	100.0%	100.0%	100.0%	100.0%
Weighted average vesting period (years)	2.5	3.0	3.0	3.0
31 March 2017				
Weighted average fair value at measurement date	—	1.93	6.23	12.57
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average SAR price	—	6.15	20.45	40.92
Weighted average exercise price	—	6.15	20.45	40.92
Weighted average expected volatility (%)*	—	29.8%	28.7%	28.2%
Weighted average option life (years)	—	10.0	10.0	10.0
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	—	1.5%	1.4%	1.8%
Weighted average annual suboptimal rate (%)	—	100.0%	100.0%	100.0%
Weighted average vesting period (years)	—	3.0	3.0	3.0

* The weighted average expected volatility of all share options listed above is determined using historical daily share prices.

Various early exercise expectations were calculated based on historical exercise behaviours.

Liabilities arising from share-based payment transactions

The following liabilities have been recognised in the statement of financial position relating to the group's cash-settled share-based payment obligations:

	31 March		
	2019 US$'m	2018 US$'m	2017 US$'m
Share-based payment liability			
Total carrying amount of cash-settled share-based payment liability	204	201	141
Current portion of share-based payment liability (refer to note 20)	(168)	(164)	(113)
Non-current portion of share-based payment liability	36	37	28

39. SUBSEQUENT EVENTS

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

In July 2019 the group acquired the majority stake in Red Dot Payment Private Limited (**Red Dot**) in South East Asia for US$45m. The company is an online payment company providing premium payment solutions and expertise to merchants across the Asia Pacific. Following this investment the group has a 72% effective interest (66% fully diluted) in Red Dot. The group will account for the acquisition of its interest in Red Dot as a business combination and will classify the investment as an investment in a subsidiary.

In July 2019 the group invested US$66m for a 100% effective and fully diluted interest in Wibmo, Inc. (**Wibmo**) a digital payment company providing payment security, mobile payment solutions and processing services in India. The group will account for the acquisition of its interest in Wibmo as a business combination and will classify the investment as an investment in a subsidiary.

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

In August 2019 the group exchanged its 43% interest in its online travel associate MakeMyTrip Limited for a 6% effective interest in Trip.com Group Limited (formerly Ctrip.com International Limited) (**Trip.com**), a well-known provider of online travel and related services headquartered in China. The group will classify its interest in Trip.com as an investment at fair value through other comprehensive income .

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

In October 2019 the group concluded the merger of Dante International Korlátolt Felelősségű Társaság (eMAG Hungary), its Hungarian operations with operations of Ed Group Vagyonkezelő Korlátolt Felelősségű Társaság (**Extreme Digital**), one of the leading marketers in Hungary. The group contributed the operations of its subsidiary eMAG Hungary as well as US$1m cash with an aggregate value of US$13m. Following the merger, eMAG is the majority shareholder, with an effective interest of 52% in the newly merged entity. The group will account for its interest in Extreme Digital as a business combination and will classify the investment as an investment in subsidiary.

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

In October 2019 the group disposed of its 100% effective interest in its subsidiary BuscPé Company Informaçao e Technologia Limitada for US$15m.

In December 2019 the group invested US$134m in cash and contributed its Subsidiary PayU Turkey to acquire a 90% effective and fully diluted interest in İyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (**iyzico**), a leading payment service provider in Turkey. The group will account for the acquisition of its interest in iyzico as a business combination and will classify the investment as an investment in a subsidiary.

In December 2019 the group invested an additional US$163m in PaySense Private Limited (**PaySense**), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. Prior to this transaction the group held 21% in PaySense and it was accounted for as an investment in an associate. Following this additional investment, the group now holds a 79% effective and fully diluted interest in PaySense. The

39. SUBSEQUENT EVENTS (CONTINUED)

group will account for its interest in PaySense as a business combination and will classify the investment as an investment in subsidiary.

In December 2019 the group invested US$320m in cash and contributed a portion of its investment in subsidiaries India Used Car Group B.V. (IUCG) and Poland Used Car Group B.V. (PUCG) for an additional interest in Frontier Car Group (**FCG**). FCG is a used car marketplace in emerging markets providing consumers with access to buy used cars. Prior to this transaction the group held 33% effective interest (32% fully diluted) in FCG and it was accounted for as an investment in an associate. Following this additional investment, the group holds an 84% effective interest (83% fully diluted) in FCG. The group will account for its interest in FCG as a business combination and will classify the investment as an investment in subsidiary.

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

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

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

In March 2020 MIH Movile Holding B.V. (Movile) signed an agreement to sell its subsidiary Wavy Global Holdings B.V. (**Wavy**) to Stockholm-based customer engagement platform Sinch AB in exchange for cash of approximately US$68m (approximately BRL 355m) and a 2.70% equity investment in Sinch AB. The transaction is subject to regulatory approval. The group expects to account for its interest in Sinch AB as an investment at fair value through other comprehensive income.

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

Independent auditor's report on the combined carve-out financial statements

To the directors of Prosus N.V.

Our opinion

Prosus N.V. will issue a prospectus (the "Prospectus") in preparation for the issue of notes under a Global Medium Term Note Programme by Prosus N.V. (the "Prosus Group").

In our opinion, the combined carve-out financial statements as set out on page F-145 through F-259 of the Prospectus (the "combined carve-out financial statements") give a true and fair view of the combined financial position of the Prosus Group as at 31 March 2019, 31 March 2018 and 31 March 2017, its combined financial results, and combined cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("EU-IFRS").

What we have audited

We have audited the Prosus Group's combined carve-out financial statements, which comprise:

- the combined statement of financial position as at 31 March 2019, 31 March 2018 and 31 March 2017;
- the combined income statement for the years then ended;
- the combined statement of comprehensive income for the years then ended;
- the combined statement of changes in equity for the years then ended;
- the combined statement of cash flows for the years then ended; and
- the notes to the combined carve-out financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Our responsibilities for the audit of the combined carve-out financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Prosus Group in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa.



We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

Purpose of this report

This report has been prepared for the purpose of the Prospectus and for no other purpose.

Emphasis of matter

We draw attention to the fact that, as described in note 1 of the combined carve-out financial statements, the Prosus Group did not operate as an entity separate from Naspers Limited in the past. Therefore, these combined carve-out financial statements may not be indicative of the Prosus Group's future performance and what its combined results of operations, financial position and cash flows would have been, had the Prosus Group operated as a separate entity from Naspers Limited for the periods presented. Rather than the legal structure, the economic activities under common management and the perimeter agreed as the structure of the future Prosus Group have been considered the main factors in determining the perimeter of the combined carve-out financial statements.

Furthermore, the combined carve-out financial statements and our audit report thereon are intended solely for presenting the financial position, results of operations and cash flows of the Prosus Group on a stand-alone basis in accordance with the purpose included in note 1 of the combined carve-out financial statements and for no other purpose.

Responsibilities of the directors for the combined carve-out financial statements

The directors of Prosus N.V. are responsible for the preparation and fair presentation of the combined carve-out financial statements in accordance with EU-IFRS, and for such internal control as the directors determine is necessary to enable the preparation of combined carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined carve-out financial statements, the directors of Prosus N.V. are responsible for assessing the Prosus Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Prosus Group or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the combined carve-out financial statements

Our objectives are to obtain reasonable assurance about whether the combined carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated historical financial information.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of

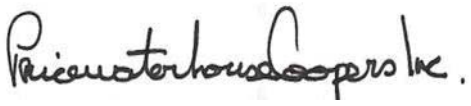


not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Prosus Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of Prosus N.V.
- Conclude on the appropriateness of the directors of Prosus N.V. use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Prosus Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the combined carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Prosus Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined carve-out financial statements, including the disclosures, and whether the combined carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Prosus Group to express an opinion on the combined carve-out financial statements. We are responsible for the direction, supervision and performance of the Prosus Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of Prosus N.V. regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of Prosus N.V. with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



PricewaterhouseCoopers Inc.
Director: Brendan Deegan
Registered Auditor
Cape Town, South Africa
29 June 2020

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